

**THOR** EXPLORATIONS LTD



Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2017 and 2016

(in Canadian Dollars)

(Unaudited)

# THOR EXPLORATIONS LTD.

September 30, 2017  
(Unaudited)

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### **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

# THOR EXPLORATIONS LTD.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

In Canadian dollars (unaudited)

	Note	September 30, 2017	December 31, 2016
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 486,786	\$ 1,469,015
Amounts receivable	5	6,180	3,501
Prepaid expenses, advances and deposits	6	48,115	92,726
<b>Total current assets</b>		<b>541,081</b>	<b>1,565,242</b>
Investment	7	2	2
Prepaid expenses, advances and deposits	6	7,587	29,402
Property, plant and equipment	8	155,274	213,904
Exploration and evaluation assets	9	34,971,262	32,474,686
<b>TOTAL ASSETS</b>		<b>\$ 35,675,206</b>	<b>\$ 34,283,236</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10	\$ 438,736	\$ 419,667
Deferred payment	11	\$ 2,120,840	\$ -
		<b>2,559,576</b>	<b>419,667</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		\$ 31,740	\$ 30,274
Deferred payment	11	\$ -	\$ 2,002,810
		<b>31,740</b>	<b>2,033,084</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	12	41,324,813	39,038,540
Reserve	12	2,962,308	1,539,308
Currency translation reserve		521,972	488,362
Deficit		(11,725,203)	(9,235,725)
<b>Total shareholders' equity</b>		<b>33,083,890</b>	<b>31,830,485</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 35,675,206</b>	<b>\$ 34,283,236</b>

Nature of operations and going concern (note 2c)

Subsequent events (note 18)

These consolidated financial statements were approved for issue by the Board of Directors on November 28, 2017 and are signed on its behalf by:

(Signed) "Adrian Coates"

Director

(Signed) "Olusegun Lawson"

Director

# THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,  
In Canadian dollars (unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
<b>Expenses:</b>					
Audit and legal		\$ 8,450	\$ (52,292)	\$ 48,180	\$ 27,065
Bank charges		4,387	2,118	11,690	3,250
Consulting fees	13	133,156	37,064	434,726	133,754
Accretion	11	87,715	42,725	271,526	42,725
Depreciation		8,105	108	23,595	963
Foreign exchange loss (gain)		(11,451)	95,638	10,146	119,757
Listing and filing fees		100	(9,541)	16,669	6,879
Office and miscellaneous		44,747	66,204	124,116	107,210
Shareholder information and transfer agent fees		5,946	3,815	31,886	8,237
Travel		19,757	3,618	93,944	3,618
Other loss (gain)		-	2,685	-	2,685
Share-based payments	12	-	-	1,423,000	-
<b>Loss from operations</b>		<b>(300,912)</b>	<b>(192,142)</b>	<b>(2,489,478)</b>	<b>(456,143)</b>
<b>Net loss for the period</b>		<b>\$ (300,912)</b>	<b>\$ (192,142)</b>	<b>\$ (2,489,478)</b>	<b>\$ (456,143)</b>
<b>Other comprehensive income</b>					
Foreign currency translation gain attributed to non-controlling interest	12	\$ -	\$ -	\$ -	\$ -
Foreign currency translation gain (loss) attributed to equity shareholders of the company		(171,624)	49,019	33,610	(1,107,882)
<b>Total comprehensive gain (loss) for the period</b>		<b>\$ (472,536)</b>	<b>\$ (143,123)</b>	<b>\$ (2,455,868)</b>	<b>\$ (1,564,025)</b>
<b>Net loss per share - basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>307,857,285</b>	<b>135,961,275</b>	<b>292,664,744</b>	<b>135,341,111</b>

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

## THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,  
In Canadian dollars (unaudited)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2017	2016	2017	2016
<b>Cash flows from (used in):</b>					
<b>Operating activities</b>					
Net loss for the period		\$ (300,912)	\$ (103,775)	\$ (2,489,478)	\$ (264,001)
Adjustments for:					
Foreign exchange loss (gain)		(130,184)	2,786	(232,311)	24,119
Accretion	11	87,715	-	271,526	-
Depreciation		8,105	356	23,595	855
Share based payments		-	-	1,423,000	-
Changes in non-cash working capital items	14(a)	61,315	32,921	71,370	5,555
<b>Cash utilized in operations</b>		<b>(273,961)</b>	<b>(67,712)</b>	<b>(932,298)</b>	<b>(233,472)</b>
Adjustments to net loss for cash items					
Realized foreign exchange loss (gain)		(192)	(280)	(14,665)	2,496
Income tax paid	14(b)	-	(1,126)	-	(1,126)
<b>Net operating cash flows</b>		<b>(274,153)</b>	<b>(69,118)</b>	<b>(946,963)</b>	<b>(232,102)</b>
<b>Investing activities</b>					
Purchases of property, plant and equipment	8	(2,427)	-	(31,864)	-
Exploration and evaluation expenditures	9	(1,147,467)	(27,180)	(2,506,075)	(64,317)
<b>Net investing cash flows</b>		<b>(1,149,894)</b>	<b>(27,180)</b>	<b>(2,537,939)</b>	<b>(64,317)</b>
<b>Financing</b>					
Proceeds from issuance of equity securities	12	-	-	2,418,895	407,112
Shares subscription received	12	-	250,000	-	187,310
Share issue costs	12	(7,078)	-	(132,622)	(12,669)
<b>Net financing cash flows</b>		<b>(7,078)</b>	<b>250,000</b>	<b>2,286,273</b>	<b>581,753</b>
<b>Effect of exchange rates on cash</b>		<b>124,246</b>	<b>4,846</b>	<b>216,400</b>	<b>(10,215)</b>
<b>Net change in cash</b>		<b>(1,306,879)</b>	<b>158,548</b>	<b>(982,229)</b>	<b>275,119</b>
<b>Cash, beginning of the period</b>		<b>1,793,665</b>	<b>283,552</b>	<b>1,469,015</b>	<b>166,981</b>
<b>Cash, end of the period</b>		<b>\$ 486,786</b>	<b>\$ 442,100</b>	<b>\$ 486,786</b>	<b>\$ 442,100</b>

Supplemental cash flow information (Note 14)

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

	Not e	Number of common shares	Amount	Share subscription	Reserves	Currency translation reserve	Deficit	Total shareholders' equity
<b>Balance on December 31, 2015</b>		<b>107,061,235</b>	<b>\$ 18,476,613</b>	<b>\$ 134,654</b>	<b>\$ 1,539,308</b>	<b>\$ 1,793,362</b>	<b>\$ (8,388,415)</b>	<b>\$ 13,555,522</b>
Private placements	12	3,540,101	407,112	-	-	-	-	407,112
Share issuance costs	12	-	(12,669)	-	-	-	-	(12,669)
Share subscription received		-	-	187,310	-	-	-	187,310
Net loss for the period		-	-	-	-	-	(264,001)	(264,001)
Comprehensive income		-	-	-	-	(1,156,901)	-	(1,156,901)
<b>Balance on September 30, 2016</b>		<b>110,601,336</b>	<b>\$ 18,871,056</b>	<b>\$ 321,964</b>	<b>\$ 1,539,308</b>	<b>\$ 636,461</b>	<b>\$ (8,652,416)</b>	<b>\$ 12,716,373</b>
Private placements	12	53,411,980	6,532,251	-	-	-	-	6,532,251
- Finders fee		428,386	49,264	-	-	-	-	49,264
Share issuance costs	12	-	(300,431)	-	-	-	-	(300,431)
Share subscription received		-	-	(321,964)	-	-	-	(321,964)
Shares issued for acquisition of subsidiaries	4a	120,751,301	13,886,400	-	-	-	-	13,886,400
Net loss for the period		-	-	-	-	-	(583,309)	(583,309)
Comprehensive income (loss)		-	-	-	-	(148,099)	-	(148,099)
<b>Balance on December 31, 2016</b>		<b>285,193,003</b>	<b>\$ 39,038,540</b>	<b>\$ -</b>	<b>\$ 1,539,308</b>	<b>\$ 488,362</b>	<b>\$ (9,235,725)</b>	<b>\$ 31,830,485</b>
Private placements	12	16,125,967	2,418,895	-	-	-	-	2,418,895
Share issuance costs	12	-	(132,622)	-	-	-	-	(132,622)
Share subscription received		-	-	-	-	-	-	-
Share based payments		-	-	-	1,423,000	-	-	1,423,000
Net loss for the period		-	-	-	-	-	(2,489,478)	(2,489,478)
Comprehensive income (loss)		-	-	-	-	33,610	-	33,610
<b>Balance on September 30, 2017</b>		<b>301,318,970</b>	<b>\$ 41,324,813</b>	<b>\$ -</b>	<b>\$ 2,962,308</b>	<b>\$ 521,972</b>	<b>\$ (11,725,203)</b>	<b>\$ 33,083,890</b>

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

# THOR EXPLORATIONS LTD.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

In Canadian dollars, except where noted (unaudited)

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### 1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company"). Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a junior natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on early stage gold exploration projects located in West Africa.

The Company's registered office is located at 250 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, Canada.

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

#### b) Basis of measurement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2016.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.



# THOR EXPLORATIONS LTD.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

In Canadian dollars, except where noted (unaudited)

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### 2. BASIS OF PREPATION (continued)

#### c) Nature of operations and going concern

The Company is in the exploration stage and is in the process of exploring its resource properties and has not determined whether these properties contain reserves which are economically recoverable. The recoverability of amounts shown for mineral property costs is dependent upon the discovery of economically recoverable reserves, the ability to obtain the necessary financing to complete their exploration and development, as well as environmental regulations that may limit certain mining processes.

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Accordingly, no adjustments to the carrying values of the assets and liabilities have been made in these unaudited condensed consolidated interim financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis which may differ materially from the going concern basis.

The Company has incurred losses in the current period and prior years. For the nine months ended September 30, 2017, the Company has incurred a net loss of \$2,489,478 (nine months ended September 30, 2016 – net loss of \$456,143), and has an accumulated deficit including the currency translation adjustment of \$11,203,652. As at September 30, 2017, the Company has working capital of \$102,345 (December 31, 2016 – working capital \$1,145,575). Although the Company has been successful in securing additional financing in the past, the current market conditions raises material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of these unaudited condensed consolidated interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2016. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016.

#### a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

# THOR EXPLORATIONS LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
In Canadian dollars, except where noted (unaudited)

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Details of the group

In addition to the Company, these unaudited condensed consolidated interim financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

<b>Company</b>	<b>Location</b>	<b>Incorporated</b>	<b>Interest</b>
Thor Investments (BVI) Ltd. ("Thor BVI")	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated ("African Star")	British Virgin Islands	March 31, 2011	100%
African Star Resources SARL ("African Star SARL")	Senegal	July 14, 2011	100%
Argento Exploration BF SARL ("Argento BF SARL")	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL ("AFC Constelor SARL")	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited ("SROL")	Nigeria	August 18, 2016	100%
Segilola Gold Limited ("SGL")	Nigeria	August 18, 2016	100%

### c) Application of new and revised International Financial Reporting Standards

Effective January 1, 2017, there were no new or revised IFRS that were issued by the IASB that were adopted by the Company.

### d) Future accounting pronouncements

Certain pronouncements have been issued by the IASB that are mandatory for accounting years beginning after January 1, 2017 or for later years.

*Accounting standards issued but not yet effective:*

#### (i) Amended standard IFRS2, Share-based Payments:

The amendments to IFRS2 intend to eliminate diversity in practice related to the classification and measurement of share-based payment transactions. Effective for annual periods on or after January 1, 2018.

#### (ii) Amended standard IFRS7, Financial Instruments: Disclosures

The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9 Financial Instruments. Effective for annual periods on or after January 1, 2018.

# THOR EXPLORATIONS LTD.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

In Canadian dollars, except where noted (unaudited)

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### **SIGNIFICANT ACCOUNTING POLICIES (continued)**

(iii) New standard IFRS9, Financial Instruments

This new standard is a replacement of IAS 39 Financial Instruments: Recognition and Measurement. Effective for annual periods on or after January 1, 2018.

(iv) New standard IFRS 15, Revenue from Contracts with Customers

IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information. Effective for annual periods on or after January 1, 2018.

(v) New standard IFRS 16, Leases

IFRS 16 replaces existing lease accounting guidance. All leases will be required to be reported on the statement of financial position unless certain requirements for exclusion are met. Effective for annual periods on or after January 1, 2019.

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

# THOR EXPLORATIONS LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
In Canadian dollars, except where noted (unaudited)

## 4. ASSET ACQUISITION

### a) Acquisition of Segilola Gold Project

On August 18, 2016, pursuant to the terms of the share purchase agreements, the Company purchased the "Segilola Gold Project" through the acquisition of SROL and SGL.

The total consideration paid was comprised of the following:

Cash payment of US\$3,100,000	\$ 3,957,770
Thor shares issued 120,751,301 <sup>(1)</sup>	13,886,400
Deferred payment of US\$2,000,000 at the earliest of:	
a) Thor completing financing for the development of full scale mining of the Segilola Gold Project; and	
b) August 18, 2018 <sup>(2)</sup>	1,773,194
Transaction costs	132,946
<b>Total consideration</b>	<b>\$ 19,750,310</b>

(1) The fair value per common share of Thor of CDN \$0.115 was the closing price on the Toronto Stock Exchange Venture on August 18, 2016.

(2) The fair value of the deferred payment is based on a discount rate of 20% being management's best estimate of the rate that a non-convertible loan without warrants and with similar terms would bear. The foreign exchange rate of 1.2767 was the closing CAD to USD exchange rate published by the Bank of Canada on August 18, 2016.

The Company concluded that the acquired assets and liabilities did not constitute a business and accordingly the acquisition was accounted for as an asset acquisition. The purchase price was allocated to the assets acquired with \$19,747,473 allocated to exploration and evaluation assets and the remaining \$2,837 allocated to cash.

In addition, the Company is required, pursuant to the terms of the share purchase agreements, to make the following future payments:

- 3.0% net smelter return royalty with a maximum royalty payable of US\$7,500,000; and
- US\$245,000 within five business days of the Company making a decision to put the Segilola Gold Project into commercial production.

These future payments have not been accrued as the payments are dependent upon future events and will only be accrued for as and if the future events occur.

## 5. AMOUNTS RECEIVABLE

	September 30, 2017	December 31, 2016
GST	\$ 1,082	\$ 2,743
Other receivables	5,098	758
	<b>\$ 6,180</b>	<b>\$ 3,501</b>

## THOR EXPLORATIONS LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
In Canadian dollars, except where noted (unaudited)

### 6. PREPAID EXPENSES, ADVANCES AND DEPOSITS

	<b>September 30, 2017</b>	December 31, 2016
<u>Current:</u>		
Prepaid insurance	\$ 18,213	\$ 4,792
Other deposits	23,705	27,489
Other prepaids	6,197	60,445
	<b>\$ 48,115</b>	<b>\$ 92,726</b>
<u>Non-current:</u>		
Other prepaids	\$ 7,587	\$ 29,402
	<b>\$ 7,587</b>	<b>\$ 29,402</b>

### 7. INVESTMENT

	<b>September 30, 2017</b>	December 31, 2016
Sterling West Management Ltd.	\$ 2	\$ 2

The Company has entered into a service relationship with a group of companies for the provision of administrative, office support and management services. The Company subscribed for one share at \$2 per share in a management services entity. This entity is funded and owned by several participating companies and is managed by a board elected by the shareholders. The Company holds a 33% interest (year ended December 31, 2016 – 33% interest) in the entity and does not exert significant influence. This investment is recorded on a cost basis. Upon execution of the agreement, each participant was required to provide a deposit to the entity. The Company has previously used the deposit to offset against outstanding amounts payable to Sterling West Management Ltd. As of September 30, 2017, deposit balance is \$nil.

## THOR EXPLORATIONS LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
In Canadian dollars, except where noted (unaudited)

### 8. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Total
<b>Costs</b>					
<b>Balance, December 31, 2015</b>	\$ 129,265	\$ 385,341	\$ 22,835	\$ 53,036	\$ 590,477
Additions	190,409	-	-	11,189	201,598
Foreign exchange movement	(5,023)	(40,405)	(4,300)	(4,553)	(54,281)
<b>Balance, December 31, 2016</b>	\$ 314,652	\$ 344,935	\$ 18,535	\$ 59,672	\$ 737,794
Additions	-	430	-	31,435	31,865
Foreign exchange movement	(34,672)	11,296	170	(1,481)	(24,686)
<b>Balance, September 30, 2017</b>	\$ 279,980	\$ 356,661	\$ 18,705	\$ 89,626	\$ 744,974
<b>Accumulated depreciation and impairment losses</b>					
<b>Balance, December 31, 2015</b>	\$ 117,801	\$ 327,863	\$ 22,835	\$ 38,680	\$ 507,179
Depreciation	12,843	44,274	-	7,720	64,837
Foreign exchange movement	(7,501)	(33,192)	(4,300)	(3,160)	(48,154)
<b>Balance, December 31, 2016</b>	\$ 123,143	\$ 338,944	\$ 18,535	\$ 43,240	\$ 523,862
Depreciation	38,785	5,558	-	11,249	55,592
Foreign exchange movement	(2,775)	11,748	170	1,101	10,245
<b>Balance, September 30, 2017</b>	\$ 159,153	\$ 356,250	\$ 18,705	\$ 55,590	\$ 589,700
<b>Carrying amounts</b>					
Carrying value at December 31, 2015	\$ 11,464	\$ 57,478	\$ -	\$ 14,356	\$ 83,298
Carrying value at December 31, 2016	\$ 191,509	\$ 5,991	\$ -	\$ 16,432	\$ 213,932
<b>Carrying value at September 30, 2017</b>	\$ 120,827	\$ 411	\$ -	\$ 34,036	\$ 155,274

During the three and nine months ended September 30, 2017, depreciation of \$8,666 and \$32,011 (three and nine months ended September 30, 2016 - \$15,641 & \$49,355) has been capitalized to exploration and evaluation assets. The accumulated depreciation capitalized to exploration expenditures to September 30, 2017 amounts to \$531,178 (December 31, 2016 - \$499,166).

# THOR EXPLORATIONS LTD.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
In Canadian dollars, except where noted (unaudited)

## 9. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Total
<b>Costs</b>				
<b>Balance, December 31, 2015</b>	\$ 12,397,311	\$ 1,592,448	\$ -	\$ 13,989,759
Acquisition costs	-	-	19,747,473	19,747,473
Exploration costs	106,978	(14,120)	57,250	150,108
Foreign exchange movement	(1,316,110)	(98,585)	2,041	(1,412,654)
<b>Balance, December 31, 2016</b>	\$ 11,188,179	\$ 1,479,743	\$ 19,806,764	\$ 32,474,686
Acquisition costs	-	-	-	-
Exploration costs	480,930	11,076	2,049,536	2,541,542
Foreign exchange movement	180,686	39,419	(265,071)	(44,966)
<b>Balance, September 30, 2017</b>	<b>\$ 11,849,795</b>	<b>\$ 1,530,238</b>	<b>\$ 21,591,229</b>	<b>\$ 34,971,262</b>

### a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of \$0.2014 (or US\$0.2018) per share, valued at \$2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuator commissioned by African Star or fund its 30% share of the exploration and operating expenses.

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### 9. EXPLORATION AND EVALUATION ASSETS (continued)

#### b) Central Houndé Project, Burkina Faso:

##### (i) Bongui and Legue gold permits, Burkina Faso:

Effective March 7, 2012, the Company entered into the Constelor Option Agreement with AFC Constelor SARL and Constelor Holdings, to acquire an 85% interest in the Bongui and Legue gold permits located in Houndé greenstone belt, southwest Burkina Faso. The two contiguous Bongui and Legue gold permits covering an area of 233 km<sup>2</sup>, form part of the Company's Central Houndé Project, located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

On May 21, 2013, the Company acquired 85% of AFC Constelor SARL pursuant to the Constelor Option Agreement. As consideration, the Company issued Constelor Holdings 1,666,667 common shares at \$0.16 per share for the value of \$266,667 (US\$250,000).

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia, formerly known as African Barrick Gold Plc, whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in Central Hounde Project, upon declaration of a Pre-Feasibility Study.

Acacia Option Agreement details include:

- Acacia will spend a minimum of US\$500,000 within a 12-month option period prior to deciding to Earn-in.
- Acacia will spend a minimum of US\$1,000,000 in the following 24 months to earn a 51% interest in the Project ("Phase 1 Earn-in"). Should Acacia elect not to continue with Phase 1 Earn-In or withdraw from the agreement, Acacia will retain no equity in the Project and will pay Thor a termination fee of \$100,000.
- Acacia will spend a minimum of an additional US\$2,000,000 in the 24 months following the Phase 1 Earn-in.
- Acacia will fund all costs up to and including the completion of a Pre-Feasibility study on the Project to earn an additional 29%.

On March 8, 2016, Acacia provided notice to the Company of its intention to proceed with Phase 1 Earn-in under the Acacia Option Agreement.

Simultaneously with the Acacia Option Agreement, the Company was required to acquire the remaining 15% minority interest in AFC Constelor SARL. On April 17, 2015, the Company acquired the remaining 15% interest. The additional 15% of shares acquired in AFC Constelor SARL was acquired through the issuance to Constelor Holdings of 373,517 common shares of the Company at \$0.085 per share (Note 12). Acacia provided funds of US\$12,500 to the Company of completion of the acquisition. This transaction increased the Company's ownership in AFC Constelor SARL from 85% to 100%.

As at September 30, 2017, Acacia has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Acacia earned a 51% interest in the Central Houndé Project.



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## 9. EXPLORATION AND EVALUATION ASSETS (continued)

### b) Central Houndé Project, Burkina Faso (continued)

(ii) *Ouere Permit, Central Houndé Project, Burkina Faso:*

On May 21, 2013, the Company acquired all of the shares in Argento BF SARL for an aggregate purchase price of \$388,890, consisting of \$363,890 in cash advances made by the Company to Argento BF SARL prior to the closing of the acquisition, and a payment of \$25,000 to a minority shareholder.

Argento BF SARL holds a 100% interest in the Ouere gold permit, covering an area of approximately 241 km<sup>2</sup>, and forms part of the Company's Central Houndé Project, located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

### c) Segilola Project, Osun Nigeria

The Segilola Gold Project is located in Osun State of Nigeria, approximately 120km northeast of Lagos. The property comprises mining and exploration licenses that covers an area of 17.2km<sup>2</sup>.

On November 7, 2016 the Company announced that its mining license ML41 on the Segilola Gold Project was successfully renewed for a period of 25 years.

See also Note 4(a)

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2017	December 31, 2016
Trade payables	\$ 214,725	\$ 133,649
Accrued liabilities	224,011	286,018
	<b>\$ 438,736</b>	<b>\$ 419,667</b>

## 11. DEFERRED PAYMENT

	September 30, 2017	December 31, 2016
Deferred payment	\$ 2,002,810	\$ 1,773,194
Accretion	271,526	136,097
Foreign exchange movement	(153,496)	93,519
	<b>\$ 2,120,840</b>	<b>\$ 2,002,810</b>

The deferred payment was initially recorded at fair value based on a discount rate of 20%, and the foreign exchange rate of 1.2767 was the closing CAD to USD exchange rate published by the Bank of Canada on August 18, 2016. An accretion charge is recorded to recognize the change in fair value of the deferred value until the payment falls due.

See also Note 4(a)

# THOR EXPLORATIONS LTD.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 12. CAPITAL AND RESERVES

#### a) Authorized

Unlimited common shares without par value.

#### b) Issued

##### Private Placement – June 2017

On June 26, 2017 the Company announced the completion of a non-brokered private placement of common shares. Under the terms of the private placement, the Company issued 16,125,967 Common Shares at a price of \$0.15 per Common Share raising gross proceeds of \$2,418,895. The Company paid \$103,613.39 as finder's fees to third party finders.

The Offering was closed in two tranches:

Tranche 1 closed on May 19, 2017 per the market announcement of the same date. Under this tranche the Company issued 12,666,134 Common Shares raising gross proceeds of \$1,899,920.

Tranche 2 on June 23, 2017. Under this tranche the Company issued 3,459,833 Common Shares raising gross proceeds of \$518,975.

##### Private Placement – December 2016

On December 5, 2016, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 12,995,776 common shares at a price of \$0.145 per common share to raise gross proceeds of \$1,884,388. In connection with the Private Placement, the Company paid finders' fees of \$84,794 in cash to third party finders.

##### Private Placement – August 2016

On August 18, 2016, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 40,416,204 common shares at a price of \$0.115 per common share to raise gross proceeds of \$4,647,863. In connection with the Private Placement, the Company paid finders' fees comprised of \$118,486 in cash and 428,386 common shares of the Company to third party finders.

##### Acquisition of Segilola Gold Project – August 2016

On August 18, 2016, pursuant to the terms of the share purchase agreements, the Company purchased the Segilola Gold Project. As part of the consideration, the Company issued 120,751,301 common shares at \$0.115 per share.

See also Note 4(a)

##### Private Placement – February 2016

On February 17, 2016, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 3,540,101 common shares at a price of \$0.115 per common share to raise gross proceeds of \$407,112. In connection with the Private Placement, the Company paid finder's fee of \$8,174 in cash to third party finders.

## **THOR EXPLORATIONS LTD.**

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### **12. CAPITAL AND RESERVES (continued)**

#### **c) Share-based compensation**

The Company has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Company's stock option plan.

On January 16, 2017 9,750,000 stock options were granted at an exercise price of \$0.12 per share for a period of three years.

On May 7, 2017 500,000 stock options were granted at an exercise price of \$0.12 per share for a period of three years. No options were granted nine months ended September 30, 2016.

## THOR EXPLORATIONS LTD.

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### 12. CAPITAL AND RESERVES (continued)

#### c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2017 to September 30, 2017 and the outstanding and exercisable options at September 30, 2017:

Grant Date	Expiry Date	Exercise Price	Contractual Lives Remaining (Years)	January 1, 2017	During the period			September 30, 2017	September 30, 2017 Number of Options	
				Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2020	\$0.12	2.56	-	9,750,000	-	-	9,750,000	6,250,000	3,500,000
7-May-2017	7-May-2020	\$0.12	2.85	-	500,000	-	-	500,000	500,000	-
<b>Totals</b>			<b>2.57</b>	<b>-</b>	<b>10,250,000</b>	<b>-</b>	<b>-</b>	<b>10,250,000</b>	<b>6,750,000</b>	<b>3,500,000</b>
<b>Weighted Average Exercise Price</b>				<b>-</b>	<b>\$0.12</b>	<b>-</b>	<b>-</b>	<b>\$0.12</b>	<b>\$0.12</b>	<b>\$0.12</b>

The following is a summary of changes in options from January 1, 2016 to December 31, 2016 and the outstanding and exercisable options at December 31, 2016:

Grant Date	Expiry Date	Exercise Price	Contractual Lives Remaining (Years)	January 1, 2016	During the year			December 31, 2016	December 31, 2016 Number of Options	
				Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
1-Apr-2011	11-Jan-2016	\$0.16	-	5,000	-	-	(5,000)	-	-	-
1-Apr-2011	1-Apr-2016	\$0.16	-	117,000	-	-	(117,000)	-	-	-
29-Aug-2011	29-Aug-2016	\$0.15	-	300,000	-	-	(300,000)	-	-	-
17-Nov-2011	17-Nov-2016	\$0.16	-	575,000	-	-	(575,000)	-	-	-
<b>Totals</b>				<b>997,000</b>	<b>-</b>	<b>-</b>	<b>(997,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Weighted Average Exercise Price</b>				<b>\$0.16</b>	<b>-</b>	<b>-</b>	<b>\$0.16</b>			<b>-</b>

# THOR EXPLORATIONS LTD.

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## 12. CAPITAL AND RESERVES (continued)

### d) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Reserves' is used to recognize the value of stock option grants and share purchase warrants prior to exercise.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

## 13. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

### a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

	<b>Nature of transactions</b>
Alcester Projects Limited	Management
Mansion Minerals Ltd.	Management
Goldstream Capital Corporation	Director Fees

The Company incurred the following advances in the normal course of operations in connection with companies controlled by key management and directors.

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### 13. RELATED PARTY DISCLOSURES (continued)

#### b) Compensation of key management personnel

The remuneration of directors and other members of key management during the three and nine months ended September 30, 2017 and 2016 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Consulting fees (i) (ii) current directors and officers	\$ 71,569	\$ 18,000	\$ 233,555	\$ 36,000
Share-based payments current directors and officers	-	-	595,000	-
	\$ 71,569	\$ 18,000	\$ 828,555	\$ 36,000

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and nine months ended September 30, 2017 and 2016.

(ii) The Company paid consulting and director fees to private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at September 30, 2017 include \$26,101 (December 31, 2016 - \$33,495) due to private companies controlled by an officer and a director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

### 14. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

	Three Months Ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Amounts receivable	\$ (3,186)	\$ (2,690)	\$ (2,712)	\$ 464
Prepaid expenses and deposits	51,429	(10,969)	59,834	(6,284)
Accounts payable and accrued liabilities	41,709	18,302	17,704	(4,536)
Change in non-cash working capital accounts	\$ 89,952	\$ 4,643	\$ 74,826	\$ (10,356)
Relating to:				
Operating activities	\$ 61,315	\$ 32,921	\$ 71,370	\$ 5,555
Investing activities	(134,694)	(28,278)	3,456	(15,911)
	\$ (73,379)	\$ 4,643	\$ 74,826	\$ (10,356)

# THOR EXPLORATIONS LTD.

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## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016 In Canadian dollars, except where noted (unaudited)

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Accounts payable and accrued liabilities includes \$269,911 (December 31, 2016 - \$227,998) related to exploration and acquisition costs.

- b) The Company has no income tax outlays for the three and nine months ended September 30, 2017 (Three and nine months ended September 30, 2016 - \$1,126).

### 15. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, investment, and accounts payable and accrued liabilities.

#### **Fair value of financial assets and liabilities**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, amounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The investment is carried at cost as it is not traded on an active market.

#### **Fair value hierarchy**

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company did not have any financial instruments in Level 1, 2 and 3.

#### **Financial risk management objectives and policies**

The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

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## 15. FINANCIAL INSTRUMENTS (continued)

### ***Credit risk***

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, Nigerian and Senegalese Chartered banks that are believed to be creditworthy.

Amounts receivable is comprised primarily of amounts due from the Government of Canada related to General Sales Tax. The Company does not believe it is exposed to significant credit risk and counterparty risks.

### ***Liquidity and funding risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional equity financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at September 30, 2017 and December 31, 2016.

### **Contractual maturity analysis as at September 30, 2017**

	Less than 3 months	3 - 12 months	1 - 5 years	Longer than 5 years	Total
Accounts payable	\$ 214,725		\$ -	\$ -	\$ 214,725
Accrued liabilities	\$ 224,011	\$ -	\$ -	\$ -	\$ 224,011
Deferred payment	\$ -	\$ 2,120,840	\$ -	\$ -	\$ 2,120,840
	<b>\$ 438,736</b>	<b>\$ 2,120,840</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,559,576</b>

### **Contractual maturity analysis as at December 31, 2016**

	Less than 3 months	3 - 12 months	1 - 5 years	Longer than 5 years	Total
Accounts payable	\$ 133,649	\$ -	\$ -	\$ -	\$ 133,649
Accrued liabilities	\$ 256,018	\$ 30,000	\$ -	\$ -	\$ 286,018
Deferred payment	\$ -	\$ -	\$ 2,002,810	\$ -	\$ 2,002,810
	<b>\$ 389,667</b>	<b>\$ 30,000</b>	<b>\$ 2,002,810</b>	<b>\$ -</b>	<b>\$ 2,422,477</b>



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## 15. FINANCIAL INSTRUMENTS (continued)

### *Market risk*

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

#### a) Interest rate risk

The Company has minimal exposure to interest rate fluctuations on its cash balances due to current low market interest rates.

#### b) Foreign currency risk

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, UK Pounds Sterling, Nigerian Naira, West African CFA Francs and Australian Dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and the United States Dollars, UK Pounds Sterling, Nigerian Naira, West African CFA Francs and Australian Dollars. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar at September 30, 2017 and December 31, 2016:

	September 30, 2017				
	US Dollars	UK Pounds Sterling	CFA Francs	Nigerian Naira	Australian Dollars
Cash	\$ 388,638	\$ -	\$ 35,191	\$ 31,089	\$ -
Amounts Receivable	-	-	599	419	-
Deposits	-	29,379	2,612	13,042	-
Accounts payable and accrued liabilities	(25,710)	(52,426)	(242,378)	(18,885)	(62,930)
Deferred payment	(2,120,840)	-	-	-	-
	<u>\$ (1,757,912)</u>	<u>\$ (23,047)</u>	<u>\$ (203,976)</u>	<u>\$ 25,665</u>	<u>\$ (62,930)</u>

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## c) Foreign currency risk (continued)

	December 31, 2016				
	US Dollars	UK Pounds Sterling	CFA Francs	Nigerian Naira	Australian Dollars
Cash	\$ 1,325,407	\$ -	\$ 34,286	\$ 11,127	\$ -
Amounts Receivable	-	-	758	-	-
Deposits	-	24,983	2,506	-	-
Accounts payable and accrued liabilities	(12,130)	(67,279)	(257,857)	(6,511)	(11,163)
Deferred payment	(2,002,810)	-	-	-	-
	\$ (689,533)	\$ (42,296)	\$ (220,307)	\$ 4,616	\$ (11,163)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollars, UK Pounds Sterling, West African CFA Francs, Nigerian Naira and Australian Dollars denominated financial assets and liabilities above. The sensitivity analysis measures the effect from recalculation of these items as at the balance sheet date by using adjusted foreign exchange rates.

	Canadian Dollar appreciation by 5%	Canadian Dollar depreciation by 5%
<b>September 30, 2017</b>		
<b>Comprehensive income (loss)</b>		
Financial assets and liabilities	\$ 83,703	\$ (83,703)
<b>December 31, 2016</b>		
<b>Comprehensive income (loss)</b>		
Financial assets and liabilities	\$ 47,934	\$ (47,934)

## 16. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016 In Canadian dollars, except where noted (unaudited)

capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

The Company's policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of a year or less from the date of acquisition. The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the nine months ended September 30, 2017.

#### 17. SEGMENTED DISCLOSURES

##### *Geographic Information*

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:

<b>September 30, 2017</b>	<b>Senegal</b>	<b>Burkina Faso</b>	<b>British Virgin</b>	<b>Nigeria</b>	<b>Canada</b>	<b>Total</b>
Current assets	\$ 32,742	\$ 5,660	\$ 9	\$ 37,382	\$ 465,288	\$ 541,081
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	7,587	-	7,587
Property, plant and equipment	2,588	2,425	269	132,516	17,476	155,274
Exploration and evaluation assets	11,901,307	1,530,238	-	21,539,717	-	34,971,262
<b>Total assets</b>	<b>\$ 11,936,637</b>	<b>\$ 1,538,323</b>	<b>\$ 278</b>	<b>\$ 21,717,202</b>	<b>\$ 482,766</b>	<b>\$ 35,675,206</b>
<b>December 31, 2016</b>	<b>Senegal</b>	<b>Burkina Faso</b>	<b>British Virgin</b>	<b>Nigeria</b>	<b>Canada</b>	<b>Total</b>
Current assets	\$ 34,256	\$ 3,293	\$ 10,452	\$ 52,028	\$ 1,465,213	\$ 1,565,242
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	12,728	16,674	29,402
Property, plant and equipment	8,033	2,909	-	202,962	-	213,904
Exploration and evaluation assets	11,188,179	1,479,743	-	19,806,764	-	32,474,686
<b>Total assets</b>	<b>\$ 11,230,468</b>	<b>\$ 1,485,945</b>	<b>\$ 10,452</b>	<b>\$ 20,074,482</b>	<b>\$ 1,481,889</b>	<b>\$ 34,283,236</b>

## **THOR EXPLORATIONS LTD.**

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
In Canadian dollars, except where noted (unaudited)

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### **18. SUBSEQUENT EVENTS**

#### Segilola Gold Project – Filing of NI 43-101 Preliminary Feasibility Study

On October 25, 2017, the Company announced filing of a Preliminary Feasibility Study prepared in accordance with National Instrument 43-10 on the Segilola Gold in Nigeria. For further detail refer to the press release on the Company's website: <https://www.thorexpl.com/site/assets/files/1456/2017-10-segilola-pfs-c5z48r.pdf>