TRI ORIGIN EXPLORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
DECEMBER 31, 2017

(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Tri Origin Exploration Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and six months ended December 31, 2017 have not been reviewed by the Company's auditors.

TRI ORIGIN EXPLORATION LTD.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	December 31, 2017	June 30, 2017
Assets		
Current assets		
Cash	$ 51,422	$ 113,397
Accounts receivable	8,635	2,747
Prepaid	3,069	3,547
Investment in Heron Resources Ltd. (Note 4)	169,740	333,255
Total current assets	232,866	452,946
Exploration and evaluation assets (note 5)	2,311,973	2,285,949
Equipment (note 4)	-	2,145
Total Assets	$ 2,544,839	$ 2,741,040
Equity and Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	$ 54,982	$ 64,145
Funds on deposit	59,669	66,020
Promissory note payable (note 7)	300,000	300,000
Total Liabilities	414,651	430,165
Equity		
Share capital (note 8(b))	21,479,092	21,479,092
Warrants (note 9)	86,050	185,950
Equity portion of convertible debenture (note 9)	17,393	17,393
Contributed surplus	1,911,537	1,811,637
Deficit	(21,363,884)	(21,183,197)
Total equity	2,130,188	2,310,875
Total Liabilities and Equity	$ 2,544,839	$ 2,741,040

Nature of operations and going concern (note 1)

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

Approved by the Board of Directors:

President and Director: Dr. Robert Valliant

Director: Mr. Jean-Pierre Janson

TRI ORIGIN EXPLORATION LTD.

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Expenses				
General and administrative costs (note 13)	$ 106,090	$ 67,023	$ 165,680	$ 127,287
Finance charges (note 14)	6,050	27,212	12,099	69,190
Write-off of equipment	-	-	1,691	-
Loss before other items	(112,140)	(94,235)	(179,470)	(196,477)
Other Items				
Unrealized gain (loss) on investments (note 4)	129,238	(83,222)	66,753	(104,142)
Realized gain (loss) on investments (note 4)	(100,180)	223	(100,180)	30,354
Realized flow-through share premium	-	21,400	-	45,400
Other income (note 5)	14,717	39,480	32,210	50,262
Total other items	43,775	(22,119)	(1,217)	21,874
Net loss and comprehensive loss for the period	$ (68,365)	$ (116,354)	$ (180,687)	$ (174,603)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	99,372,306	97,628,306	99,372,306	94,140,306

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

TRI ORIGIN EXPLORATION LTD.

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital	Warrant reserve	Equity portion of convertible debenture	Contributed surplus reserve	Deficit	Total
Balance, June 30, 2016	$ 20,981,380	$ 99,900	$ 17,393	$ 1,838,135	$ (17,797,600)	$ 5,139,208
Shares issued pursuant to private placement	545,750	86,050	-	-	-	631,800
Flow-through share premium	(21,400)	-	-	-	-	(21,400)
Cancellation of stock options	-	-	-	-	-	-
Share issue costs	(26,638)	-	-	-	-	(26,638)
Expired options	-	-	-	(10,800)	10,800	-
Stock-based compensation	-	-	-	4,430	-	4,430
Net loss for the period	-	-	-	-	(174,603)	(174,603)
Balance, December 31, 2016	$ 21,479,092	$ 185,950	$ 17,393	$ 1,831,765	$ (17,961,403)	$ 5,552,797
Balance, June 30, 2017	$ 21,479,092	$ 185,950	$ 17,393	$ 1,811,637	$ (21,183,197)	$ 2,310,875
Expiration of warrants	-	(99,900)	-	99,900	-	-
Net loss for the period	-	-	-	-	(180,687)	(180,687)
Balance, December 31, 2017	$ 21,479,092	$ 86,050	$ 17,393	$ 1,911,537	$ (21,363,884)	$ 2,130,188

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

TRI ORIGIN EXPLORATION LTD.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Operating Activities		
Net loss for the period	$ (180,687)	$ (174,603)
Amortization	454	429
Accretion charges on promissory note	-	4,999
Net realized and unrealized loss in investments	33,427	(9,211)
Realized flow-through share premium	-	(24,000)
Write-off of equipment	1,691	-
Share-based payments	-	2,038
	(145,115)	(200,348)
Changes in non-cash working capital		
Accounts receivable	(2,783)	(31,261)
Prepaid	478	-
Accounts payable and accrued liabilities	(9,163)	(23,343)
Deposit for exploration funding	(6,351)	(115,890)
Cash used in operating activities	(162,934)	(370,842)
Investing Activities		
Expenditures on exploration and evaluation assets	(26,024)	(205,127)
Expenditures on equipment	-	(498)
Proceeds from investments	126,983	266,453
Cash (used in) provided by investing activities	100,959	60,828
Financing Activities		
Repayment of secured debenture	-	(300,000)
Cash used in financing activities	-	(300,000)
Change in cash during the period	(61,975)	(610,014)
Cash, beginning of the period	113,397	500,801
Cash, end of the period	$ 51,422	$ (109,213)

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

1. Nature of operations and going concern

Tri Origin Exploration Ltd. (the "Company" or "TOE") was incorporated on June 6, 1989 under the Business Corporations Act (Ontario). The Company is a publicly held company engaged principally in the acquisition and exploration of mineral properties in the Canadian Shield, Canada.

The accompanying financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company has a net loss of $180,687 for the six months ended December 31, 2017 (six months ended December 31, 2016 – income of $174,603) and a deficit of $21,363,884 as at December 31, 2017 (June 30, 2017 - $21,183,197). The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable business. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. There is no assurance that these initiatives will be successful and as a result there is significant doubt regarding application of the going concern assumption.

On December 31, 2017, the Company had a working capital deficiency of $181,785 (June 30, 2017 – $22,781) and is not generating positive cash flows from operations. Working Capital includes the Company's investment of $169,740 that consists of marketable securities in shares of the Company's former subsidiary and any or all of the shares could be sold to generate cash to fund ongoing operations. Apart from this investment, there may not be sufficient cash to meet general and administration expenses plus planned project activities for the following twelve months. The operations of the Company have primarily been funded by the issuance of common shares and debt instruments. Continued operations of the Company are dependent on the Company's ability to complete equity financing and enter into funding agreements with third parties in order to continue exploration of its mineral property interests. Management's plan in this regard is to continue to seek industry partners for its projects and to secure additional funds through future equity financings, which may or may not be available or may not be available on reasonable terms.

2. Compliance and significant accounting policies

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these unaudited condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2018 could result in restatement of these unaudited condensed interim financial statements.

These unaudited condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on February 14, 2018.

(Expressed in Canadian Dollars)

2. Compliance and significant accounting policies (continued)

(b) New standards not yet adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. The Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for periods beginning on or after January 1, 2017. Earlier adoption is permitted.

Other accounting standards or amendment to existing accounting standards that have been issued, but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Financial instruments

The Company's cash and bank indebtedness are measured at fair market value. Accounts receivable are measured at amortized cost. The investments of the Company are classified as financial assets at FVTPL and measured at fair value. Accounts payable and accrued liabilities, funds on deposit, promissory note payable and secured debenture are classified as other financial liabilities and measured at amortized cost.

The following table indicates the carrying value of the Company's financial assets and financial liabilities:

	As at December 31, 2017		As at June 30, 2017	
Item	**Cost $**	**Market value $**	**Cost $**	**Market value $**
Cash	-	51,422	-	113,397
Accounts receivable	8,635	-	2,747	-
Investments	-	169,740	-	333,255
Accounts payable	54,982	-	64,145	-
Deposit for exploration funding	59,669	-	66,020	-
Promissory note payable	300,000	-	300,000	-

(Expressed in Canadian Dollars)

4. Investment in Heron Resources Ltd.

	As at December 31, 2017	As at June 30, 2017
Investment in Heron Resources Ltd.	$ 169,740	$ 333,255

Investment in Heron Resources Ltd.

At December 31, 2017, the Company owned 246,000 (June 30, 2017 – 416,569) common shares in Heron Resources Limited. The common shares trade on both the Australian Securities Exchange and the Toronto Stock Exchange.

For marketable securities traded in an active market, market value is based on quoted closing prices of the securities at the balance sheet date. The shares of Heron are valued based on the closing market prices on the Toronto Stock Exchange ("TSX"), which was $0.69 as of the close of December 31, 2017.

During the six months ended December 31, 2017, the Company sold 170,569 common shares of Heron Resources Limited for gross proceeds of $126,983 and realized a net loss from these dispositions of $100,180. During the six months ended December 31, 2016, the Company sold 176,855 shares for gross proceeds of $269,109 and realized a net gain from the disposition of $30,354. The Company recorded an unrealized gain of $66,753 (six months ended December 31, 2016 – loss of $104,142) on the remaining Heron shares held throughout the six ended December 31, 2017.

During the three and six months ended December 31, 2017, the Heron Resources Limited completed a 1 for 10 share consolidation and all earlier share comparisons are reported on a post consolidation basis.

5. Exploration and evaluation assets

North Abitibi Project

North Abitibi is a gold exploration project located 150 kilometres north of Kirkland Lake, Ontario, in the Abitibi Greenstone Belt. The property consists of 16 claims covering an area of 28.5 square kilometres. Late in the 2010 fiscal year, Vista Gold Corp. ("Vista") transferred 100% of its interest in the North Abitibi mineral claims to Tri Origin which claims are subject to a back-in right held by Vista until the Company has spent $2,000,000, Vista Gold has the option to earn back a majority interest in the property.

During the six months ended December 31, 2017, the Company spent $13,614 on exploration expenditures on the property (for the six months ended December 31, 2016 – $188,409). A reimbursement of $64,320 was received from the Junior Exploration Assistance Program (JEAP) related to project expenditures incurred during the 2017 fiscal year. Total spending from inception to December 31, 2017 was $498,404, which does not include the JEAP reimbursement.

Sky Lake Project

Sky Lake is a gold exploration project covering an area of 41.4 square kilometres located 35 kilometres southwest of Pickle Lake in north western Ontario. It is comprised of 19 100% owned mining claims totalling 259 claim units covering an area of 41 square kilometers. During the year ended June 30, 2017, Tri Origin entered into an option agreement with Barrick Gold to acquire a 96% interest in patent mining claims covering an area of 2 square kilometres located within the boundary of its Sky Lake property. To exercise the option, the Company is required to spend $500,000 on exploration on the patent claims over a 4 year period.

During the six months ended December 31, 2017, the Company spent $73,345 to conduct exploration on the property (for the six months ended December 31, 2016 - $31,041). Total spending from inception to December 31, 2017 was $1,534,569.

5. Exploration and evaluation assets (continued)

South Abitibi Project (Sumitomo Alliance)
During the latter part of fiscal 2015, a gold and base metal alliance agreement was entered into between Tri Origin and Sumac Mines Ltd (recently renamed Sumitomo Metal Mining Canada Ltd. ("Sumitomo")) Tri Origin, as operator of the Alliance, will acquire and explore properties in the southern part of the Abitibi greenstone belt of Ontario. The properties will be held as to a 50% Tri Origin and 50% Sumitomo interest. Sumitomo will provide funding for property acquisition and exploration up to a maximum of $4.5 million and as the project advances, individual property specific joint ventures may be entered into to advance successful projects.

Expenditures by TOE during the six months ended December 31, 2017 totalled $nil. This does not include exploration funds provided by Sumitomo which totalled $128,850 during the period. Approximately $1,800,000 has been spent by Sumitomo since the inception of the Alliance in late May, 2015 to December 31, 2017. As of December 31, 2017, the Company has on deposit a balance of $59,669 of Sumitomo funds to be spent on the project which is recorded in the Company's books.

During the three and six months ended December 31, 2017, the Company received $14,717 and $32,210, (three and six months ended December 31, 2016 - $39,480 and $50,262, respectively) respectively, from Sumitomo for property management services, which have been recorded in other income in the unaudited condensed interim statements of loss and comprehensive loss.

Detour West Project
Detour West is a gold exploration project located 180 kilometres north of Timmins, Ontario and 20 kilometres west of the Detour Lake Gold Mine. The Detour West property consists of 30 staked mining claims comprising 480 claim units covering an area of approximately 77 square kilometres owned 100% by Tri Origin. The claims tie directly onto mining claims held by Detour Gold Corporation the operator of the nearby Detour Lake Mine.

Expenditures at Detour West during the six months ended December 31, 2017 totalled $3,386 (for the six months ended December 31, 2016 - $255,312). Total spending from inception to December 31, 2017 by the Company was $270,725. This amount does not include an $87,702 expenditure reimbursement received from JEAP during fiscal 2017.

Red Lake Extension Project (RLX)
RLX is a gold exploration project located 15 kilometres southeast of the town of Red Lake in northwestern Ontario. The Company has a 100% ownership in 43 adjoining mining claims consisting of 587 claim units totalling an area of 94 square kilometres in the Red Lake Greenstone Belt. Expenditures at RLX during the six months ended December 31, 2017 totalled $nil (for the six months ended December 31, 2016 - $2,118). Total spending from inception to December 31, 2017, by the Company was $3,054,450. During the year ended June 30, 2017, the Company completed an evaluation of the property and due to funds available and commitments to other projects, decided to allow the licenses to expire subsequent to year end and wrote off the $3,054,450 exploration and evaluation assets of RLX.

Project Generation
The Company continues to assess new areas for exploration. It is an objective of the Company to increase its portfolio of properties during the coming year. During the six months ended December 31, 2017, the Company spent $nil on project generation activities including review and assessment of reports and preliminary analytical work (for the six months ended December 31, 2016 $7,700 all of which was expensed at year end).

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

	Red Lake Extension	North Abitibi	Sky Lake	Detour West	South Abitibi	Project Generation	Total
Balance, June 30, 2016	**3,044,132**	**325,082**	**1,388,890**	**85,758**	**1,582**	**-**	**4,845,444**
Acquisition	1,009	3,696	10,896	-	-	-	15,601
Drilling and analytical	-	791	34,098	-	347	-	35,236
Geological, geophysical and geochemical	3,122	187,454	11,281	237,733	2,390	-	441,980
Management and administration	6,187	32,087	16,061	31,550	3,955	25,101	114,941
Reimbursement	-	-	-	(87,702)	-	-	(87,702)
Sub-total	**3,054,450**	**549,110**	**1,461,226**	**267,339**	**8,274**	**25,101**	**5,365,500**
Amounts expensed in the year	(3,054,450)	-	-	-	-	(25,101)	(3,079,551)
Balance, June 30, 2017	**$ -**	**$ 549,110**	**$ 1,461,226**	**$ 267,339**	**$ 8,274**	**$ -**	**$ 2,285,949**
Acquisition	-			-	-	-	-
Drilling and analytical	-	-	2,840	-	-	-	2,840
Geological, geophysical and geochemical	-	5,704	54,606	223	-	-	60,533
Management and administration	-	7,910	15,898	3,163	-	-	26,971
Reimbursement	-	(64,320)	-	-	-	-	(64,320)
Balance, December 31, 2017	**$ -**	**$ 498,404**	**$ 1,534,570**	**$ 270,725**	**$ 8,274**	**$ -**	**$ 2,311,973**

6. Accounts payable and accrued liabilities

	December 31, 2017	June 30, 2017
Trade payables	$ 72,629	$ 28,991
Accruals	36,555	26,250
Government remittances owing	5,471	8,904
Total	$ 114,655	$ 64,145

7. Convertible debenture and promissory note

Promissory Note – Matures December 31, 2017

On November 1, 2015, the Company closed a $300,000 private placement whereby the Company issued a $300,000 promissory note. The promissory note initially maturing on October 31, 2016, has been extended to December 31, 2017, and bears interest at a fixed rate of 8% per year payable monthly commencing November 30, 2015. Under the terms of the promissory note, the holder has the option to convert the note in full into common shares of Tri Origin at a price of $0.05 per share. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president.

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component of $282,607 was computed as the present value of future principal and interest payments discounted at a rate of 15% per annum. The residual value of $17,393 was attributed to the liability components and no value was placed on the conversion feature of the debenture. The residual value was credited to contributed surplus.

	December 31, 2017	June 30, 2017
Face value of debentures	$ 300,000	$ 300,000
Discount on face value of debentures	-	(17,393)
Accumulated accretion	-	17,393
Total	$ 300,000	$ 300,000

(Expressed in Canadian Dollars)

8. Share capital

Authorized

Unlimited common shares without par value.

Issued and outstanding

	Shares	Amount
Balance, June 30, 2016	**90,652,306**	**$ 20,981,380**
Private placement (i)	8,720,000	545,750
Flow-through share premium (i)	-	(21,400)
Share issue costs (i)	-	(26,638)
Balance, December 31, 2016	**99,372,306**	**$ 21,479,092**
Balance, June 30, 2017 and December 31, 2017	**99,372,306**	**$ 21,479,092**

(iv) On October 20, 2016, the Company completed of a private placement for total gross proceeds of $631,800 and issued 7,650,000 hard dollar units (“HDU”) at a price of $0.07 per HDU and 1,070,000 flow through units (“FTU”) at a price of $0.09 per FTU. Each FTU consisted of one common share, issued on a flow-through basis, and one-half of a common share purchase warrant. Each HDU consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.12 for a period of 18 months from the date of issuance. The fair value of common share purchase warrants issued in this placement was estimated at $86,050.

A flow-through share premium of $21,400 was recognized on this financing. As of December 31, 2016, 100 per cent of the funds were spent on flow-through eligible expenses. As a result, the flow-through premium was recognized into income.

9. Warrants

The movements in the number and estimated fair value of outstanding broker warrants and share purchase warrants are as follows:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, June 30, 2016	6,500,000	0.08
Issued	4,360,000	0.12
Balance, December 31, 2016	10,860,000	0.09
Balance, June 30, 2017	10,860,000	0.09
Expired	(6,500,000)	0.08
Balance, December 31, 2017	4,360,000	0.12

Warrants to purchase common shares outstanding at December 31, 2017 carry exercise prices and remaining terms to maturity as follows:

(Expressed in Canadian Dollars)

9. Warrants (continued)

Expiry date	Exercise price ($)	Fair value of warrants	Remaining term to maturity (years)	Warrants exercisable
April 20, 2018	0.12	86,050	0.30	4,360,000

10. Stock options

The Company has a stock option plan available to directors, officers, employees and consultants of the Company. Currently, a maximum of 13,084,661 common shares may be issued under the Plan. The movements in the number of stock options are as follows

	Number of options outstanding	Weighted average exercise price ($)
Balance, June 30, 2016	5,550,000	0.06
Expired	(300,000)	0.11
Balance, December 31, 2016	5,250,000	0.05
Balance, June 30, 2017	4,550,000	0.06
Expired	(200,000)	0.10
Balance, December 31, 2017	4,350,000	0.05

Options to purchase common shares outstanding at December 31, 2017 carry exercise prices and remaining terms to maturity as follows:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Remaining term to maturity (years)
January 15, 2018	0.10	300,000	300,000	0.04
February 19, 2019	0.05	1,500,000	1,500,000	1.14
December 15, 2019	0.05	200,000	200,000	1.96
June 25, 2020	0.05	2,200,000	2,200,000	2.48
June 2, 2021	0.05	150,000	150,000	3.42
		4,350,000	4,350,000	1.86

During the six months ended December 31, 2017, the Company did not grant any new options to employees, directors and consultants. The Company recognized a total expense of $nil for three and six months ended December 31, 2017 (three and six months ended December 31, 2016 - $nil and $2,038, respectively) and capitalized $nil (three and six months ended December 31, 2016 - $nil and $2,392, respectively) to Exploration and Evaluation assets in respect of the options vesting during the period.

11. Financial risk factors

The Company's market risk exposures and the impact on the Company's financial instruments are summarized below:

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at December 31, 2017, the Company had $51,422 cash (June 30, 2017 - $113,397) to settle current liabilities of $414,651 (June 30, 2017 - $430,165). In addition, the Company owns marketable securities comprised of the shares of Heron Resources Ltd., which have a market value of $169,740 as at December 31, 2017 (June 30, 2017 - $333,255). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk
The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds its exploration and administrative expenses using Canadian dollars.

The Company has an investment in Heron Resources Ltd which is classified as a current asset. The investment is valued at fair value based on listed market quotations on the Toronto Stock Exchange, with unrealized gains and losses recognized in income. As such, the investment is not subject to foreign currency risk.

(c) Market risk
The market value of the shares of Heron fluctuates daily as the shares are traded publicly on the ASX and Toronto Stock Exchange. The market value of the Company's investment in Heron is calculated by the Company at each of its balance sheet dates at the investment's market value as traded on the Toronto Stock Exchange in Canadian dollar.

(d) Price risk
The Company is a mineral exploration company whose projects may be impacted, and consequently exposed to price risk, by the prices of certain commodities including the prices for precious and base metals. The Company believes that, because it is an exploration stage company and has no producing mines currently, the effect of metal price fluctuations is indirect. The indirect effects of metal price fluctuations on the Company might include an impact on its ability to raise capital in the future and could cause continued exploration and development of the Company's properties to be impracticable.

(e) Sensitivity Analysis
The Company has designated its cash as a financial asset at FVTPL, which is measured at fair value.

As at December 31, 2017, the carrying amount of accounts receivable and prepaid expenses are measured at amortized cost, which equals fair market value. Accounts payable and the short term credit facility are classified as other financial liabilities and measured at amortized cost.

The Company does not hold significant balances in foreign currencies that give rise to exposure to foreign currency risk.

The Company's investment in Heron is recorded at market value. Sensitivity to a plus or minus 5% change in market value would affect net loss and comprehensive loss by plus or minus $8,487.

(Expressed in Canadian Dollars)

12. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be cash, investments, credit facilities and equity, comprising share capital, warrants, contributed surplus and deficit. The equity of the Company at December 31, 2017 totaled $2,130,188 (June 30, 2017 - $2,310,875). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Corporation's capital management objectives, policies and processes have remained unchanged during the period ended December 31, 2017.

13. General and administrative expense

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Salaries and benefits	$ 24,767	$ 12,934	$ 45,089	$ 47,908
Share based payments	-	-	-	2,038
Professional fees	39,863	9,350	50,958	17,000
Share control and listing fees	13,100	12,091	14,220	15,723
Travel	1,022	-	1,398	-
General office expenses	27,338	32,219	53,561	43,760
Amortization	-	429	454	858
Total	$ 106,090	$ 67,023	$ 165,680	$ 127,287

14. Finance charges

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Interest on secured debenture	$ -	$ 18,733	$ -	$ 48,685
Interest charges from unsecured debentures and promissory note	6,050	6,050	12,099	12,100
Accretion charges from debentures	-	1,667	-	6,666
Other interest charges	-	762	-	1,739
	$ 6,050	$ 27,212	$ 12,099	$ 69,190

(Expressed in Canadian Dollars)

15. Related party transactions

The Company had the following related party transactions for the three and six months ended December 31, 2017. These transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

(a) The Company's office is located at 125 Don Hillock Drive, Unit 18 in Aurora, Ontario and rents the property on a month-to-month basis. This rental property is owned by a private Ontario corporation controlled by Tri Origin Exploration Ltd.'s President. During the three and six months ended December 31, 2017 the Company paid or accrued $15,979 and $31,321, respectively (three and six months ended December 31, 2016 - $14,706 and $29,412, respectively) for this rental. Prepaid assets include $2,750 (June 30, 2017 - $2,750) related to rent paid in advance.

(b) The Chief Financial Officer is an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three and six months ended December 31, 2017, the Company incurred $3,000 and $7,500, respectively (three and six months ended December 31, 2016 - $nil) for accounting services rendered by MSSI.

(c) Remuneration of directors and key management personnel of the Company were as follows:

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Six Months Ended December 31, 2017	Six Months Ended December 31, 2016
Salaries and benefits	$ 47,400	$ 47,400	$ 94,800	$ 94,800
Stock-based compensation	-	-	-	2,038
Total	$ 47,400	$ 47,400	$ 94,800	$ 96,838

Key management personnel include the President and Chief Financial Officer and companies controlled by the Chief Executive Officers. Accrued salaries and fees payable as of December 31, 2017 are $nil (June 30, 2017- $nil).