

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended April 30, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 000-53848

**RISE GOLD CORP.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation)

**30-0692325**

(IRS Employer Identification Number)

**488 – 1090 West Georgia Street**  
**Vancouver, British Columbia, Canada V6E 3V7**

(Address of principal executive offices)(Zip Code)

**(604) 260-4577**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of June 14, 2018, the registrant had 116,105,982 shares of common stock issued and outstanding.

## **PART I - FINANCIAL INFORMATION**

### **ITEM 1. FINANCIAL STATEMENTS.**

The condensed consolidated interim financial statements of Rise Gold Corp. (“we”, “us”, “our”, the “Company”, or the “registrant”), a Nevada corporation, included herein were prepared, without audit, pursuant to rules and regulations of the Securities and Exchange Commission. Because certain information and notes normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America were condensed or omitted pursuant to such rules and regulations, the condensed consolidated interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements of the Company in the Company's Form 10-K for the fiscal year ended July 31, 2017.

**RISE GOLD CORP.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**PERIOD ENDED APRIL 30, 2018**

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS:	Page
Consolidated Interim Statement of Financial Position	F-1
Consolidated Interim Statement of Loss and Comprehensive Loss	F-2
Consolidated Interim Statement of Cash Flows	F-3
Consolidated Interim Statement of Stockholders' Equity	F-4
Notes to Unaudited Consolidated Interim Financial Statements	F-5

**RISE GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

AS AT

	April 30, 2018	July 31, 2017
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,735,180	\$ 337,099
Receivables	42,651	18,083
Prepaid expenses	530,524	165,118
	<u>2,308,355</u>	<u>520,300</u>
Mineral property interests (Note 3)	4,928,297	3,789,854
	<u>\$ 7,236,652</u>	<u>\$ 4,310,154</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 197,166	\$ 276,407
Due to related parties (Note 6)	26,969	20,385
Loan from related parties (Note 6)	49,150	38,079
	<u>273,285</u>	<u>334,871</u>
<b>Stockholders' equity</b>		
Capital stock, \$0.001 par value, 400,000,000 shares authorized; 116,105,982 (July 31, 2017 – 66,707,655) shares issued and outstanding (Note 7)	116,106	66,708
Additional paid-in-capital (Note 7)	16,280,575	10,103,162
Subscriptions receivable (Note 7)	(302,600)	-
Cumulative translation adjustment	(166,663)	(166,663)
Deficit	(8,964,051)	(6,027,924)
	<u>6,963,367</u>	<u>3,975,283</u>
	<u>\$ 7,236,652</u>	<u>\$ 4,310,154</u>

**Nature and continuance of operations** (Note 1)**Contingency** (Note 4)**Subsequent events** (Notes 3 and 7)

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

**RISE GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended April 30, 2018	Three months ended April 30, 2017	Nine months ended April 30, 2018	Nine months ended April 30, 2017
<b>EXPENSES</b>				
Consulting (Note 6)	\$ 18,000	\$ 235,171	\$ 57,500	\$ 430,342
Directors fees	22,252	-	73,107	-
Filing and regulatory	10,266	8,796	71,780	28,000
Foreign exchange	6,380	(1,233)	(15,308)	174
Gain on settlement of payables	-	-	(37,068)	(11,415)
General and administrative	33,649	56,121	139,085	116,127
Geological, mineral and prospect costs (Note 3)	440,615	171,146	1,150,292	171,146
Professional fees	127,971	167,807	352,028	261,559
Promotion and shareholder communication	65,502	311,880	323,809	579,553
Property investigation costs	-	-	-	55,253
Salaries (Note 6)	56,465	17,127	147,542	81,352
Share-based payments (Note 7)	673,360	439,809	673,360	1,010,064
Write off mineral property costs (Note 3)	-	563,031	-	563,031
<b>Net loss and comprehensive loss</b>	<b>\$ (1,454,460)</b>	<b>\$ (1,969,655)</b>	<b>\$ (2,936,127)</b>	<b>\$ (3,285,186)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>\$ (0.04)</b>	<b>\$ (0.07)</b>
<b>Weighted average number of common shares outstanding</b>	<b>85,685,791</b>	<b>57,384,021</b>	<b>74,624,290</b>	<b>43,888,371</b>

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

**RISE GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

FOR THE NINE MONTH PERIODS ENDED APRIL 30

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (2,936,127)	\$ (3,285,186)
Items not involving cash		
Accrued interest expense	-	19,200
Gain on settlement of payables	(37,068)	(11,415)
Shares issued for compensation	-	60,000
Share-based payments	673,360	1,010,064
Unrealized foreign exchange	11,071	6,167
Write off mineral property costs	-	563,031
Non-cash working capital item changes:		
Receivables	(24,568)	(20,081)
Prepaid expenses	(365,406)	(322,322)
Accounts payable and accrued liabilities	18,358	209,993
Due to related parties	6,584	-
Net cash used in operating activities	<u>(2,653,796)</u>	<u>(1,770,549)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Mineral property	<u>(1,138,443)</u>	<u>(3,054,872)</u>
Net cash used in investing activities	<u>(1,138,443)</u>	<u>(3,054,872)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Private placement	5,257,620	4,590,650
Warrants exercised	19,267	27,208
Options exercised	-	60,000
Share issuance costs	(86,567)	(241,942)
Promissory notes	-	220,000
Subscriptions received in advance	-	678,650
Net cash provided by financing activities	<u>5,190,320</u>	<u>5,334,566</u>
<b>Change in cash for the period</b>	<b>1,398,081</b>	<b>509,145</b>
<b>Cash, beginning of period</b>	<u>337,099</u>	<u>139,021</u>
<b>Cash, end of period</b>	<u>\$ 1,735,180</u>	<u>\$ 648,166</u>
<b>Cash paid for:</b>		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

Supplemental cash flow information (Note 8)

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

**RISE GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF STOCKHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	<u>Capital Stock</u>		Additional Paid-in Capital	Subscriptions Receivable	Subscriptions Received in Advance	Cumulative Translation Adjustment	Deficit	Total
	Number	Amount						
<b>Balance as at July 31, 2016</b>	32,866,261	\$ 32,867	\$ 2,475,194	\$ -	\$ -	\$ (166,663)	\$ (1,836,969)	\$ 504,429
Shares issued for cash	22,839,500	22,839	4,567,811	-	-	-	-	4,590,650
Shares issued for mineral property	920,000	920	183,080	-	-	-	-	184,000
Shares issued for compensation	400,000	400	59,600	-	-	-	-	60,000
Warrants exercised	272,080	272	26,936	-	-	-	-	27,208
Options exercised	400,000	400	59,600	-	-	-	-	60,000
Subscriptions received in advance	-	-	-	-	678,650	-	-	678,650
Share issuance costs	-	-	(240,478)	-	-	-	-	(240,478)
Share-based payments	-	-	1,010,064	-	-	-	-	1,010,064
Loss for the period	-	-	-	-	-	-	(3,285,186)	(3,285,186)
<b>Balance as at April 30, 2017</b>	57,697,841	\$ 57,698	\$ 8,141,807	\$ -	\$ 678,650	\$ (166,663)	\$ (5,122,155)	\$ 3,589,337
Shares issued for cash	9,009,814	9,010	2,063,247	-	(678,650)	-	-	1,393,607
Share issuance costs	-	-	(101,892)	-	-	-	-	(101,892)
Loss for the period	-	-	-	-	-	-	(905,769)	(905,769)
<b>Balance as at July 31, 2017</b>	66,707,655	\$ 66,708	\$ 10,103,162	\$ -	\$ -	\$ (166,663)	\$ (6,027,924)	\$ 3,975,283
Shares issued for cash	48,788,473	48,788	5,511,432	(302,600)	-	-	-	5,257,620
Shares issued for debt conversion	417,184	417	60,074	-	-	-	-	60,491
Warrants exercised	192,670	193	19,074	-	-	-	-	19,267
Share issuance costs	-	-	(86,527)	-	-	-	-	(86,527)
Share-based payments	-	-	673,360	-	-	-	-	673,360
Loss for the period	-	-	-	-	-	-	(2,936,127)	(2,936,127)
<b>Balance as at April 30, 2018</b>	116,105,982	\$ 116,106	\$ 16,280,575	\$ (302,600)	\$ -	\$ (166,663)	\$ (8,964,051)	\$ 6,963,367

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

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED APRIL 30, 2018**

(Expressed in Canadian Dollars)

(Unaudited)

---

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Rise Gold Corp. (the “Company”) was originally incorporated as Atlantic Resources Inc. in the State of Nevada on February 9, 2007 and is in the exploration stage. On April 11, 2012, the Company merged its wholly-owned subsidiary, Patriot Minefinders Inc., a Nevada corporation, in and to the Company to effect a name change to Patriot Minefinders Inc. On January 14, 2015, the Company completed a name change to Rise Resources Inc. in the same manner. On April 7, 2017, the Company changed its name to Rise Gold Corp. These mergers were carried out solely for the purpose of effecting these changes of names.

On February 16, 2015, the Company increased its authorized capital from 21,000,000 shares to 400,000,000 shares.

On January 29, 2016, the Company completed an initial public offering in Canada and began trading on the Canadian Securities Exchange (“CSE”) on February 1, 2016. On November 28, 2017, the Company ceased trading on the OTC Pink Market and began trading on the OTCQB Venture Market.

The Company is in the early stages of exploration and as is common with any exploration company, it raises financing for its acquisition activities. The accompanying condensed consolidated interim financial statements have been prepared on the going concern basis, which presumes that the Company will continue operations for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of business. The Company has incurred a loss of \$2,936,127 for the period ended April 30, 2018 and has accumulated a deficit of \$8,964,051. This raises substantial doubt about the Company’s ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company’s ability to maintain continued support from its shareholders and creditors and to raise additional capital and implement its business plan. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

At April 30, 2018, the Company had working capital of \$2,035,070.

**2. BASIS OF PREPARATION****Generally Accepted Accounting Principles**

The accompanying unaudited condensed consolidated interim financial statements have been prepared in conformity with generally accepted accounting principles of the United States of America (“US GAAP”) and the rules and regulations of the Securities and Exchange Commission (“SEC”) for financial information with the instructions to Form 10-Q and Regulation S-K. Results are not necessarily indicative of results which may be achieved in the future. The unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K, which contains the audited financial statements and notes thereto, together with Management’s Discussion and Analysis, for the year ended July 31, 2017. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such SEC rules and regulations. The operating results for the nine months ended April 30, 2018 are not necessarily indicative of the results that may be expected for the year ended July 31, 2018.

**Basis of Consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary Rise Grass Valley Inc. All significant intercompany accounts and transactions have been eliminated on consolidation.



**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

---

**2. BASIS OF PREPARATION** (continued)**Basis of Consolidation** (continued)*Subsidiaries*

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

**Recently Adopted and Recently Issued Accounting Standards**

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes". This ASU eliminates the current requirement to present deferred tax assets and liabilities as current and noncurrent amounts in a classified balance sheet and replaces it with a noncurrent classification of deferred tax assets and liabilities. The ASU applies to all entities and is effective for annual periods beginning after March 17, 2018, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact of adoption of this standard.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Liabilities". This ASU amendment addresses aspects of recognition, measurement, presentation and disclosure of financial instruments. It affects investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value, and simplifies the impairment assessment of equity investments without a readily determinable fair value by requiring a qualitative assessment. The ASU applies to all entities and is effective for annual periods beginning after March 17, 2018, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact of adoption of this standard.

Other than the above, the Company has determined that other significant newly issued accounting pronouncements are either not applicable to the Company's business or that no material effect is expected on the financial statements as a result of future adoption.

**Use of Estimates**

The preparation of these financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include the carrying value and recoverability of mineral properties and the recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences. Actual results could differ from those estimates, and would impact future results of operations and cash flows.

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

**3. MINERAL PROPERTY INTERESTS**

The Company's mineral properties balance consists of:

	Indata, British Columbia	Klondike, British Columbia	Idaho-Maryland, California	Total
Balance, July 31, 2016	\$ 50,000	\$ 513,031	\$ -	\$ 563,031
Cash paid			3,605,854	3,605,854
Shares issued			184,000	184,000
Write-off	(50,000)	(513,031)	-	(563,031)
Balance, July 31, 2017	-	-	3,789,854	3,789,854
Cash paid	-	-	1,138,443	1,138,443
Balance, April 30, 2018	\$ -	\$ -	\$ 4,928,297	\$ 4,928,297

**Title to mineral properties**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveying history characteristic of many mineral properties. As at April 30, 2018, the Company holds title to the Idaho-Maryland Gold Mine Property.

As of April 30, 2018, based on management's review of the carrying value of mineral rights, management determined that there is no evidence that the cost of these acquired mineral rights will not be fully recovered and accordingly, the Company determined that no adjustment to the carrying value of mineral rights was required. As of the date of these condensed consolidated interim financial statements, the Company has not established any proven or probable reserves on its mineral properties and has incurred only acquisition and exploration costs.

**Indata, British Columbia**

On May 18, 2015, the Company entered into an option agreement with Eastfield Resources Ltd., ("Eastfield"), pursuant to which Eastfield granted the Company the exclusive and irrevocable right to acquire up to a 75% interest in and to certain claims in the Indata property located in the Omineca Mining Division in British Columbia, Canada, for total consideration of \$450,000 in cash and minimum aggregate exploration expenditures of \$2,500,000. As at July 31, 2017, the Company had paid \$50,000 towards the 75% interest earn-in and incurred cumulative exploration expenditures of \$4,035 on the Indata property. During the year ended July 31, 2017, the Company terminated its option agreement with Eastfield; accordingly, the Company has written off \$50,000 in acquisition costs in relation to the Indata property as at July 31, 2017.

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED APRIL 30, 2018**

(Expressed in Canadian Dollars)

(Unaudited)

---

**3. MINERAL PROPERTY INTERESTS (continued)****Klondike, British Columbia**

On May 26, 2016, the Company entered into an agreement with Klondike Gold Corp. (“Klondike”) regarding the purchase of a portfolio of seven gold and base metal properties in southeast British Columbia for total consideration of \$200,000 cash, the issuance of 3,500,000 common shares, and the issuance of 2,500,000 warrants. As at July 31, 2017, the Company had paid Klondike \$50,000 in cash, issued 1,500,000 shares of the Company’s common stock valued at \$240,000, and issued 1,500,000 warrants valued at \$223,031 (discount rate – 0.49%, volatility – 200.64%, expected life – 2 years, dividend yield – 0%), exercisable at \$0.227 per share until July 13, 2018, and incurred cumulative exploration expenditures of \$10,408 on the Klondike properties. During the year ended July 31, 2017, the Company terminated the purchase agreement with Klondike and paid a settlement of \$100,000 to Klondike; accordingly the Company has written off \$513,031 in acquisition costs in relation to the Klondike properties as at July 31, 2017.

**Idaho-Maryland Gold Mine Property, California**

On August 30, 2016, the Company entered into an option agreement with three parties to purchase a 100% interest in and to the Idaho-Maryland Gold Mine property located near Grass Valley, California, United States; pursuant to the option agreement, in order to exercise the option, the Company was to have paid US\$2,000,000 by November 30, 2016. Upon execution of the option agreement, the Company paid the vendors a non-refundable cash deposit in the amount of \$32,758 (US\$25,000), which was credited against the purchase price of US\$2,000,000 upon exercise of the option. On November 30, 2016, the Company negotiated an extension of the closing date of the option agreement to December 26, 2016, in return for a cash payment of \$32,758 (US\$25,000), which was credited against the purchase price of US\$2,000,000 upon exercise of the option. On December 28, 2016, the Company negotiated a further no-cost extension of the closing date of the option agreement to April 30, 2017. On January 25, 2017, the Company exercised the option by paying \$2,588,625 (US\$1,950,000), and acquired a 100% interest in the Idaho-Maryland Gold Mine property. In connection with the option agreement, the Company agreed to pay a cash commission of \$184,000 (US\$140,000) equal to 7 per cent of the purchase price of US\$2,000,000; the commission was settled on January 25, 2017 through the issuance of 920,000 units valued at \$0.20 per unit (Note 7). The Company also incurred additional transaction costs of \$144,391, which have been included in the carrying value of the Idaho-Maryland Gold Mine.

On January 6, 2017, the Company entered into an option agreement with Sierra Pacific Industries Inc. (“Sierra Pacific”) to purchase a 100% interest in and to certain surface rights totalling approximately 82 acres located near Grass Valley, California, United States, contiguous to the Idaho-Maryland Gold Mine property acquired by the Company on January 25, 2017. Pursuant to the option agreement, in order to exercise the option, the Company was to have paid US\$1,900,000 by March 31, 2017. Upon execution of the option agreement, the Company paid the Sierra Pacific a non-refundable cash deposit in the amount of \$132,732 (US\$100,000), which was credited against the purchase price of US\$1,900,000 upon exercise of the option. On April 3, 2017, the Company negotiated an extension of the closing date of the option agreement to June 30, 2017, in return for a cash payment of \$268,000 (US\$200,000), at which time a payment of US\$1,600,000 was due in order to exercise the option. On June 7, 2017, the Company negotiated an extension of the closing date of the option agreement to September 30, 2017, in return for a cash payment of \$406,590 (US\$300,000), at which time a payment of US\$1,300,000 was due in order to exercise the option. On September 1, 2017, the Company negotiated a third extension of the closing date of the option agreement to June 30, 2018 in return for cash payments as follows: US\$300,000 by September 30, 2017 (paid \$372,078), US\$300,000 by December 30, 2017 (paid \$378,165), US\$300,000 by March 30, 2018 (paid \$388,200), and a final payment of US\$400,000 by June 30, 2018 (paid May 15, 2018), which comprise the remaining purchase price of US\$1,300,000 in full. At April 30, 2018 a total of US\$400,000 was still required to be paid under the agreement to exercise the option; subsequent to April 30, 2018, the Company paid this in full, resulting in the full exercise of the option and purchase of the property from Sierra Pacific effective as of May 15, 2018.

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

**3. MINERAL PROPERTY INTERESTS (continued)****Idaho-Maryland Gold Mine Property, California (continued)**

As at April 30, 2018, the Company has incurred cumulative property investigation costs of \$55,253 and cumulative exploration expenditures of \$1,526,272 on the Idaho-Maryland Gold Mine property as follows:

	Nine month period ended April 30, 2018	Year ended July 31, 2017
Opening balance	\$ 375,980	\$ -
Idaho-Maryland Gold Mine expenditures:		
Consulting	\$ 222,516	\$ 287,411
Exploration	637,910	54,753
Rent	24,119	10,968
Supplies	125,723	4,020
Sampling	111,403	8,623
Travel	28,621	10,205
Total expenditures	\$ 1,150,292	\$ 375,980
Closing balance	\$ 1,526,272	\$ 375,980

**4. CONTINGENCY**

During the year ended July 31, 2014, the Company entered into a binding letter of intent (“LOI”) with Wundr Software Inc. (“Wundr”). Under the terms of the LOI, the Company would acquire 100% of the issued and outstanding common shares of Wundr. Due to unforeseen circumstances, the Company did not complete the transactions contemplated in the LOI, which the Company announced had expired on January 10, 2014.

On September 17, 2014, the Company learned that it was the subject, along with a number of additional defendants, of a notice of civil claim (the “Claim”) filed in the Supreme Court of British Columbia by Wundr, under which Wundr is seeking general damages from the Company as well as damages for conspiracy to cause economic harm. None of the allegations contained in the Claim have been proven in court. Management has determined that the probability of the Claim resulting in an unfavourable outcome and financial loss to the Company is unlikely.

**5. PROMISSORY NOTES PAYABLE**

During the year ended July 31, 2017, the Company issued promissory notes totalling \$220,000, accruing interest in advance at 10% every three months, maturing on June 29, 2017. Subsequently, the Company and one promissory note holder agreed to reduce the interest rate to 7.2% and make an early repayment of principal of \$100,000 and accrued interest of \$7,200. The remaining principal of \$120,000 and accrued interest of \$12,000 was also repaid during the year ended July 31, 2017.

**6. RELATED PARTY TRANSACTIONS**

Key management personnel consist of the Chief Executive Officer, Chief Financial Officer, and the directors of the Company. The remuneration of the key management personnel is as follows:

- a) Salaries of \$135,000 (2017 - \$90,000) and nil (2017 - 400,000) shares of common stock valued at \$nil (2017 - \$60,000), recognized in consulting expense, to the CEO of the Company.
- b) Consulting fees of \$nil (2017 - \$42,619) to the former CEO of the Company.

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

---

**6. RELATED PARTY TRANSACTIONS (continued)**

- c) Consulting fees of \$36,000 (2017 - \$40,489) to the CFO of the Company, and consulting fees of \$10,750 (2017 - \$8,476) and rent of \$3,600 (2017 - \$nil) to a company in which the CFO holds a 50% interest.
- d) Consulting fees of \$10,750 (2017 - \$8,476) and rent of \$3,600 (2017 - \$nil) to a company in which a former director of the Company holds a 50% interest.
- e) Directors fees of \$73,107 (2017 - \$Nil) to directors of the Company.
- f) Share-based payments of \$631,150 (2017 - \$885,375) to the CEO and directors of the Company.

As at April 30, 2018, the Company has recorded loans from related parties of \$10,000 and \$39,150 (US\$30,500) (July 31, 2017 - \$38,079 (US\$30,500)) representing advances made by a director and a former director and officer. The advances are due on demand without interest.

As at April 30, 2018, included in accounts payable and accrued liabilities is \$26,969 (July 31, 2017 - \$20,385) in accounts and advances payable and accrued liabilities to current and former directors, officers and companies controlled by directors and officers of the Company.

**7. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL****Issued Capital Stock**

On August 1, 2016, the Company issued 400,000 shares of common stock at a price of \$0.15 per share to the Company's CEO as compensation. The shares were valued at \$60,000 on issuance and were recognized as consulting expense.

On November 1, 2016 and November 7, 2016, the Company issued a total of 272,080 shares of common stock upon the exercise of finders' warrants at a price of \$0.10 per share.

On January 25, 2017, the Company issued 920,000 units valued at \$0.20 per unit to an individual pursuant to a debt conversion by the individual in the amount of \$184,000 (US\$140,000), representing a cash commission equal to seven per cent of the US\$2,000,000 purchase price of the Idaho-Maryland property (Note 3). Each unit consists of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On August 9, 2017, the Company issued 417,184 units to a third party pursuant to a debt conversion by the third party in the amount of \$95,952, representing finders' fees payable on the private placement which closed May 5, 2017. Each unit consists of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. At the time of issuance, the units had a fair value of \$60,491 (\$0.145 per unit); accordingly, the Company recognized a gain on settlement of debt of \$35,461 for the nine month period ended April 30, 2018.

On January 29, 2018, the Company issued a total of 192,670 shares of common stock upon the exercise of finders' warrants at a price of \$0.10 per share.

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED APRIL 30, 2018**

(Expressed in Canadian Dollars)

(Unaudited)

**7. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)****Private Placements**

On December 23, 2016, the Company completed a non-brokered private placement, issuing an aggregate of 21,044,500 units at a price of \$0.20 per unit for gross proceeds of \$4,208,900. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$218,410, other share issuance costs of \$15,723, and issued a total of 1,104,300 finders' warrants valued at \$191,724 (discount rate – 0.76%, volatility – 179.53%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On January 24, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 1,340,000 units at a price of \$0.20 per unit for gross proceeds of \$268,000. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$5,220 and issued a total of 26,100 finders' warrants valued at \$5,919 (discount rate – 0.76%, volatility – 175.85%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On February 6, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 455,000 units at a price of \$0.25 per unit for gross proceeds of \$113,750. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$2,625 and issued a total of 10,500 finders' warrants valued at \$2,657 (discount rate – 0.70%, volatility – 175.86%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On May 5, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 9,009,814 units at a price of \$0.23 per unit for gross proceeds of \$2,072,257. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$100,392 and issued a total of 436,488 finders' warrants valued at \$92,991 (discount rate – 0.67%, volatility – 170.28%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On September 26, 2017, the Company completed the first tranche of a non-brokered private placement, issuing an aggregate of 7,077,140 units at a price of \$0.15 per unit for gross proceeds of \$1,061,570. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$540 and issued a total of 3,600 finders' warrants valued at \$388 (discount rate – 1.59%, volatility – 150.97%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance.

On December 27, 2017, the Company completed the second tranche of a non-brokered private placement, issuing an aggregate of 6,417,000 units at a price of \$0.15 per unit for gross proceeds of \$962,550. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$55,779 and issued a total of 371,860 finders' warrants valued at \$28,997 (discount rate – 1.64%, volatility – 139.85%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance.

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

**7. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)****Private Placements (continued)**

On January 3, 2018, the Company completed the third and final tranche of a non-brokered private placement, issuing an aggregate of 133,333 units at a price of \$0.15 per unit for gross proceeds of \$20,000. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance.

On April 18, 2018, the Company completed a non-brokered private placement, issuing an aggregate of 35,161,000 units at a price of \$0.10 per unit for gross proceeds of \$3,516,100. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.15 for a period of three years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$2,100 and issued a total of 21,000 finders' warrants valued at \$1,467 (discount rate – 1.88%, volatility – 123.60%, expected life – 2 years, dividend yield – 0%), exercisable into one share of common stock at a price of \$0.15 for a period of two years from the date of issuance. As at April 30, 2018, \$302,600 has been recorded as subscriptions receivable, and was received in full subsequent to April 30, 2018.

**Stock Options**

During the nine month period ended April 30, 2018, the Company granted a total of 6,381,000 stock options to employees, officers, directors, and consultants of the Company, exercisable at a weighted average price of \$0.12 per share for a period of five years;

During the year ended July 31, 2017, the Company granted:

- a) a total of 2,729,142 stock options to the Company's CEO, exercisable at a weighted average price of \$0.23 per share for a period of five years;
- b) 500,000 incentive stock options to an investor relations consultant, each option exercisable into one share of common stock at a price of \$0.33 until February 7, 2020.
- c) 500,000 stock options to a director of the Company, exercisable at a price of \$0.27 per share until April 3, 2022.
- d) 900,000 stock options to two directors of the Company, exercisable at a price of \$0.28 per share until April 20, 2020.

The following incentive stock options were outstanding at April 30, 2018:

Number of Options	Exercise Price	Expiry Date
1,100,000	\$ 0.15	March 22, 2021
586,600	0.20	August 8, 2021
2,142,542	0.24	December 27, 2021
500,000	0.27	April 3, 2022
900,000	0.28	April 20, 2020
<u>6,381,000</u>	<u>0.12</u>	<u>April 19, 2023</u>
11,610,142	\$ 0.17	

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

**7. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)****Stock Options (continued)**

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance, July 31, 2016	2,700,000	\$ 0.15	Nil
Options granted	4,629,142	0.26	Nil
Options exercised	(400,000)	(0.15)	Nil
Options expired/forfeited	<u>(1,200,000)</u>	<u>(0.15)</u>	<u>Nil</u>
Balance, July 31, 2017	5,729,142	\$ 0.24	Nil
Options granted	6,381,000	0.12	Nil
Options expired/forfeited	<u>(500,000)</u>	<u>(0.33)</u>	<u>Nil</u>
Balance outstanding and exercisable, April 30, 2018	11,610,142	\$ 0.17	Nil

**Warrants**

The following warrants were outstanding at April 30, 2018:

Number of Warrants	Exercise Price	Expiry Date
1,500,000	\$ 0.227	July 13, 2018
22,148,800	0.40	December 23, 2018
2,286,100	0.40	January 24, 2019
465,500	0.40	February 6, 2019
9,863,486	0.40	May 5, 2019
7,080,740	0.25	September 25, 2019
6,788,860	0.25	December 27, 2019
133,333	0.25	January 3, 2020
21,000	0.15	April 18, 2020
<u>35,161,000</u>	<u>0.15</u>	<u>April 18, 2021</u>
85,448,819	\$ 0.27	



**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

**7. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)****Warrants (continued)**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2016	1,964,750	\$ 0.20
Warrants issued	34,346,702	0.40
Warrants exercised	(272,080)	(0.10)
Balance, July 31, 2017	36,039,372	\$ 0.39
Warrants issued	49,602,117	0.18
Warrants exercised	(192,670)	(0.10)
Balance, April 30, 2018	85,448,819	\$ 0.27

During the nine month period ended April 30, 2018, the Company issued a total of 396,460 (2017 – 1,140,900) finders' warrants with a weighted average fair value of \$0.08 (2017 - \$0.18) per warrant.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of finders' warrants issued during the period:

	2018	2017
Risk-free interest rate	1.65%	0.76%
Expected life of warrants	2.0 years	2.0 years
Expected annualized volatility	139.09%	179.45%
Dividend	Nil	Nil
Forfeiture rate	0%	0%

**Share-Based Payments**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less any applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

During the nine month period ended April 30, 2018, the Company granted 6,381,000 (2017 – 4,629,142) stock options with a weighted average fair value of \$0.11 (2017 - \$0.18) per share, recognizing share-based payments expense of \$673,360 (2017 - \$1,010,064).

**RISE GOLD CORP.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED APRIL 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

**7. CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL (continued)****Share-Based Payments (continued)**

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the period:

	2018	2017
Risk-free interest rate	2.12%	0.82%
Expected life of options	5.00 years	4.07 years
Expected annualized volatility	136.38%	128.23%
Dividend	Nil	Nil
Forfeiture rate	0%	0%

**8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the nine month period ended April 30, 2018, the Company:

- Issued a total of 396,460 finders' warrants valued at \$30,852 recorded as share issuance costs (Note 7);
- Issued 417,184 units, each unit comprised of one share of common stock and one share purchase warrant, valued at \$60,491, pursuant to a debt conversion in relation to the settlement of \$95,952 in finders' fees payable on the private placement which closed on May 5, 2017 (Note 7); and
- Accrued \$7,100 in share issuance costs through accounts payable and accrued liabilities.

During the nine month period ended April 30, 2017, the Company

- Issued 1,140,900 agent warrants valued at \$200,300 (Note 7);
- Issued 920,000 units, each unit comprising one common share and one share purchase warrant, valued at \$184,000 for a debt conversion in relation to mineral property acquisition (Note 7); and
- Accrued \$1,200 in share issuance costs through accounts payable and accrued liabilities.

**9. SEGMENTED INFORMATION**

The Company has two reportable segments, being the acquisition of exploration and evaluation assets located in British Columbia, Canada, and California, United States.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

### **SPECIAL NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

CERTAIN STATEMENTS IN THIS REPORT, INCLUDING STATEMENTS IN THE FOLLOWING DISCUSSION, ARE WHAT ARE KNOWN AS "FORWARD LOOKING STATEMENTS", WHICH ARE BASICALLY STATEMENTS ABOUT THE FUTURE. FOR THAT REASON, THESE STATEMENTS INVOLVE RISK AND UNCERTAINTY SINCE NO ONE CAN ACCURATELY PREDICT THE FUTURE. WORDS SUCH AS "PLANS", "INTENDS", "WILL", "HOPES", "SEEKS", "ANTICIPATES", "EXPECTS" AND THE LIKE OFTEN IDENTIFY SUCH FORWARD LOOKING STATEMENTS, BUT ARE NOT THE ONLY INDICATION THAT A STATEMENT IS A FORWARD LOOKING STATEMENT. SUCH FORWARD LOOKING STATEMENTS INCLUDE STATEMENTS CONCERNING OUR PLANS AND OBJECTIVES WITH RESPECT TO PRESENT AND FUTURE OPERATIONS, AND STATEMENTS WHICH EXPRESS OR IMPLY THAT SUCH PRESENT AND FUTURE OPERATIONS WILL OR MAY PRODUCE REVENUES, INCOME OR PROFITS. NUMEROUS FACTORS AND FUTURE EVENTS COULD CAUSE US TO CHANGE SUCH PLANS AND OBJECTIVES OR FAIL TO SUCCESSFULLY IMPLEMENT SUCH PLANS OR ACHIEVE SUCH OBJECTIVES, OR CAUSE SUCH PRESENT AND FUTURE OPERATIONS TO FAIL TO PRODUCE REVENUES, INCOME OR PROFITS. THEREFORE, THE FOLLOWING DISCUSSION SHOULD BE CONSIDERED IN LIGHT OF THE DISCUSSION OF RISKS AND OTHER FACTORS CONTAINED IN THIS QUARTERLY REPORT ON FORM 10-Q AND IN OUR OTHER FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. NO STATEMENTS CONTAINED IN THE FOLLOWING DISCUSSION SHOULD BE CONSTRUED AS A GUARANTEE OR ASSURANCE OF FUTURE PERFORMANCE OR FUTURE RESULTS.

### **Description of Business**

The Company is a mineral exploration company and its primary asset is a major past producing high grade property near Grass Valley, California, United States, which it owns outright. The Company has held several other potential mineral properties in British Columbia, Canada, which were recently written off based on the strength of the Grass Valley asset. The Company's common stock is currently traded on the OTC Markets under the symbol "RYES", and is listed on the Canadian Securities Exchange (the "CSE") under the symbol "RISE". The Company ceased to be an OTC reporting issuer in Canada on February 2, 2016.

On May 18, 2015, the Company entered into an option agreement (the "Option Agreement") with Eastfield Resources Ltd., a British Columbia company with its common shares listed for trading on the TSX Venture Exchange under the symbol "ETF" ("Eastfield"), pursuant to which Eastfield granted the Company the exclusive and irrevocable option to acquire up to a 75% undivided interest in and to certain mineral claims known as the Indata property located in the Omineca Mining Division in British Columbia, Canada (the "Indata Property"), by paying Eastfield an aggregate of \$450,000 in cash, incurring a minimum of \$2,500,000 in aggregate exploration expenditures on the Indata Property, and completing a feasibility study on the property. On May 5, 2017, the Company terminated the Option Agreement and wrote off \$50,000 in acquisition costs relating to Indata during the year ended July 31, 2017.

Prior to entering into the Option Agreement, the Company was an exploration stage company engaged in exploring and evaluating potential strategic transactions in multiple industries, including but not limited to mineral properties and technology.

On May 31, 2016, the Company entered into a property purchase agreement (the "Purchase Agreement") with Klondike Gold Corp., a British Columbia company with its common shares listed for trading on the TSX Venture Exchange under the symbol "KG" ("Klondike"), regarding the purchase of a portfolio of seven gold and base metal properties in southeast British Columbia consisting of 150 mining claims with a total area of 28,000 hectares (collectively, the "Klondike Properties"). Under the Purchase Agreement, on July 13, 2016 (the "First Closing"), the Company paid Klondike \$50,000 in cash, issued 1,500,000 shares of the Company's common stock, and issued 1,500,000 warrants exercisable at a price of \$0.227 per share until July 13, 2018. On the one year anniversary of the First Closing, the Company was required to pay Klondike \$150,000 in cash, issue 2,000,000 shares of the

Company's common stock, and issue 1,000,000 warrants. Klondike would have retained a 2% net smelter return royalty ("NSR") and the Company would have had the right to purchase 50% of the NSR for \$1,000,000 at any time after the First Closing. Each of the warrants would have been exercisable for a period of two years into one share of the Company's common stock at a price that is a 20% premium to the 10-day volume-weighted average price of the stock on the CSE immediately prior to the date of issuance. On July 17, 2017, the Company terminated the Purchase Agreement by making a one-time payment of \$100,000 in cash to Klondike; accordingly, the Company wrote off \$513,031 in acquisition costs relating to the Klondike Properties during the year ended July 31, 2017.

On August 30, 2016, the Company entered into an option agreement with three parties to purchase a 100% interest in and to the Idaho-Maryland Gold Mine property (the "I-M Mine Property") located near Grass Valley, California, United States; pursuant to the option agreement, in order to exercise the option, the Company agreed to pay US\$2,000,000 by November 30, 2016. Upon execution of the option agreement, the Company paid the vendors a non-refundable cash deposit in the amount of \$32,758 (US\$25,000), which was to be credited against the purchase price of US\$2,000,000 upon exercise of the option. On November 30, 2016, the Company negotiated an extension of the closing date of the option agreement to December 26, 2016, in return for a cash payment of \$32,758 (US\$25,000), which also was to be credited against the purchase price of US\$2,000,000 upon exercise of the option. On December 28, 2016, the Company negotiated a further no-cost extension of the closing date of the option agreement to January 31, 2017. On January 25, 2017, the Company exercised the option by paying \$2,588,625 (US\$1,950,000), and acquired a 100% interest in the Idaho-Maryland Gold Mine property. In connection with the option agreement, the Company agreed to pay a cash commission of \$184,000 (US\$140,000) equal to 7 per cent of the purchase price of US\$2,000,000; the commission was settled on January 25, 2017 through the issuance of 920,000 units valued at \$0.20 per unit, each unit consisting of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

The Company has completed and announced the results of an exploration program on the I-M Mine Property, following a plan outlined in a National Instrument 43-101 report filed on June 1, 2017. This report was created through processing historic data on the I-M Mine Property obtained from the vendors.

On December 23, 2016, the Company completed a non-brokered private placement, issuing an aggregate of 21,044,500 units at a price of \$0.20 per unit for gross proceeds of \$4,208,900. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$218,410 and issued a total of 1,104,300 finders' warrants exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On January 6, 2017, the Company entered into an option agreement with Sierra Pacific Industries Inc. ("Sierra Pacific") to purchase a 100% interest in and to certain surface rights totalling approximately 82 acres located near Grass Valley, California, United States, contiguous to the Idaho-Maryland Gold Mine property acquired by the Company on January 25, 2017. Pursuant to the option agreement, in order to exercise the option, the Company was to have paid US\$1,900,000 by March 31, 2017. Upon execution of the option agreement, the Company paid the vendors a non-refundable cash deposit in the amount of \$132,732 (US\$100,000), which was credited against the purchase price of US\$1,900,000 upon exercise of the option. On April 3, 2017, in return for a cash payment of \$268,000 (US\$200,000), the Company negotiated an extension of the closing date of the option agreement to June 30, 2017, at which time a payment of US\$1,600,000 was to be due in order to exercise the option. On June 7, 2017, the Company negotiated a second extension of the closing date of the option agreement to September 30, 2017 in return for a cash payment of \$406,590 (US\$300,000), which was credited against the remaining purchase price of US\$1,600,000 upon exercise of the option. On September 1, 2017, the Company negotiated a third extension of the closing date of the option agreement to June 30, 2018 in return for cash payments as follows: US\$300,000 by September 30, 2017 (paid), US\$300,000 by December 30, 2017 (paid), US\$300,000 by March 30, 2018 (paid), and a final payment of US\$400,000 by June 30, 2018. At the date of this MD&A, all payments have been made resulting in the Company fully exercising its option and purchase of the property from Sierra Pacific effective as of May 15, 2018.

On January 24, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 1,340,000 units at a price of \$0.20 per unit for gross proceeds of \$268,000. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders' fees of \$5,220 and issued a total of 26,100 finders' warrants exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On February 6, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 455,000 units at a price of \$0.25 per unit for gross proceeds of \$113,750. Each unit consisted of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders' fees of \$2,625 and issued a total of 10,500 finders' warrants exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On May 5, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 9,009,814 units at a price of \$0.23 per unit for gross proceeds of \$2,072,257. Each unit consists of one share of common stock and one transferable share purchase warrant exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders' fees of \$100,392 and issued a total of 436,488 finders' warrants exercisable into one share of common stock at a price of \$0.40 for a period of two years from the date of issuance.

On September 26, 2017, the Company completed a non-brokered private placement, issuing an aggregate of 7,077,140 units at a price of \$0.15 per unit for gross proceeds of \$1,061,570. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$540 and issued a total of 3,600 finders' warrants exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance.

On December 27, 2017, the Company completed the second tranche of a non-brokered private placement, issuing an aggregate of 6,417,000 units at a price of \$0.15 per unit for gross proceeds of \$962,550. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$55,779 and issued a total of 371,860 finders' warrants exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance.

On January 3, 2018, the Company completed the third and final tranche of a non-brokered private placement, issuing an aggregate of 133,333 units at a price of \$0.15 per unit for gross proceeds of \$20,000. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.25 for a period of two years from the date of issuance.

On February 12, 2018, 500,000 stock options exercisable at a price of \$0.33 were cancelled pursuant to a contract termination.

On April 18, 2018, the Company completed a non-brokered private placement, issuing an aggregate of 35,161,000 units at a price of \$0.10 per unit for gross proceeds of \$3,516,100. Each unit consisted of one share of common stock and one non-transferable share purchase warrant exercisable into one share of common stock at a price of \$0.15 for a period of three years from the date of issuance. In connection with the private placement, the Company paid finders fees of \$2,100 and issued a total of 21,000 finders' warrants exercisable into one share of common stock at a price of \$0.15 for a period of two years from the date of issuance.

On April 19, 2018, the Company granted an aggregate of 6,381,000 stock options to its employees, officers, directors, and consultants, each option exercisable at a price of \$0.12 for a period of five years.

## Plan of Operations

As at April 30, 2018, the Company had a cash balance of \$1,735,180, compared to a cash balance of \$337,099 as of July 31, 2017.

The Company's plan of operations for the next 12 months is to continue its current diamond drilling exploration activities at the Idaho-Maryland Mine Property, located in Nevada County, California. The Company plans to continue the recommended work program as outlined in the Technical Report on the Idaho-Maryland Mine Property (the "Technical Report"), which was issued on June 1, 2017.

On January 3, 2018 the Company announced the assay results from drill hole B-17-01, the first drill hole of the exploration drilling program at the Idaho-Maryland Mine Property.

Diamond drill hole B-17-01 ("the Drillhole") was completed in November 2017. The Drillhole had a total length of 1419 m (4654 ft) and reached a depth of ~1157 m (3794 ft) below surface. The starting azimuth of the Drillhole was 310 degrees and the ending azimuth was 278 degrees with an average inclination of ~55 degrees.

An intercept of 62.7 gpt gold over 2.7 m was intersected in the Center Vein of the Brunswick #1 Vein Set, approximately 50 m below the B1600 level at a depth of ~540 m below surface. The true width of the intercept is estimated at 1.4 m. The Drillhole intersected three sub-parallel veins at the Brunswick #1 Vein. The B1 Vein Set, including the Center Vein and two sections of internal waste, averaged 12.2 gpt gold over 14.9 m with an estimated true width of 7.8 m.

A summary of the most significant assay composites from the Drillhole is presented in Table 1.

The Drillhole azimuth deviated significantly from the planned azimuth and therefore did not intersect the Idaho #1 Vein at depth as outlined in the Technical Report, which was issued on June 1, 2017. This target remains untested and is being tested in the drill program currently underway.

**Table 1 – Assay Composites for Drillhole B-17-01**

Zone	From (m)	To (m)	Interval (m)	Est. True Width (m)	Gold (gpt)
<b>Brunswick #1 Vein Set</b>	<b>638.9</b>	<b>653.8</b>	<b>14.9</b>	<b>7.8</b>	<b>12.2</b>
<i>Including</i>					
HW Vein	638.9	640.4	1.5	0.8	3.2
Internal Waste	640.4	643.7	3.3	1.7	0.1
<b>Center Vein</b>	<b>643.7</b>	<b>646.5</b>	<b>2.7</b>	<b>1.4</b>	<b>62.7</b>
Internal Waste	646.5	652.4	5.9	3.1	0.2
FW Vein	652.4	653.8	1.4	0.7	2.9
 <b>Second Intercept</b>	 1111.6	 1126.8	 15.2	 ?	 4.5
<i>Including</i>					
	1111.6	1113.6	2.0	?	31.4

The Idaho-Maryland property hosts numerous exploration targets that warrant drilling. While a significant drill program is required to test these targets, the Company requested that Amec Foster Wheeler, who prepared the Technical Report, prepare a recommended drill program not to exceed a budget of \$600,000.

A single 6,000 ft (1,830 m) surface diamond drill hole was recommended by Amec Foster Wheeler to provide geological samples from most of the major lithological units on the Idaho-Maryland Mine Property geology. The single hole has been designed to pierce the #1 Vein projection approximately 400 ft (122 m) below the elevation of the I2400 Level and then carry on through the potential western extensions of the Idaho 3 Vein System. The objectives of this drill hole are as follows:

- 1) Provide a long drill intercept of the Brunswick Block from surface to the Serpentinite contact.
- 2) Test the up-dip area and below the 52 Vein (60 Winze) mineralized area in the Brunswick Block.
- 3) Test the #1 Vein below the I2400 Level.
- 4) Test the serpentinite footwall for potential 3 Vein/Rose Garden analogies.
- 5) Test and obtain samples of ankerite alteration in the serpentinite unit.
- 6) Test for the location of the major Idaho faults.
- 7) Drill through the serpentinite unit to provide further insight on the thickness and geometry of this unit at depth.
- 8) Determine drill hole deviation, drilling productivity, and drilling costs to allow refinement of the design of a major drill program at the Idaho-Maryland Mine Property.

In addition, Amec Foster Wheeler recommends that the digital geological model be expanded to include model channel samples, the lithological contacts and structures such as the diabase dikes, ankerite alteration envelopes, minor quartz veins, and all faults mapped by the historic mine operators. This work may provide additional insight into the mineralization controls at the Idaho-Maryland Mine Property.

The cost of the work program is estimated at \$595,000 as shown in the following table:

<b>Estimated Cost of Recommended Work Program</b>		
Hole length (m)	1829	m
Duration	38	days
Drilling cost	\$390,000	
Mobilization	\$7,000	
Standby charges	\$40,000	
Centrifuge system	\$36,000	
Living allowance	\$29,000	
Geology & assaying	\$38,000	
Supplies	\$15,000	
<b>Total drilling cost</b>	<b>\$555,000</b>	= \$303/m
<b>Geological modelling</b>	<b>\$40,000</b>	
<b>Total work program</b>	<b>\$595,000</b>	<b>CAD</b>

On April 25, 2018, the Company announced the recommencement of exploration core drilling at the Idaho-Maryland Gold Property. The Company plans to drill additional holes in the B1 Vein to follow-up on Drillhole B-17-01. These holes will target an area between the B1600 level and the B2300 level. Historical records report both levels on the B1 Vein to be mineralized. Drilling will also test several other Brunswick veins which are parallel to the B1 Vein. The Company expects to be drilling the Brunswick targets until approximately mid-June and then the drill will be moved to test the Idaho #1 Vein target as recommended in the Technical Report.

Though the Company recently completed private placements whereby it raised a total of \$2,044,120, the Company does not currently have sufficient funds to both carry out an exploration program and cover its anticipated general operating expenses for the year, so it will require additional funding. The Company anticipates that additional funding will be in the form of equity financing from the sale of its common stock or from loans from one of several directors or officers, or companies controlled by directors or officers. The Company does not have any arrangements in place for any future equity financing or loans, and if the Company is not successful in raising additional financing, the Company anticipates that it will not be able to proceed with its business plan.

The Company anticipates incurring operating losses for the foreseeable future. It bases this expectation, in part, on the fact that very few mineral claims in the exploration stage ultimately develop into producing, profitable mines. The Company's future financial results are also uncertain due to a number of factors, some of which are outside its control. These factors include the following:

- its ability to raise additional funding;
- the market price for any minerals that may be discovered on the Idaho-Maryland Mine Property; and
- the results of its proposed exploration program on the Idaho-Maryland Mine Property.

The Company has not attained profitable operations and is dependent upon obtaining financing to pursue its proposed exploration activities. For these reasons the Company believes that there is substantial doubt that it will be able to continue as a going concern.

### Results of Operations

*For the Periods Ended April 30, 2018 and 2017*

The Company's operating results for the periods ended April 30, 2018 and 2017 are summarized as follows:

	For the nine month period ended April 30, 2018	For the nine month period ended April 30, 2017
Consulting	\$ 57,500	\$ 430,342
Directors fees	73,107	-
Filing and regulatory	71,780	28,000
Foreign exchange	(15,308)	174
Gain on settlement of payables	(37,068)	(11,415)
General and administrative	139,085	116,127
Geological, mineral and prospect costs	1,150,292	171,146
Professional fees	352,028	261,559
Promotion and shareholder communication	323,809	579,553
Property investigation costs	-	55,253
Salaries	147,542	81,352
Share-based payments	673,360	1,010,064
Write off mineral property costs	-	563,031
Loss for the period	\$ (2,936,127)	\$ (3,285,186)

The Company's operating expenses decreased during the period ended April 30, 2018 compared to the prior period primarily as a result of reductions in share-based payments, consulting, and professional fees, as well as a write-off of mineral property costs recognized in the prior year, offset by the increased costs of Company's work program on the I-M Mineral Property.

### Liquidity and Capital Resources

#### Working Capital

	At April 30, 2018	At July 31, 2017	Change between July 31, 2017 and April 30, 2018
Current Assets	\$ 2,308,355	\$ 520,300	\$ 1,788,055
Current Liabilities	\$ 273,285	\$ 334,871	\$ 61,586
Working Capital	\$ 2,035,070	\$ 185,429	\$ 1,849,641



## Cash Flows

	For the nine month period ended April 30, 2018	For the nine month period ended April 30, 2017
Net Cash used in Operating Activities	\$ (2,653,796)	\$ (1,770,549)
Net Cash used in Investing Activities	\$ (1,138,443)	\$ (3,054,872)
Net Cash provided by Financing Activities	\$ 5,190,320	\$ 5,334,566
Net Increase in Cash During Period	\$ 1,398,081	\$ 509,145

As of April 30, 2018, the Company had \$1,735,180 in cash, \$2,308,355 in current assets, \$7,236,652 in total assets, \$273,285 in current and total liabilities, working capital of \$2,035,070 and an accumulated deficit of \$8,964,051.

During the nine month period ended April 30, 2018, the Company used \$2,653,796 (2017 - \$1,770,549) in net cash on operating activities. The difference in net cash used in operating activities during the two periods was largely due to the increase in the Company's net loss for the most recent year, as adjusted for non-cash items, most significantly share-based payments of \$673,360 (2017 - \$1,010,064) and write off of mineral property costs of \$nil (2017 - \$563,031), and a decrease in accounts payable and accrued liabilities.

During the nine month period ended April 30, 2018, the Company used net cash of \$1,138,443 (US\$900,000) (2017 - \$3,054,872 or US\$2,300,000) in investing activities for the recent option agreement to increase the holdings of the Idaho-Maryland property.

The Company received net cash of \$5,190,320 (2017 - \$5,334,566) from financing activities during the nine month period ended April 30, 2018. In the current period, the Company received gross proceeds of \$5,257,260 (2017 - \$4,590,650) from private placements, proceeds of \$19,267 (2017 - \$27,208) from warrants exercised, and proceeds of \$Nil (2017 - \$60,000) from options exercised, offset by \$86,567 (2017 - \$241,942) in share issuance costs. In the prior period, the Company also received \$220,000 in promissory notes and \$678,650 from subscriptions received in advance.

The Company expects to operate at a loss for at least the next 12 months. It has no agreements for additional financing and cannot provide any assurance that additional funding will be available to finance its operations on acceptable terms in order to enable it to carry out its business plan. There are no assurances that the Company will be able to complete further sales of its common stock or any other form of additional financing. If the Company is unable to achieve the financing necessary to continue its plan of operations, then it will not be able to carry out any exploration work on the Idaho-Maryland Property or the other properties in which it owns an interest and its business may fail.

### **Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Not applicable.

### **ITEM 4. CONTROLS AND PROCEDURES.**

#### **Evaluation of Disclosure Controls and Procedures**

The Securities and Exchange Commission (the "SEC") defines the term "disclosure controls and procedures" to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed

in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Report, management of the Company carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures. Based on this evaluation, management concluded that the Company’s disclosure controls and procedures were not effective as of April 30, 2018 because a material weakness in internal control over financial reporting existed as of that date as a result of a lack of segregation of incompatible duties due to insufficient personnel.

A material weakness is a deficiency or a combination of control deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

### **Changes in Internal Control over Financial Reporting**

There were no changes in the Company’s internal control over financial reporting during the period ended April 30, 2018 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS.**

On September 17, 2014, the Company learned that it was the subject, along with a number of additional defendants, of a notice of civil claim (the “Claim”) filed in the Supreme Court of British Columbia by Wundr Software Inc. (“Wundr”), an eBook software developer. Wundr and the Company were formerly parties to a binding letter of intent that was announced on November 12, 2013 (the “Wundr LOI”), pursuant to which the Company proposed to acquire 100% of the outstanding shares of Wundr. On January 10, 2014, the Company reported that the Wundr LOI had expired.

Among other things, the Claim alleges that the Company committed the tort of intentional interference with economic or contractual relations by virtue of its role in an alleged scheme to establish a competing business to Wundr, and that the Company, through its agents, breached the terms of the Wundr LOI by appropriating certain confidential information and intellectual property of Wundr for the purpose of establishing a competing business. The Claim also alleges that the Company is vicariously liable for the actions of its agents.

Wundr is seeking general damages from the Company as well as damages for conspiracy to cause economic harm. None of the allegations contained in the Claim have been proven in court, the Company believes that they are without merit, and it therefore intends to vigorously defend its position against Wundr.

Other than as described above, the Company is not aware of any material pending legal proceedings to which it is a party or of which its property is the subject. The Company also knows of no proceedings to which any of its directors, officers or affiliates, or any registered or beneficial holders of more than 5% of any class of the Company’s securities, or any associate of any such director, officer, affiliate or security holder are an adverse party or have a material interest adverse to the Company.

### **ITEM 1A. RISK FACTORS.**

Not required.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

The Company has previously provided disclosure in Form 8-K reports regarding all of its unregistered sales of securities made during the quarter covered by this report.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION.**

None.

**ITEM 6. EXHIBITS.**

The following exhibits are filed herewith:

- |         |  |
|---------|--|
| 31.1    | Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2    | Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1    | Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  |
| 32.2    | Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  |
| 101.INS | XBRL Instance File   |
| 101.SCH | XBRL Taxonomy Schema Linkbase Document   |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document.   |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document   |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document  |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document   |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By:     /s/ Benjamin Mossman      
Benjamin Mossman, Chief Executive Officer

Date:     June 14, 2018