Condensed Interim Consolidated Financial Statements

(Unaudited)

September 30, 2018

Expressed in Canadian Dollars

Reader's Note:

These unaudited condensed interim consolidated financial statements of Mundoro Capital Inc. have been prepared by management and have not been reviewed by the Company's auditors.

Mundoro Capital Inc.

(An exploration stage company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

As at		**September 30, 2018**		**December 31, 2017**
		(Unaudited)		
ASSETS				
Current assets				
Cash and cash equivalents	$	3,663,903	$	3,522,406
Funds held in escrow (note 11(b))		-		999,945
Amounts receivable (note 5)		226,268		237,960
Amounts receivable from joint venture partners (note 8)		-		549,492
Deposits		19,291		19,337
Prepaid expenses		111,251		117,577
		4,020,713		5,446,717
Non-current assets				
Restricted cash (note 4)		82,939		57,610
Investments (note 6)		152,467		280,853
Equipment and vehicles (note 7)		195,639		184,434
Mineral interests (note 8)		466,867		467,181
		897,912		990,078
TOTAL ASSETS	$	4,918,625	$	6,436,795
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (notes 10 & 12)	$	647,011	$	700,347
Advances from joint venture partners (note 8)		44,640		-
TOTAL LIABILITIES		691,651		700,347
EQUITY				
Share capital (note 11)		48,794,833		48,795,115
Contributed surplus		9,000,153		9,000,153
Stock options reserve		929,790		830,447
Accumulated other comprehensive income		(11,138)		57,793
Deficit		(54,486,664)		(52,947,060)
TOTAL EQUITY		4,226,974		5,736,448
TOTAL EQUITY AND LIABILITIES	$	4,918,625	$	6,436,795

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

These condensed interim consolidated financial statements are authorized for issue by the Board of Directors on November 15, 2018.

The are signed on the Company's behalf by:

/s/ Michael Calyniuk, Director *   /s/ Teo Dechev, Director*

Mundoro Capital Inc.

(An exploration stage company)

Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian Dollars)

	For the three months ended		For the nine months ended	
	September 30, 2018	September 30, 2017	**September 30, 2018**	September 30, 2017
Exploration and project evaluation (note 9)	**$ 954,424**	$ 829,240	**$ 2,481,558**	$ 2,475,478
Less: recoveries	**(784,676)**	(531,852)	**(1,747,019)**	(1,389,281)
	169,748	297,388	**734,539**	1,086,197
EXPENSES				
Corporate governance	**38,107**	84,300	**183,826**	210,152
General and administrative	**16,361**	14,248	**51,031**	50,264
Accounting and audit	**38,630**	35,819	**113,398**	108,782
Corporate communication	**82,999**	103,117	**247,074**	269,066
	176,097	237,484	**595,329**	638,264
LOSS BEFORE OTHER EXPENSES	**345,845**	534,872	**1,329,868**	1,724,461
OTHER (INCOME) EXPENSES				
Interest income	**(4,835)**	(10,714)	**(18,044)**	(27,010)
Share-based payments	**20,516**	25,150	**99,343**	121,795
Depreciation (note 7)	**13,881**	14,283	**38,790**	39,028
Foreign exchange (gain) loss	**26,713**	37,757	**(38,739)**	94,383
Gain on disposal of fixed assets	**-**	-	**-**	(814)
Change in fair value of investments (note 6)	**8,851**	-	**128,386**	-
	65,126	66,476	**209,736**	227,382
NET LOSS FOR THE PERIOD	**$ 410,971**	$ 601,348	**$ 1,539,604**	$ 1,951,843
OTHER COMPREHENSIVE (INCOME) LOSS WHICH MAY BE RE-CLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
Foreign currency translation differences for foreign operations	**82,655**	15,144	**68,931**	(12,155)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**$ 493,626**	$ 616,492	**$ 1,608,535**	$ 1,939,688
Loss per share				
Basic and diluted loss per share:	**$ (0.01)**	$ (0.01)	**$ (0.02)**	$ (0.04)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Change in Equity
(Unaudited)
(Expressed in Canadian Dollars)

	Share capital				Reserves								
	Number of shares		Amount		Contributed Surplus		Stock options reserve		Accum. Other Comprehensive Income		Deficit		Total
Balance at December 31, 2016	52,120,109	$	46,725,684	$	8,865,334	$	683,513	$	49,983	$	(50,562,787)	$	5,761,727
Share-based payments (Note 11(c))	-		-		-		121,795		-		-		121,795
Net comprehensive loss for the period	-		-		-		-		12,155		(1,951,843)		(1,939,688)
Balance at September 30, 2017	52,120,109	$	46,725,684	$	8,865,334	$	805,308	$	62,138	$	(52,514,630)	$	3,943,834
Balance at December 31, 2017	69,324,025	$	48,795,115	$	9,000,153	$	830,447	$	57,793		$(52,947,060)	$	5,736,448
Share issue costs	-		(282)		-		-		-		-		(282)
Share-based payments (Note 11 (c))	-		-		-		99,343		-		-		99,343
Net comprehensive loss for the period	-		-		-		-		(68,931)		(1,539,604)		(1,608,535)
Balance at September 30, 2018	69,324,025	$	48,794,833	$	9,000,153	$	929,790	$	(11,138)	$	(54,486,664)	$	4,226,974

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

Mundoro Capital Inc.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Cash flows provided from (used in):		
OPERATING ACTIVITIES		
Net loss for the period	$ (1,539,604)	$ (1,951,843)
Adjustments for items not affecting cash:		
Depreciation	38,790	39,028
Share-based payments	99,343	121,795
Change in fair value of investments	119,535	-
Gain on disposal of fixed assets	-	(814)
Unrealized foreign exchange	(93,009)	-
	(1,366,094)	(1,791,834)
Net changes in non-cash working capital items:		
Amounts receivable	514,629	(420,599)
Amounts receivable from joint venture partners	48,897	-
Prepaid expenses	7,051	(39,100)
Deposits	-	6,317
Accounts payable and accrued liabilities	(54,243)	124,531
Advances from joint venture partners	44,640	-
Net cash provided by (used in) operating activities	**(805,120)**	(2,120,685)
FINANCING ACTIVITIES		
Funds transferred from escrow, net of costs	999,663	-
Net cash flows from financing activities	**999,633**	-
INVESTING ACTIVITIES		
Expenditures on resource properties	(412)	(3,988)
Net proceeds on redemption and purchase of short-term Investments, net of interest earned	-	3,012,427
Purchase of equipment	(50,932)	(92,848)
Restricted cash	(26,122)	326,260
Proceeds from disposition of assets	-	3,080
Net cash flows from investing activities	**(77,466)**	3,244,931
Effects of exchange rate changes on cash and cash equivalents	**24,420**	(18,022)
Net increase in cash and cash equivalents	**141,497**	1,106,224
Cash and cash equivalents, beginning of period	**3,522,406**	1,567,762
Cash and cash equivalents, end of period	**$ 3,663,903**	$ 2,673,986

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Mundoro Capital Inc. (the "Company" or "MCI" or "Mundoro") is an exploration, development and investment company operating in the mineral resource sector. The business of exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in discovery or future profitable operations.

The Company was incorporated on March 6, 2008 under the Business Corporations Act of the Province of British Columbia and its common stock is quoted on the TSX Venture Exchange ("TSXV") under the symbol MUN.

The Company's head office and principal address is 15th floor - 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) Statement of compliance with International Financial Reporting Standards

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is, therefore, recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2017. The accounting policies applied by the Company in these financial statements are consistent with those of the previous financial years with the exception of the Company's investments, which are recognized at fair value with the adoption of IFRS 9 as discussed below.

b) Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for the Company's investments which are recognized at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative figures have been reclassified to conform to the current period's presentation. These reclassifications did not affect prior periods' net losses.

c) Management judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management's experience and other factors including expectations about future events that are believed to be reasonable under the circumstances.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainties were the same as those applied for the year ended December 31, 2017 with the exception of the judgements and estimates applied to calculate the fair value of the Company's investments, due to the adoption of IFRS 9 – Financial Instruments, as discussed in Note 3 and 6.

(Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective January 1, 2018, the Company adopted IFRS 9 – Financial Instruments.

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 – Financial Instruments: Recognition and Measurement. 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.

All of the Company's financial assets, except for its investments, are short-term and are measured at amortized cost. Such financial assets were previously designated as loans and receivables under IAS 39, which also required recognition at amortized cost and therefore, the adoption of the standard did not result in any adjustment to the Company's accounting records.

The Company's investments include investments in common shares of private entities (Note 6). Unlike IAS 39, IFRS 9 does not permit the recognition of such investments at cost. The Company is therefore required to measure these investments at their fair value at each reporting period. Such investments are classified as fair value through profit or loss ("FVTPL") and any resultant change in the fair value is recorded through the Company's statement of loss.

As at January 1, 2018, the fair value of these investments approximated their capitalized cost on the statement of financial position and therefore the adoption of IFRS 9 did not result in any adjustments to the Company's financial statements. Significant judgements and estimates are involved in determining the fair value of the Company's investments which are described further in Note 6.

4. RESTRICTED CASH

		September 30, 2018		December 31, 2017
Mineral Property Guarantee Deposits – Bulgaria	**$**	**82,939**	$	57,610

*Restricted cash consists of cash held by the Bulgarian government as guarantees on the mineral licenses in country.

(Expressed in Canadian Dollars)

5. AMOUNTS RECEIVABLE

		September 30, 2018		December 31, 2017
Amounts receivable				
VAT/GST receivable	**$**	**170,731**	$	230,326
Other receivable		**55,537**		7,634
	$	**226,268**	$	237,960

6. INVESTMENTS

On June 10, 2013, the Company, through a 100%-owned subsidiary, acquired at a cost of $280,853, a 2.9% equity interest in a privately held gold producing company in Bulgaria that operates adjacent to the Company's Zvezda license. As at September 30, 2018, the fair value of such equity investment was determined to be $152,467 (December 31, 2017 - $280,853), resulting in a change in fair value of this investment of $8,851 in the Company's statement of loss.

The Company performed an analysis of comparable companies, using their enterprise value as a proportion of their available current resources, and applied the calculated group average multiple to determine the fair value of its investment. High-degree of judgement is applied in determining such fair value, including but not limited to, using the pro-forma guidance of the companies of the peer group, the statistical sufficiency of the number of the comparable companies and the representativeness of the selected peers. The Company also applied estimates such as the private company liquidity and the jurisdiction risk discount rates. If all other variables remain constant, a 500 basis point change to the discount rates used, would result in a change between $16,000 to $23,000 in the Company's fair value estimate.

(Expressed in Canadian Dollars)

7. EQUIPMENT AND VEHICLES

		Office equipment		Field equipment		Total
Cost						
As at December 31, 2016	**$**	**52,985**	**$**	**197,423**	**$**	**250,408**
Additions		4,660		107,950		112,610
Disposals		(26,840)		(12,109)		(38,949)
Effect of movements in exchange rates		533		21,650		22,183
As at December 31, 2017	**$**	**31,338**	**$**	**314,914**	**$**	**346,252**
Additions		18,075		32,857		50,932
Effect of movements in exchange rates		(401)		(1,944)		(2,345)
As at September 30, 2018	**$**	**49,012**	**$**	**345,827**	**$**	**394,839**
Accumulated depreciation						
As at December 31, 2016	**$**	**(40,335)**	**$**	**(88,693)**	**$**	**(129,028)**
Depreciation for the period		(5,098)		(48,388)		(53,486)
Disposals		19,434		9,843		29,277
Effect of movements in exchange rates		(401)		(8,180)		(8,581)
As at December 31, 2017	**$**	**(26,400)**	**$**	**(135,418)**	**$**	**(161,818)**
Depreciation for the period		(3,766)		(35,024)		(38,790)
Effect of movements in exchange rates		86		1,322		1408
As at September 30, 2018	**$**	**(30,080)**	**$**	**(169,120)**	**$**	**(199,200)**
Net book amount						
As at December 31, 2017	$	4,938	$	179,496	$	184,434
As at September 30, 2018	**$**	**18,932**	**$**	**176,707**	**$**	**195,639**

8. MINERAL INTERESTS

		European projects		Mexico projects		Total
Balance as at December 31, 2016	**$**	**427,812**	**$**	**5,562**	**$**	**433,374**
Acquisition costs		4,044		-		4,044
Effect of movements in exchange rates		29,852		(89)		29,763
Balance as at December 31, 2017	**$**	**461,708**	**$**	**5,473**	**$**	**467,181**
Acquisition costs		412		-		412
Effect of movements in exchange rates		(1,163)		437		(726)
Balance at September 30, 2018	**$**	**460,957**	**$**	**5,910**	**$**	**466,867**

Serbian Properties

The Company holds eight 100%-owned exploration licenses which include: (i) Zeleznik (including adjoining licenses Crvena Zemlja, Radjina and Fresenis), (ii) Padina, (iii) Borsko Jezero, (iv) Savinac, (v) Bacevica, (vi) Osnic, (vii) Sumrakovac, and (viii) Dubrava-Ostrelj. These properties are located in Northeastern Serbia east of Belgrade and are held in the name of the Company's Serbian subsidiaries. To maintain title to the exploration licenses in Serbia, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes and other related costs associated with holding the properties. As of September 30, 2018, such holding costs amounted to $73,582 (2017 - $63,346).

8. MINERAL INTERESTS (continued)

In Q3-2016, the Company amended its binding agreement (the "**JOGMEC Agreement**") with Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") and granted to JOGMEC an earn-in option on four of Mundoro's exploration licenses: Dubrava, Padina, Zeleznik and Borsko Jezero (the "Timok North Projects"). JOGMEC has the option to earn a 51% interest in the Timok North Projects by spending US$4 million by March 2019 ("**Stage One Earn-in**"). As of September 30, 2018, US$4.2 million has been spent by JOGMEC in Stage One Earn-in.

On July 30, 2018, the Company announced it had entered into an earn-in agreement (the "**Earn-in Agreement**") with Freeport-McMoran Exploration Corporation ("**Freeport**"), in which the Company has granted to Freeport over two phases ("**Phase One** and **Phase Two**"), an option to earn up to a 75% interest in its Savinac and Bacevica exploration licenses (the "**Freeport-Mundoro JV Project**") by sole funding expenditures of up to US$45 million (C$59.2 million). Phase One provides Freeport the option to earn a 51% interest in the Freeport-Mundoro JV Project by sole-funding US$5 million (C$6.6 million) in expenditures by the third anniversary of the Earn-in Agreement. Following Phase One, Freeport has the option, exercisable within 60 days, to elect to enter Phase Two, whereupon it can earn an additional 24% interest in the Freeport-Mundoro JV Project, for a total of 75% interest, by sole-funding an additional US$40 million (C$52.6 million) in expenditures by the fifth anniversary of the election date. As of September 30, 2018, US$9,842 has been spent by Freeport in Phase One.

Amounts received from third parties earning into a license(s) are netted against the exploration expenditures on the applicable licenses, recognized in the Company's statement of loss. Any advances received for future exploration work or any reimbursable funds expended by the Company are recognized separately on the statement of financial position.

Bulgarian Properties

The Company holds two 100%-owned exploration licenses which include: (i) Zvezda and (ii) Byalo. The Zvezda and Byalo licenses are located in southeastern Bulgaria known as the Rhodopes region. To maintain title to the exploration licenses in Bulgaria, the Company has ongoing annual exploration expenditure commitments and is obligated to pay annual property taxes and related costs associated with holding the properties. During the period ended September 30, 2018, such holding costs amounted to $43,993 (2017 - $20,234)

In May 2018, Mundoro entered into an option agreement (the "Saje Option Agreement") with an arm's length third party private company ("the Private Company") to which it granted an option on the Saje project. The Saje project is a Lead-Zinc project, located within the Zvezda license area. Under the terms of the Agreement, the Private Company has committed to drill a minimum of 1,000 meters on the Saje Project ("Option Period"). Thereafter, the Private Company will have one month to provide written notice to enter into an agreement with Mundoro in respect of the Saje Project. The Private Company is sole funding the exploration costs for the Saje Project during the Option Period. Upon entering into an agreement, the Private Company will pay to Mundoro annual advance royalty payments in January of each calendar year until commercial production. Mundoro will retain a 2% net smelter returns ("NSR") royalty on any metals production at the Saje Project.

Amounts received from third parties earning into a license(s) are netted against the exploration expenditures on the applicable licenses, recognized in the Company's statement of loss. Any advances received for future exploration work or any reimbursable funds expended by the Company are recognized separately on the statement of financial position.

Mexico Properties

The Company owns 100% interest in the Camargo Project, a porphyry copper-gold deposit located in the Southeastern Chihuahua State. To maintain the Camargo mineral concession, the Company has an ongoing annual exploration expenditure commitment and is obligated to pay approximately $8,000 semi-annually in government property tax payments.

(Expressed in Canadian Dollars)

9. EXPLORATION AND PROJECT EVALUATION

The following is a summary of expenditures incurred on the Company's projects during the periods:

	Serbia	Bulgaria	Mexico	Other	Total
For the nine months ended September 30, 2018					
Corporate[1]	$ 188,111	$ 96,185	$ 10,309	$ 2,346	$ 296,951
Land holding[2]	73,582	43,993	-	-	117,575
Government and community relations[3]	14,848	48,362	-	26	63,236
Field related[4]	134,101	31,811	-	-	165,912
Personnel[5]	464,225	236,591	-	-	700,816
Technical services[6]	837,174	134,714	-	-	971,888
Project evaluation[7]	69,458	20,544	-	75,178	165,180
Total expenditures	1,781,499	612,200	10,309	77,550	2,481,558
Less: recoveries	(1,512,149)	(234,870)	-	-	(1,747,019)
	$ 269,350	$ 377,330	$ 10,309	$ 77,550	$ 734,539

	Serbia	Bulgaria	Mexico	Other	Total
For the nine months ended September 30, 2017					
Corporate[1]	$ 95,915	$ 92,050	$ 14,233	$ -	$ 202,198
Land holding[2]	66,411	31,706	7,475	-	105,592
Government and community relations[3]	23,404	324	-	-	23,728
Field related[4]	103,523	46,292	-	-	149,815
Personnel[5]	484,883	158,647	-	-	643,530
Technical services[6]	972,826	192,467	-	-	1,165,293
Project evaluation[7]	128,454	11,981	-	44,887	185,322
Total expenditures	1,875,416	533,467	21,708	44,887	2,475,478
Less: recoveries	(1,389,281)	-	-	-	(1,389,281)
	$ 486,135	$ 533,467	$ 21,708	$ 44,887	$ 1,086,197

[1] Corporate expenses include legal fees, and general and administrative costs related to the projects.
[2] Land holding costs include property taxes and related costs associated with holding the properties.
[3] Government and community relations relates to the costs of communicating with governing bodies in the local jurisdictions.
[4] Field related expenses include items such as field equipment costs, and lodging for field personnel.
[5] Personnel costs for conducting exploration work include consultants and employees, full-time and allocated.
[6] Technical Services expenditures include activities such as geochemical sampling and assaying, geophysical surveys and interpretation, and drilling and assaying.
[7] Project evaluation expenditures capture those costs incurred in analysis of existing mineral projects and evaluating new mineral project opportunities.

(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2018		December 31, 2017
Trade payables	$	568,906	$	626,885
Accrued liabilities		78,105		73,462
	$	**647,011**	**$**	**700,347**

11. SHARE CAPITAL

a) *Authorized share capital*

Unlimited number of common shares without par value.

b) *Issued share capital*

At September 30, 2018, there were 69,324,025 issued and fully paid common shares (December 31, 2017 – 69,324,025).

As at December 31, 2017, the Company had issued 7,444,000 units in connection with the private placement, however, proceeds of $999,945 were held in escrow and had not been released to the Company. During the period ended June 30, 2018, these funds were received by the Company less finder's fees of $282.

c) *Stock options*

The continuity of stock options during the period ended September 30, 2018 and the year ended December 31, 2017 was as follows:

	September 30, 2018			December 31, 2017		
	Number outstanding		**Weighted average exercise price**	Number outstanding		Weighted average exercise price
Opening Balance	**4,332,500**	**$**	**0.18**	3,087,500	$	0.24
Granted	1,300,000		0.11	2,082,500		0.15
Expired	(162,500)		0.28	(837,500)		0.35
Closing Balance	**5,470,000**	**$**	**0.16**	4,332,500	$	0.18

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

c) *Stock options (continued)*

The following summarizes information about stock options outstanding and exercisable at September 30, 2018:

Expiry date	Options outstanding	Options exercisable	Exercise price ($)	Weighted average remaining contractual life (in years)
December 2, 2018	527,500	527,500	0.30	0.17
January 13, 2020	452,500	452,500	0.21	1.29
June 27, 2021	1,107,500	1,107,500	0.13	2.74
January 18, 2022	938,000	625,325	0.13	3.30
June 13, 2022	1,144,500	762,996	0.17	3.7
May 23, 2023	1,300,000	433,328	0.11	4.65
	5,470,000	**3,909,149**	**0.16**	**3.12**

On May 23, 2018, the Company granted stock options to directors, officers, employees and contractors to purchase up to 1,300,000 common shares of the Company at an exercise price of $0.11 per share, over a five-year term.

On January 18, 2017, the Company granted stock options to directors, officers, employees and contractors to purchase up to 938,000 common shares of the Company at an exercise price of $0.13 per share, over a five-year term.

On June 13, 2017, the Company granted stock options to directors, officers, employees and contractors to purchase up to 1,144,500 common shares of the Company at an exercise price of $0.17 per share, over a five-year term.

These incentive stock options are subject to vesting such that 1/3rd vest at the time of the grant, 1/3rd vest after 12 months from the date of the grant and remaining 1/3rd vest after 24 months from the date of the grant.

The estimated value of the stock options granted during the nine months ended September 30, 2018 and the year ended December 31, 2017, was calculated using the Black-Scholes Option Pricing Model with the following assumptions:

	September 30, 2018	December 31, 2017
Risk-free interest rate	2.21%	1.06%
Expected annual volatility	106.75%	79.04%
Expected life (in years)	4.00	4.00
Expected dividend yield	0.00%	0.00%
Grant date fair value per option	$0.09	$0.09

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

d) Warrants

The change in warrants during the period ended September 30, 2018 and the year ended December 31, 2017 was as follows:

	September 30, 2018			December 31, 2017		
	Number outstanding		**Price per share**	Number outstanding		Weighted average exercise price
Opening balance	**12,768,625**	**$**	**0.20**	4,166,667	$	0.20
Issued	-		0.20	8,601,958		0.20
Exercised	-		-	-		-
Expired	(4,166,667)		0.20	-		-
Closing balance	**8,601,958**	**$**	**0.20**	12,768,625	$	0.20

A summary of the Company's warrants outstanding as at September 30, 2018 is as follows:

Warrants outstanding		**Price per share**	**Expiry date**
4,879,958	$	0.20	November 29, 2020
3,722,000	$	0.20	December 29, 2020
8,601,958	**$**	**0.20**	

On September 7, 2018, 4,166,667 warrants at a price of $0.20 per share expired.

12. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party balances

The balances due to related parties included in accounts payables and accrued liabilities were $27,114 as at September 30, 2018 (December 31, 2017 – $26,974). These amounts are for reimbursement of expenses and service fees.

b) Related party transactions

	For the three months ended				**For the nine months ended**			
Expenses by nature:		**September 30, 2018**		September 30, 2017		**September 30, 2018**		September 30, 2017
Directors' fees	**$**	**15,241**	$	17,025	**$**	**45,549**	$	51,724
Short-term management salaries and benefits		**72,757**		68,416		**213,334**		184,778
Share based payments – Directors		**4,903**		4,946		**25,169**		35,625
Share based payments - Management		**7,626**		3,290		**37,284**		47,148
	$	**100,527**	$	93,677	**$**	**321,336**	$	319,275

(Expressed in Canadian Dollars)

13. SEGMENTED INFORMATION

The Company has the following geographic segments: the Mexico exploration program (“Mexico”), the Serbian and Bulgarian exploration programs (“Europe”) and, corporate administrative functions in Canada. The Company’s total assets and net losses by geographic segment are as follows:

	Canada	Mexico	Europe	Total
Assets				
As at September 30, 2018				
Non-current	$ 20,284	$ 5,910	$ 880,569	**$ 906,763**
Current	3,779,364	24,780	216,569	**4,020,713**
Total assets	$ 3,799,648	$ 30,690	$ 1,097,138	**$ 4,927,476**
As at December 31, 2017				
Non-current	$ 18,139	$ 5,473	$ 966,466	**$ 990,078**
Current	5,006,162	18,957	421,598	**5,446,717**
Total assets	$ 5,024,301	$ 24,430	$ 1,388,064	**$ 6,436,795**
Net loss:				
For the period ended September 30, 2018	$ 1,354,977	$ 10,309	$ 165,468	**$ 1,530,754**
For the period ended September 30, 2017	$ 1,445,763	$ 21,708	$ 484,372	**$ 1,951,843**