THOR EXPLORATIONS LTD

Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016

(in Canadian Dollars)

THOR EXPLORATIONS LTD.

December 31, 2017

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOR EXPLORATIONS LIMITED

We have audited the accompanying financial statements of Thor Explorations Limited for the year ended 31 December 2017 which comprise the consolidated statement of financial position, the consolidated statement of comprehensive loss, the consolidated statements of cash flows, the consolidated statements of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs).

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards (Canadian GAAS). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Thor Explorations Limited as at 31 December 2017 and its financial performance and its cash flows for the year then ended in accordance with IFRSs.

Material uncertainty relating to going concern

We draw attention to the disclosures made in Note 2 c to the financial statements concerning the Group's ability to continue as a going concern which explain that the Group's cash flow projections indicate further funding will be required. This condition indicates the existence of a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the entity was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matters

During the year ended 31 December 2017, the Company changed its auditor and as such the audit of the financial statements for the year ended 31 December 2016 was performed by the Group's previous auditors.

BDO LLP
London
United Kingdom
30 April 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
In Canadian dollars

	Note	December 31, 2017	2016
ASSETS			
Current			
Cash		**$ 239,605**	$ 1,469,015
Amounts receivable	6	**5,470**	3,501
Prepaid expenses, advances and deposits	7	**51,988**	92,726
Total current assets		**297,063**	1,565,242
Investment		**2**	2
Prepaid expenses, advances and deposits	7	**30,114**	29,402
Property, plant and equipment	8	**142,048**	213,904
Exploration and evaluation assets	9	**35,582,761**	32,474,686
Total non-current assets		**35,754,925**	32,717,994
TOTAL ASSETS		**$ 36,051,988**	$ 34,283,236
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	**$ 685,284**	$ 419,667
Deferred payment	11	**2,245,498**	-
		$ 2,930,782	$ 419,667
Non-current liabilities			
Deferred income tax liabilities		**$ 18,896**	$ 30,274
Deferred payment	11	**-**	2,002,810
Total non-current liabilities		**18,896**	2,033,084
SHAREHOLDERS' EQUITY			
Common shares	12	**41,324,813**	39,038,540
Shares subscription	12	**383,820**	-
Reserve	12	**2,582,308**	1,539,308
Currency translation reserve		**693,104**	488,362
Deficit		**(11,881,735)**	(9,235,725)
Total shareholders' equity		**33,102,310**	31,830,485
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 36,051,988**	$ 34,283,236

These consolidated financial statements were approved for issue by the Board of Directors on April 30, 2018 and are signed on its behalf by:

(Signed) "Adrian Coates" *(Signed) "Olusegun Lawson"*

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	2017	2016
Expenses:			
Audit and legal		**$ 142,079**	$ 66,540
Bank charges		**14,122**	5,950
Consulting fees	13	**390,401**	259,397
Accretion - unwinding of discount on deferred consideration	11	**386,555**	76,097
Directors fees	13	**195,924**	62,656
Depreciation		**31,840**	1,706
Foreign exchange loss (gain)		**23,076**	202,266
Listing and filing fees		**22,483**	7,279
Office and miscellaneous		**338,856**	131,717
Shareholder information and transfer agent fees		**40,158**	19,645
Travel		**103,210**	14,542
Write-off of receivables		**-**	2,861
Other gains		**(869)**	-
Share-based payments	12	**970,000**	-
Loss from operations		**(2,657,835)**	(850,656)
Net loss before taxes		**$ (2,657,835)**	$ (850,656)
Current income taxes	15	**(1,116)**	(1,113)
Deferred income tax recovery	15	**12,941**	4,459
Net loss for the year		**$ (2,646,010)**	$ (847,310)
Other comprehensive income (loss)			
Foreign currency translation gain / (loss) attributed to equity shareholders of the company		**204,742**	(1,305,000)
Total comprehensive income (loss) for the year		**$ (2,441,268)**	$ (2,152,310)
Net loss per share - basic and diluted		**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted		**294,846,084**	170,665,299

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	**2017**	2016
Cash flows from (used in):			
Operating activities			
Net loss for the period		**$ (2,646,010)**	$ (847,310)
Adjustments for:			
Foreign exchange loss (gain)		**(35,053)**	71,033
Accretion - unwinding of discount on deferred consideration		**386,555**	136,097
Depreciation		**31,840**	1,706
Share based payments		**970,000**	-
Current income taxes		**-**	1,113
Deferred income tax recovery		**(12,941)**	(4,459)
Write-off of receivable		**-**	2,861
Changes in non-cash working capital items	14	**297,233**	(302,808)
Non-current prepaid expenses, advances and deposits		**-**	(28,728)
Cash utilized in operations		**(1,008,376)**	(970,495)
Adjustments to net loss for cash items			
Realized foreign exchange loss (gain)		**(21,789)**	(40,045)
Income tax paid		**-**	(1,113)
Net operating cash flows		**(1,030,165)**	(1,011,653)
Investing activities			
Acquisition of exploration and evaluation assets, net of cash acquired	5(a)	**(13,547)**	(4,024,044)
Purchases of property, plant and equipment	8	**(32,000)**	(201,597)
Exploration and evaluation expenditures	9	**(2,930,111)**	(100,513)
Net investing cash flows		**(2,975,658)**	(4,326,154)
Financing			
Proceeds from issuance of equity securities	12	**2,418,895**	6,804,710
Share subscriptions	12	**383,820**	-
Share issue costs	12	**(132,622)**	(263,836)
Net financing cash flows		**2,670,093**	6,540,874
Effect of exchange rates on cash		**106,320**	98,967
Net change in cash		**(1,229,410)**	1,302,034
Cash, beginning of the year		**1,469,015**	166,981
Cash, end of the year		**$ 239,605**	$ 1,469,015

Supplemental cash flow information (Note 14)

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
In Canadian dollars

	Note	Issued capital: Number of common shares	Issued capital: Amount	Share subscription	Reserves	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2015		**107,061,235**	**$ 18,476,613**	**$ 134,654**	**$ 1,539,308**	**$ 1,793,362**	**$ (8,388,415)**	**$ 13,555,522**
Net loss for the year		-	-	-	-	-	(847,310)	(847,310)
Comprehensive income		-	-	-	-	(1,305,000)	-	(1,305,000)
Total comprehensive loss						(1,305,000)	(847,310)	(2,152,310)
Private placements	12	56,952,081	6,939,363	(134,654)	-	-	-	6,804,709
- Finder's fee	12	428,386	49,264					49,264
Share issuance costs		-	(313,100)	-	-	-	-	(313,100)
Shares issued for additional investment in subsidiary	5(a)	120,751,301	13,886,400	-	-	-	-	13,886,400
Share subscription received		-	-	-	-			-
Balance on December 31, 2016		**285,193,003**	**$ 39,038,540**	**$ -**	**$ 1,539,308**	**$ 488,362**	**$ (9,235,725)**	**$ 31,830,485**
Net loss for the period		-	-	-	-	-	(2,646,010)	(2,646,010)
Comprehensive income (loss)		-	-	-	-	204,742	-	204,742
Total comprehensive loss						204,742	(2,646,010)	(2,441,268)
Private placements	12	16,125,967	2,418,895	-				2,418,895
Share issuance costs	12	-	(132,622)	-				(132,622)
Share subscription received		-	-	383,820	-	-	-	383,820
Share based payments		-	-	-	1,043,000	-		1,043,000
Balance on December 31, 2017		**301,318,970**	**41,324,813**	**383,820**	**2,582,308**	**693,104**	**(11,881,735)**	**33,102,310**

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

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 gold exploration and development 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 audited consolidated 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

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

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. A precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates. 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.

2. BASIS OF PREPATION (continued)

c) Nature of operations and going concern

The Company is currently pre-revenue.The Company has an indicated resource of 556,000 at its Segilola Gold Project in Nigeria, and is in the exploration stage at its Douta license in Senegal and Central Hounde license in Burkina Faso. It 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.

In March 2018, the Company completed a share placing raising net proceeds of $4m. The Board has reviewed the Group’s cash flow forecasts up until June 2019 having regard to its current financial position and operational objectives. These forecasts indicate that the Group will need additional funding to enable it to meet its liabilities as they fall due in the next twelve months. The Board is satisfied that the Group will have sufficient financial resources available to meet its commitments based on the amount of available cash within the Group and the likelihood of it being able to secure additional funding. Additionally, the Group is able to cut discretionary expenditure and reduce headcount to reduce financing requirements further. Accordingly, the Board continue to adopt the going concern basis for the preparation of these financial statements.

However at the date of approval of these financial statements there are no legally binding agreements in place relating for fundraising. There can be no certainty that additional funds will be forthcoming and this condition indicates the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these audited consolidated financial statements unless otherwise stated.

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.

In Canadian dollars, except where noted

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Details of the group

In addition to the Company, these audited consolidated financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity, with Subsidiaries being 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:

Company	Location	Incorporated	Interest
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) Foreign currency translation

Functional and presentation currency
The Company's presentation currency is the Canadian dollar ("$"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency)

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star and African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss).

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Financial Assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as loans and receivables are measured at amortized cost. Cash and amounts receivable are classified as loans and receivables.

Transaction costs associated with assets held at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and deferred payment are classified as other financial liabilities.

e) Cash

Cash consist of cash bank deposit balances.

f) Property, plant and equipment

Recognition and Measurement
On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property, plant and equipment (continued)

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

g) Exploration and evaluation expenditures

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation expenditures (continued)

Exploration and evaluation expenditures

All costs incurred prior to legal title are expensed in the Consolidated Statement of Comprehensive Loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Projects in Construction and upon commercial production being achieved, re-categorised as Mining Property. Upon achieving commcerial production, any costs will be depleted using a units of production method.

Farm-in agreements

As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

h) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

i) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

k) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss).

l) Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the equity-settled employee benefits reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

m) Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

n) Application of new and revised International Financial Reporting Standards

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2017 that had a significant effect on the Group's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Future accounting pronouncements

(i) There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are:

New standard IFRS9 Financial Instruments
Mandatorily effective for periods beginning on or after January 1, 2018

New standard IFRS15 Revenue Recognition
Mandatorily effective for periods beginning on or after January 1, 2018

New standard IFRS16 Leases
Mandatorily effective for periods beginning on or after January 1, 2019

The Group's accounting policy for financial assets and financial liabilities is shown above. It is not expected that the the impact of IFRS9 will be material given the nature of the Group's financial assets and liabiities .

The Group is presently pre-revenue and pre-deveopment although it continues to progress it's exploration projects. Given the present stage of the Group's exploration projects and likely timing of development the application of IFRS 15 would not have have a material impact on the Group's reported performance or financial position.

The Group does not have any assets or liabilities arising from a lease as at December 31, 2017. It is not considered that the impact of IFRS16 will be material.

(ii) *There are no other standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.*

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments 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 net and/or comprehensive loss 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.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(i) *Fair value of share options*

The fair value of options is calculated using appropriate estimates of expected volatility, risk free rates of return, expected life of the options/warrants, the dividend growth rate, the number of options expected to vest and the impact of any attached conditions of exercise. See note 12 for further details of these assumptions.

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) *Impairment of exploration and evaluation assets*
In accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*, management is required to assess impairment in respect of the intangible exploration and evaluation assets. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that there were no impairment indicators present in respect of the exploration and evaluation assets and as such, no impairment test was performed.

(ii) *Determination of accounting treatment for a significant transaction*
In accordance with IFRS 3 *Business Combinations* material transactions or acquisitions made by the Company are accounted for using the ‘acquisition method’ which requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition dates. Such acquisitions are determined to be either a ‘business combination’ or an ‘asset acquisition’, which constitutes a significant judgement. The judgement involves whether the acquired entity meets the definition of a business. Key components of a business consist of inputs, processes and outputs. Inputs and processes are the essential elements that have to be present in order to be classified as a business. A business does not have to have outputs to qualify as a business. The acquisition of Segilola in the prior year was accounted for as an asset acquisition.

5. ASSET ACQUISITION

a) Acquisition of Nigerian Exploration Licenses

On December 28, 2017 the the Office of the Nigeria Mining Cadastre granted, through Thor’s wholly owned subsidiary SGL, four new gold exploration licences, located in southwest Nigeria. The new licences, which total 334 square kilometres, are located between 30km and 80km from the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

In Canadian dollars, except where noted

5. ASSET ACQUISITION - continued

The total consideration paid was comprised of the following:

Purchase price		
Acquisition of exploration licenses		
Cash (NGN 3,879,300)	$	13,547
Total consideration	**$**	**13,547**

b) 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(1)	13,886,400
Deferred payment of US$2,000,000 at the earliest of:	
a) Thor completing financing for the development of full scale mining of the Segilola Gold Project; and	
b) August 18, 2018(2)	1,773,194
Transaction costs	132,946
Total consideration	**$ 19,750,310**

(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:

a) 3.0% net smelter return royalty with a maximum royalty payable of US$7,500,000; and
b) 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.

In Canadian dollars, except where noted

6. AMOUNTS RECEIVABLE

		December 31, 2017		December 31, 2016
GST	$	854	$	2,743
Other receivables		4,616		758
	$	5,470	$	3,501

7. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		December 31, 2017		December 31, 2016
Current:				
Prepaid insurance	$	10,639	$	4,792
Other deposits		24,055		27,489
Other prepaids		17,294		60,445
	$	51,988	$	92,726
Non-current:				
Other prepaids	$	30,114	$	29,402
	$	30,114	$	29,402

In Canadian dollars, except where noted

8. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Total
Costs					
Balance, December 31, 2015	$ 129,265	$ 385,341	$ 22,835	$ 53,036	$ 590,477
Additions	190,409	-	-	11,188	201,597
Foreign exchange movement	(5,022)	(40,406)	(4,300)	(4,552)	(54,280)
Balance, December 31, 2016	$ 314,652	$ 344,935	$ 18,535	$ 59,672	$ 737,794
Additions	-	565	-	31,435	32,000
Foreign exchange movement	(31,166)	17,888	444	(391)	(13,225)
Balance, December 31, 2017	**$ 283,486**	**$ 363,388**	**$ 18,979**	**$ 90,716**	**$ 756,569**
Accumulated depreciation and impairment losses					
Balance, December 31, 2015	$ 117,801	$ 327,863	$ 22,835	$ 38,679	$ 507,178
Depreciation	12,843	44,274	-	7,720	64,837
Foreign exchange movement	(7,501)	(33,192)	(4,300)	(3,132)	(48,125)
Balance, December 31, 2016	**$ 123,143**	**$ 338,945**	**$ 18,535**	**$ 43,267**	**$ 523,890**
Depreciation	51,714	5,602	-	14,948	72,264
Foreign exchange movement	(2,447)	18,307	444	2,063	18,367
Balance, December 31, 2017	**$ 172,410**	**$ 362,854**	**$ 18,979**	**$ 60,278**	**$ 614,521**
Carrying amounts					
Carrying value at December 31, 2015	$ 11,464	$ 57,478	$ -	$ 14,357	$ 83,299
Carrying value at December 31, 2016	$ 191,509	$ 5,990	$ -	$ 16,405	$ 213,904
Carrying value at December, 2017	**$ 111,076**	**$ 534**	**$ -**	**$ 30,438**	**$ 142,048**

During the year ended December 31, 2017, depreciation of $40,470 (year ended December 31, 2016 - $63,131) has been capitalized to exploration and evaluation assets. The accumulated depreciation capitalized to exploration expenditures to December 31, 2017 amounts to $539,636 (December 31, 2016 - $499,166).

In Canadian dollars, except where noted

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	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2015	$ 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)
Balance, December 31, 2016	$ 11,188,179	$ 1,479,743	$ 19,806,764	$ -	$ 32,474,686
Acquisition costs	-	-	-	13,547	13,547
Exploration costs	558,802	14,868	2,393,692	-	2,967,362
Foreign exchange movement	325,995	62,344	(261,269)	96	127,166
Balance, December 31, 2017	**$ 12,072,976**	**$ 1,556,955**	**$ 21,939,187**	**$ 13,643**	**$ 35,582,761**

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 Volume Weighted Average Price (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 valuer commissioned by African Star or fund its 30% share of the exploration and operating expenses.

During the year the company undertook and completed a 2,000 metre RC drill program on the Douta Gold Project. The results of the drill program were encouraging with a number of wide, near-surface significant intersects on the Makosa Prospect, notably 9.5 metres at 8.1g/tAu including 6.9 metres at 10.9g/tAu.

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^2, 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 the 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 I Earn-In or withdraw from the agreement, Acacia will retain no equity in the Project and will pay Thor a termination fee of US$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 13). Acacia provided funds of US$12,500 to the Company on the acquisition. This transaction increased the Company's ownership in AFC Constelor SARL from 85% to 100%.

As at December 31, 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.

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^2, 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.

During the year, Acacia Mining Plc ("Acacia") continued its exploration work as per its JV with Thor.

Work during the year included mapping and lithological sampling, infill soil sampling, multi-element geochemical analysis, RC drilling and a structural interpretation using all available datasets.

During the mapping a number of west-north west trending mineralised structures were identified, rock chips taken from outcrop and artisanal workings along these structures returned a number of significant results up to 77g/t gold.

Drilling
A total of 2,792m of RC drilling were drilled in 20 holes.

The drilling at Dan, returned some encouraging grade returned but did not fully confirm the highly prospective results from 2016 drilling. The structural model and the continuity of the mineralization, despite a relogging exercise performed in Q4, remain unclear. Additional detailed geology mapping is required.

The drilling at Legué SW failed to confirm the prospective grade initially returned by the rock-chip sampling. The structural control of the mineralization remains unclear and additional fieldwork has been planned to further understand this.

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^2.

During the year the Company completed a 15 hole, 4,128 metre diamond drilling program at the Segilola Gold Project. The program was successful in identifying four high grade down-dip trends beneath the indicated resource. Notably, several narrower but higher-grade lodes, locally containing abundant visible gold, were discovered in the hanging wall to the main (footwall) lode. Intersections included 3m true width at 18.7g/tAu, 2.4m true width at 11.4g/tAu and 2.8m true width at 15.6g/tAu.

In Canadian dollars, except where noted

9. EXPLORATION AND EVALUATION ASSETS (continued)

The Company also announced positive results for its Independent Preliminary Feasibility Study ("PFS") and maiden Probable Mineral Reserve of 448,000 ounces. The PFS envisions an open pit mine with the construction of a new 500,000 tonnes per annum throughput processing plant which consists of a conventional crushing circuit, single stage grinding, carbon-in-leach, elution, electrowinning and smelting to produce gold dore, with a 17 month construction period and a 7 year mine life.

See also Note 5(b)

d) Exploration Licenses, Nigeria

The four exploration licenses are located in South West Nigeria, located between 30km and 80km from the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit. The licenses comprises mining and exploration licenses that covers an area of 334km^2.

See also Note 5(b)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	December 31, 2016
Trade payables	**$ 379,701**	$ 133,649
Accrued liabilities	**305,583**	286,018
	$ 685,284	$ 419,667

11. DEFERRED PAYMENT

	Total
Balance December 31, 2015	$ -
Deferred payment on Segilola acquisition	1,773,194
Accretion	136,097
Foreign exchange movement	93,519
Balance December 31, 2016	$ 2,002,810
Accretion	386,555
Foreign exchange movement	(143,867)
Balance December 31, 2017	**$ 2,245,498**

See also Note 5(b)

In Canadian dollars, except where noted

12. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	December 31, 2017 Number	**December 31, 2017**	December 31, 2016 Number	December 31, 2016
As at start of year	**285,193,003**	**$ 39,038,540**	107,061,235	$ 18,476,613
Issue of new shares:				
- Issue February 17, 2016 i			3,540,101	394,442
- Issue August 18, 2016 ii			120,751,301	13,886,400
- Issue August 18, 2016 iii			40,844,590	4,491,666
- Issue December 5, 2016 iv			12,995,776	1,789,419
- Issue June 26, 2017 v	**16,125,967**	**2,286,273**		
	301,318,970	**$ 41,324,813**	285,193,003	$ 39,038,540

[1] Private placement of 3,540,101 common shares at a price of $0.115 per share..
[iii] Acquisition of Segilola Gold Project: issue of 120,751,301 common shares at $0.115 per share..
[iiii] Private placement of 40,416,204 common shares and 428,386 finders' fees settled in common shares at a price of $0.115 per share.
[iv] Private placement of 12,995,776 common shares at a price of $0.145 per share..
[v] Private placement of 16,125,967 common shares at a price of $0.15 per share..

c) Share subscription

As at December 31, 2017 the Company was undertaking a non-brokered private placement of up to 36,000,000 common shares at a price of $0.17 per share. This placement closed on March 29, 2018. As at December 31, 2017 a total of $383,820 subcription monies had been received by the Company. These funds have been recognized as Share subscriptions in the Consolidated Statement of Financial Position.

d) Share-based compensation

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

Under the 2017 Share Option Plan, 15,000,000 common shares of the Company are reserved for issuance upon exercise of options.

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.

In Canadian dollars, except where noted

12. CAPITAL AND RESERVES (continued)

6,250,000 of the stock options vested immediately. These options did not contain any market conditions and the fair value of the options where charged to the statement of comprehensive loss or capitalized as an intangible asset in the period. The assumptions inherent in the use of these models are as follows:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested	Options granted	Expiry
3	01/16/2017	2.56	1.05%	$0.12	197.32%	$0.15	6,250,000	9,750,000	01/16/2020
3	05/07/2017	2.85	0.87%	$0.12	192.23%	$0.16	500,000	500,000	05/07/2020

The remaining unvested 3,500,000 stock options vest based on certain performance conditions over the life of the option. 875,000 of the options contain market conditions and the remainder have performance conditions where the probability of the milstones being achieved have been estimated by management.

No options were granted during year ended December 31, 2016.

In Canadian dollars, except where noted

12. CAPITAL AND RESERVES (continued)

d) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2017 to December 31, 2017 and the outstanding and exercisable options at December 31, 2017:

Grant Date	Expiry Date	Exercise Price	Contractual Lives Remaining (Years)	January 1, 2017 Opening Balance	During the period Granted	During the period Exercised	During the period Expired / Forfeited	December 31, 2017 Closing Balance	December 31, 2017 Number of Options Vested and Exercisable	December 31, 2017 Number of Options 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	-
Totals			**2.57**	**-**	**10,250,000**	**-**	**-**	**10,250,000**	**6,750,000**	3,500,000
Weighted Average Exercise Price				**-**	**$0.12**	**-**	**-**	**$0.12**	**$0.12**	**$0.12**

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 Opening Balance	During the year Granted	During the year Exercised	During the year Expired / Forfeited	December 31, 2016 Closing Balance	December 31, 2016 Number of Options Vested and Exercisable	December 31, 2016 Number of Options 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)	-	-	-
Totals				**997,000**	**-**	**-**	**(997,000)**	**-**	**-**	**-**
Weighted Average Exercise Price				**$0.16**	**-**	**-**	**$0.16**			**-**

12. CAPITAL AND RESERVES (continued)

e) 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'.

'Share subscription' is used to record the share subscription monies received before a share placement has closed and shares issued.

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

'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.

In Canadian dollars, except where noted

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:

	Nature of relationship
Mansion Minerals Ltd.	Management
Alcester Project Limited	Management
Goldstream Capital Corporation	Director Fees
Helm Financial Management Ltd.	Former Management

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended December 31, 2017 and 2016 were as follows:

		Year ended December 31, 2017	Year ended December 31, 2016
Consulting fees			
current directors and officers	(i)(ii)	$ 293,591	$ 76,679
former directors and officers		-	11,500
Director fees		2,537	2,649
Share-based payments		595,000	-
		$ 891,128	$ 90,828

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 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 December 31, 2017 include $26,069 (December 31, 2016 - $33,495) due to private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted

14. SUPPLEMENTAL CASH FLOW INFORMATION

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

	December 31, 2017	December 31, 2016
Amounts receivable	**$ (1,929)**	$ 6,528
Prepaid expenses and deposits - current	**30,603**	(79,748)
Accounts payable and accrued liabilities	**265,340**	(243,124)
Change in non-cash working capital accounts	**$ 294,014**	$ (316,344)
Relating to:		
Operating activities	**$ 297,233**	$ (302,808)
Investing activities	**(3,219)**	(13,536)
	$ 294,014	$ (316,344)

Accounts payable and accrued liabilities includes $280,301 (December 31, 2016 - $227,998) related to exploration and acquisition costs.

b) The Company has $nil income tax outlays for the year ended December 31, 2017 (December 31, 2016 - $1,113).

c) Non-cash transactions that occurred during the year ended December 31, 2017 and 2016 are:

	Year ended December 31, 2017	Year ended December 31, 2016
Acqusition of exploration and evaluation assets (Note 5(a))	**$ -**	$ 13,886,400
Issue of common shares as finders fee (Note 12(b))	**$ -**	$ 49,264

In Canadian dollars, except where noted

15. INCOME TAX

The difference between tax expense for the year and the expected income taxes based on the Canadian statutory income tax rate is as follows:

		Year ended December 31, 2017		Year ended December 31, 2016
Loss before income taxes	$	**2,657,835**	$	850,656
Potential expected income tax recovery at a statutory rate of 26% (2016 - 26%)		**(691,030)**		(221,171)
Higher statutory tax rate on earnings of foreign subsidiaries		**(6,355)**		7,318
Permanent and other differences		**300,613**		(9,548)
Changes in unrecognized deferred tax assets		**384,947**		220,055
Current income taxes		**(1,116)**		(1,113)
Deferred income tax recovery	$	**(12,941)**	$	(4,459)

During the years ended December 31, 2017 and 2016 the Canadian federal corporate income tax rate remained unchanged at 15%. The British Columbia provincial corporate income tax remained unchanged at 11%.

The Senegalese and Burkina Faso corporate income tax rates remained unchanged at 30% and 27.5% respectively.

The Nigerian corporate income tax rate is 30%.

In Canadian dollars, except where noted

15. INCOME TAX (continued)

Deferred Income Tax Assets and Liabilities (continued)

The Company will only recognize deferred income tax assets to the extent to which it is probable that sufficient taxable income will be realized, or taxable temporary differences will reverse, during the carry forward periods to utilize the deferred tax assets.

The Company has available non-capital losses in Canada of approximately $5,625,000 (2016 - $ 4,273,000). The Canadian non-capital losses may be utilized to offset future taxable income and have carry forward periods of up to 20 years. The losses, if not utilized, expire through 2037. A summary of these tax losses is provided below.

Year of Expiry	Taxable Losses
2026	267,000
2027	245,000
2028	295,000
2029	287,000
2030	105,000
2031	468,000
2032	642,000
2033	535,000
2034	391,000
2035	427,000
2036	609,000
2037	1,354,000
	$ 5,625,000

The other deductible temporary differences do not expire and may be utilized to reduce future taxable income. The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

16. FINANCIAL INSTRUMENTS

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

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, accounts 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 fair value of deferred payment approximates its fair value. The investment is carried at cost as it is not traded on an active market.

16. FINANCIAL INSTRUMENTS (continued)

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.

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, Senegalese and Burkina Faso 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.

In Canadian dollars, except where noted

16. FINANCIAL INSTRUMENTS (continued)

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 December 31, 2017 and 2016.

Contractual maturity analysis as at December 31, 2017

	Less than 3 months	3 - 12 months	1 - 5 years	Longer than 5 years	Total
Accounts payable	$ 199,701	$ 180,000	$ -	$ -	$ 379,701
Accrued liabilities	$ 304,436	$ -	$ -	$ -	$ 304,436
Deferred payment	$ -	$ 2,509,000	$ -	$ -	$ 2,509,000
	$ 504,137	**$ 2,689,000**	**$ -**	**$ -**	**$ 3,193,137**

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	$ -	$ -	$ 2,685,400	$ -	$ 2,685,400
	$ 389,667	**$ 30,000**	**$ 2,685,400**	**$ -**	**$ 3,105,067**

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.

16. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

b) Foreign currency risk

The Group seeks to manage its exposure to this risk by ensuring that where possible, the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

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

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended 31 December 2017:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31,2017 CAD$	December 31,2017 CAD$	December 31,2017 CAD$	December 31,2017 CAD$	December 31,2017 CAD$	December 31,2017 CAD$
Canadian dollar	(167,092)	-	-	-	-	(167,092)
US dollar	(2,109,210)	-	-	387	-	(2,108,823)
Pound Sterling	(78,002)	-	(11,191)	-	-	(89,193)
Nigerian Naira	-	-	-	12,654	-	12,654
West African Franc	-	-	-	-	(229,999)	(229,999)
Australian dollar	(21,151)	-	-	-	-	(21,151)
Total	(2,375,454)	-	(11,191)	13,041	(229,999)	(2,603,604)

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended 31 December 2016:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31,2016 CAD$	December 31,2016 CAD$	December 31,2016 CAD$	December 31,2016 CAD$	December 31,2016 CAD$	December 31,2016 CAD$
Canadian dollar	40,992	-	-	-	-	40,992
US dollar	(689,533)	3,658	-	-	-	(685,875)
Pound Sterling	(5,582)	-	(4,146)	-	-	(9,728)
Nigerian Naira	-	-	-	58,244	-	58,244
West African Fran	-	-	-	-	(221,065)	(221,065)
Australian dollar	(11,163)	-	-	-	-	(11,163)
Total	(665,286)	3,658	(4,146)	58,244	(221,065)	(828,595)

In Canadian dollars, except where noted

16. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

December 31, 2017	Canadian Dollar appreciation by 5%	Canadian Dollar depreciation by 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 105,800	$ (105,800)
December 31, 2016		
Comprehensive income (loss)		
Financial assets and liabilities	$ 34,500	$ (34,500)

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

18. 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:

December 31, 2017	Senegal	Burkina Faso	British Virgin	Nigeria	Canada	Total
Current assets	$ 11,686	$ 5,532	$ -	$ 31,829	$ 248,016	$ 297,063
Investment	-	-	-		2	2
Prepaid expenses and deposit	-	-	-	6,787	23,327	30,114
Property, plant and equipment	2,628	2,267	-	121,602	15,551	142,048
Exploration and evaluation assets	12,076,346	1,553,585	-	21,952,830	-	35,582,761
Total assets	$ 12,090,660	$ 1,561,384	$ -	$ 22,113,048	$ 286,896	$ 36,051,988

In Canadian dollars, except where noted

December 31, 2016	Senegal	Burkina Faso	British Virgin	Nigeria	Canada	Total
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
Total assets	$ 11,230,468	$ 1,485,945	$ 10,452	$ 20,074,482	$ 1,481,889	$ 34,283,236

19. SUBSEQUENT EVENTS

Completion of share placement

On December 29, 2017 the Company announced a proposed non-brokered private placement to issue up to 25,000,000 common shares (“Common Shares”) at a price of $0.17 per Common Share for gross proceeds of $4,250,000.

The placement closed on March 29, 2018 with 24,910,659 Common Shares being issued raising gross proceeds of $4,234,812. The Company paid $222,027.00 as finder’s fees to third party finders.The proceeds of the placement will be used to progress the following 2018 work streams:

(i) advancing the Segilola Gold Project to development through the completion of Definitive Feasibility Study activities at the Segilola Gold Project;
(ii) continuing exploration activities on the Segilola mining and exploration licenses, where the existing resource is open at depth and prospective on strike to the north;
(iii) a further phase of exploration drilling at the Makosa prospect on the Douta exploration license in Senegal, where the company is targeting a potential maiden mineral resource in 2018, following a highly successful drilling program in 2017;
(iv) preliminary exploration on the new licenses in Nigeria;
(v) continuing exploration target generation; and
(vi) general corporate purposes.

Commencement of Definitive Feasibility Study work for the Segilola Gold Project

On February 23rd, 2018 the Company announced that it had commenced its Definitive Feasibility Study work and pre-development workstreams at its Segilola Project in Nigeria. These workstreams include resource drilling, metallurgical drilling and geotechnical drilling.

The Company also initiated a LIDAR and photo-imagery surver of the exploration licence that will provide an accurte topographical base for site planning and detailed design engineering, as well as providing further social and environmental information and additional data for exploration activities.

Commencement of RC Drilling Program on the Douta Project, Senegal

On March 12, 2018 the Company announced that it had commenced the drilling of an 8,000 metre RC drilling program on its Douta Project in south-east Senegal. The aim of the project was to build on the drilling success of 2017 with the targeted milestone of a maiden resource in Q3 2018.

Initial Segilola drilling results

On April 25 2018 the The Company announced that it has completed the initial phase of its Definitive Feasibility Study (DFS) and pre-development workstreams at the Segilola Gold Project (“Segilola”).

The Company also announced drilling results on its Segilola Gold Project. The initial phase of the drilling program has targeted less defined areas of the open pit resource and Thor’s management consider the assay results received to date are reasonably likely to result in an increase in the open pit resource and reserve grades.

Highlights include:

- 5.5 metres at 30.1g/tAu including 1 metre at 117.6 g/tAu
- 10.8 metres at 9.7g/tAu including 0.5 metres at 151.2 g/tAu
- 5.9 metres at 16.3g/tAu including 4.4 metres at 23.4g/tAu
- 25 metres at 3.4g/tAu