

American Creek Resources Ltd.

Financial Statements

June 30, 2018

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the 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 interim financial statements of American Creek Resources Ltd. (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 interim financial statements by an entity's auditor.

American Creek Resources Ltd.

Statement of Financial Position

(unaudited – prepared by Management)
(expressed in Canadian dollars)

	June 30, 2018 \$	December 31, 2017 \$
Assets		
Current assets		
Cash	18,845	24,063
Prepaid expenses and deposits (note 3)	5,463	12,271
Receivables (note 4)	7,553	10,811
Marketable securities (note 7)	121,600	294,550
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	153,461	341,695
Reclamation bonds (note 5)	66,000	66,000
Property and equipment (note 6)	20,289	23,591
Exploration and evaluation assets (note 8)	2,613,911	2,609,378
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	2,853,661	3,040,664
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 9 and note 13)	461,559	642,058
Current portion of long-term debt (note 10)	1,869	1,869
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	463,428	643,927
Long-term debt (note 10)	36,025	36,942
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	499,453	680,869
Shareholders' Equity		
Share capital (note 11)	30,713,003	30,525,446
Reserves (note 11)	9,283,785	9,152,966
Deficit	(37,642,580)	(37,318,617)
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	2,354,208	2,359,795
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	2,853,661	3,040,664
Going concern (note 1)		
Commitments (note 15)		

See accompanying notes to these financial statements.

Approved by the Board of Directors

“Darren R. Blaney”

Director

“Robert N. Edwards”

Director

American Creek Resources Ltd.

Statement of Loss and Comprehensive Loss

(unaudited – prepared by Management)
(expressed in Canadian dollars)

	Three months ended June 30		Six months ended June 30	
	2018 \$	2017 \$	2018 \$	2017 \$
Expenses				
Advertising and promotion	15,425	19,970	35,376	30,689
Business development and property investigation	7,152	7,282	14,547	14,232
Corporate communications	1,990	12,362	6,642	13,367
Depreciation on equipment (note 6)	1,651	2,317	3,302	4,633
Interest on long term debt	737	1,059	1,483	1,291
Listing and transfer agent fees	3,451	3,913	9,451	10,013
Management fees (note 13)	70,710	66,754	141,919	127,508
Office and administration	29,752	28,470	65,289	68,693
Professional fees	20,758	30,603	27,893	32,968
Property impairment costs	-	-	-	-
Stock-based compensation (note 11)	-	36,177	23,731	36,177
	<u>(151,626)</u>	<u>(208,907)</u>	<u>(329,633)</u>	<u>(339,571)</u>
Other				
Gain (loss) on sale of investments	(2,618)	-	5,670	
	<u>(154,244)</u>	<u>(208,907)</u>	<u>(323,963)</u>	<u>(339,571)</u>
Net loss				
Other comprehensive loss				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Unrealized loss on marketable securities (note 7)	(7,830)	(41,250)	(7,830)	41,250
Total other comprehensive loss	<u>(7,830)</u>	<u>41,250</u>	<u>(7,830)</u>	<u>(41,250)</u>
Total comprehensive loss	<u>(162,074)</u>	<u>(167,657)</u>	<u>(331,793)</u>	<u>(380,821)</u>
Basic and diluted loss per common share	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>	<u>(0.00)</u>
Basic and diluted weighted average number of common shares outstanding	<u>267,285,568</u>	<u>240,475,902</u>	<u>267,811,687</u>	<u>235,034,924</u>

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Interim Statements of Changes in Equity

(unaudited – prepared by Management)

(expressed in Canadian dollars)

	Share capital		Reserves				Equity \$
	Number of shares	Amount \$	Share-based payment reserve \$	Warrant reserve \$	Investment revaluation reserve \$	Deficit \$	
Balance as at January 1, 2018	259,210,959	30,525,446	5,454,235	3,698,731	-	(37,318,617)	2,359,795
Shares issued (note 11):							
Private placements	6,000,000	300,000	-	-	-	-	300,000
Shares issued for debt	118,125	4,725	-	-	-	-	4,725
Valuation of warrants issued	-	(114,918)	-	114,918	-	-	-
Share issuance costs	-	(2,250)	-	-	-	-	(2,250)
Unrealized loss on marketable securities	-	-	-	-	(7,830)	-	(7,830)
Valuation of options granted (note 11)	-	-	23,731	-	-	-	23,731
Loss for the period	-	-	-	-	-	(323,963)	(323,963)
Balance as at June 30, 2018	265,329,084	30,713,003	5,477,966	3,813,649	(7,830)	(37,642,580)	2,354,208
Balance as at January 1, 2017	229,314,742	29,300,283	5,319,955	3,430,773	(728,750)	(35,734,918)	1,587,343
Shares issued (note 11):							
Private placements	12,500,000	625,000	-	-	-	-	625,000
Shares issued for debt	11,903,092	679,514	-	-	-	-	679,514
Valuation of warrants issued	-	(12,091)	-	12,091	-	-	-
Share issuance costs	-	(10,484)	-	-	-	-	(10,484)
Unrealized loss on marketable securities	-	-	-	-	(41,250)	-	(41,250)
Valuation of options granted	-	-	36,177	-	-	-	36,177
Loss for the period	-	-	-	-	-	(339,571)	(339,571)
Balance as at June 30, 2017	253,717,834	30,582,222	5,356,132	3,442,864	(770,000)	(36,074,489)	2,536,729

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Interim Statement of Cash Flows

(Unaudited – prepared by Management)

(expressed in Canadian dollars)

	Three months ended		Six months ended	
	2018	June 30	2018	June 30
	\$	2017	\$	2017
		\$		\$
Operating activities				
Net loss for the period	(154,244)	(208,907)	(323,963)	(339,571)
Items not affecting cash				
Depreciation on equipment	1,651	2,317	3,302	4,633
Loss (gain) on disposal of marketable securities	2,618	-	(5,670)	-
Property impairment costs	-	-	-	-
Bad debt expense	-	-	-	-
Stock-based compensation	-	36,177	23,731	36,177
	(149,975)	(170,413)	(302,600)	(298,761)
Changes in non-cash working capital				
Prepaid expenses and deposits	21,740	4,346	6,808	9,437
Receivables	(37)	(8,906)	3,258	(15,211)
Accounts payable and accrued liabilities	30,581	(401,566)	(175,774)	(338,564)
Cash used in operating activities	(97,691)	(576,539)	(468,308)	(643,099)
Financing activities				
Repayment of long-term debt	(463)	(429)	(917)	(1,397)
Proceeds from issuance of capital stock	-	625,000	300,000	625,000
Share issuance costs - cash	-	(10,484)	(2,250)	(10,484)
Cash provided by financing activities	(463)	614,087	296,833	613,119
Investing activities				
Disposal of marketable securities	74,997	-	170,790	-
Net proceeds on disposal of exploration and evaluation assets	-	-	-	-
Expenditures of exploration and evaluation assets	(1,822)	(29,098)	(4,533)	(34,270)
Cash provided by (used in) investing activities	73,175	(29,098)	166,257	(34,270)
Increase (decrease) in cash	(24,979)	8,450	(5,218)	(64,250)
Cash – beginning	43,824	14,914	24,063	87,614
Cash – ending	18,845	23,364	18,845	23,364
Supplemental disclosures with respect to cash flows				

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

1 Nature of operations and going concern

American Creek Resources Ltd. (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on February 12, 2004 and continued into Alberta on August 26, 2005. The Company is engaged in the exploration and development of mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 92 – 2nd Ave W, Cardston, AB, Canada, T0K 0K0. The Company’s registered address and records office is 700 – 9th Ave SW, Suite 3000, Calgary, Alberta, Canada, T2P 3V4.

The Company’s primary listing is on the TSX Venture Exchange under the ticker symbol “AMK”.

Going concern

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company is in the exploration stage and has not generated revenue from operations. The Company incurred a net loss of \$323,963 during the six month period ended June 30, 2018 (2017 – \$339,571), generated negative cash flows from operating activities of \$468,308 (2017 – \$643,099) and, as of that date the Company’s deficit was \$37,642,580 (2017 – \$36,074,489) and working capital deficiency was \$309,967 (2017 – \$56,864). 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. These circumstances cause material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company’s exploration and development programs, including private placements, property dispositions and settling payables for shares, so it can continue as a going concern. There is no assurance that these initiatives will be successful.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities, or to the reported expenses that would be necessary if the Company were unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

2 Significant accounting policies and basis of presentation

These financial statements were approved for issuance by the Company's board of directors ("Board") on August 28, 2018.

Statement of compliance

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

These interim unaudited condensed financial statements do not include all of the information required for full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this unaudited condensed interim financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2017. The effects of the adoption of new and amended IFRS pronouncements have been disclosed below in these condensed interim financial statements.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended December 31, 2017, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2018.

Basis of presentation

These financial statements have been prepared on a historical cost basis except as disclosed in the following significant accounting policies. They are presented in Canadian dollars which is the Company's functional currency.

Change in accounting policies

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2017. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	Amortized cost	Amortized cost
Accounts and other receivables	Amortized cost	Amortized cost
Marketable securities	FVTPL	FVTOCI
Reclamation deposit	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. IFRS 15 establishes a single five-step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. As the Company has no revenue, no impact on the Company's consolidated financial statements is expected.

Standards, Amendments and Interpretations Not Yet Effective *New standards and interpretations issued but not yet adopted*

The following are standards issued but not yet effective up to the date of issuance of these financial statements. The Company reasonably expects these standards to be applicable at a future time and intends to adopt these standards when they become effective. The Company is currently evaluating the impact that these standards will have on the Company's results of operations and financial position.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

IFRS 16, Leases, which replaces IAS 17 Leases. The objective of the new standard requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating or finance leases, effectively treating all leases as finance leases. Lessors will continue with a dual lease classification model. Classification will determine how and when a lessor will recognize lease revenue, and what assets would be recorded. This standard is effective for years beginning on or after January 1, 2019.

3 Prepaid expense and deposits

The prepaid expenses for the Company are comprised of the following:

	June 30, 2018	December 31, 2017
	\$	\$
Insurance	4,331	12,271
Vendor prepayments	1,132	-
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	5,463	12,271
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4 Receivables

The Company's receivables arise from a goods and service tax receivable which are due from Canadian government taxation authorities.

5 Reclamation Bonds

The Company has posted bonds with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The bonds were posted in relation to the following properties and amounts:

	June 30, 2018	December 31, 2017
	\$	\$
Electrum	16,000	16,000
Treaty Creek	40,000	40,000
Ironmist	10,000	10,000
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	66,000	66,000
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American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

6 Property and equipment

	Plant and Equipment	Total
	\$	\$
Net book value – January 1, 2017	32,857	32,857
Additions	-	-
Depreciation for the year	(9,266)	(9,266)
Net book value – December 31, 2017	23,591	23,591
Depreciation for the period	3,302	3,302
Net book value – June 30, 2018	20,289	20,289

7 Marketable securities

As at June 30, 2018, the Company holds 303,999 (June 30, 2017 – 1,375,000) common shares of Tudor Gold Corp (“Tudor Shares”). 1,000,000 Tudor Shares with a fair value of \$1.18 per share were received during 2016 pursuant to an agreement in which the Company sold a 60% interest in the Electrum property (note 9). 500,000 Tudor Shares with a fair value of \$1.18 per share were received during 2016 pursuant to an agreement in which the Company sold a 31% interest in the Treaty Creek property (note 9). Pursuant to an agreement with various Net Smelter Royalty (“NSR”) holders, the Company had to transfer, upon receipt, 25% of the 500,000 shares received in relation to the Treaty Creek property to the NSR holders. The fair value of the net share proceeds received was recorded as proceeds on sale of percentage of ownership which reduced the carrying value of the exploration and evaluation asset.

At June 30, 2018, the 303,999 Tudor Shares fair value had decreased to \$0.40 per share from \$0.62 per share at June 30, 2017. Management determined the shares were impaired, and therefore the Company wrote the marketable securities down to \$121,600 (2017 - \$811,250) with an impairment loss of \$521,579 of which \$370,879 of this amount was a reclassification adjustment for unrealized losses included in AOCI into comprehensive loss. During the period ended June 30, 2018, the Company sold 386,999 Tudor Shares for total net proceeds of \$167,678 resulting in a gain on disposal of \$2,618 (2017 – nil).

American Creek Resources Ltd.
Notes to the Interim Financial Statements
For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

8 Exploration and evaluation assets

As at June 30, 2018, the Company's exploration and evaluation assets are located in British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada \$	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – January 1, 2018	482,185	119,944	336,100	542,000	40,500	59,000	1,579,729
Additions	-	-	-	-	-	-	-
Acquisition costs – June 30, 2018	482,185	119,944	336,100	542,000	40,500	59,000	1,579,729
Exploration costs – January 1, 2018	640,046	260,701	81,055	24,347	8,021	15,479	1,029,649
Additions	-	-	3,414	371	748	-	4,533
Exploration costs – June 30, 2018	640,046	260,701	84,469	24,718	8,769	15,479	1,034,182
Total June 30, 2018	1,122,231	380,645	420,569	566,718	49,269	74,479	2,613,911

American Creek Resources Ltd.
Notes to the Interim Financial Statements
For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

As at December 31, 2017, the Company's exploration and evaluation assets are located in British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada \$	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – January 1, 2017	2,211,402	1,114,250	336,100	542,000	9,500	300,400	4,513,652
Additions	-	-	-	-	31,000	49,750	80,750
Acquisition costs – December 31, 2017	2,211,402	1,114,250	336,100	542,000	40,500	350,150	4,594,402
Exploration costs – January 1, 2017	5,128,198	6,398,770	66,763	412	8,021	25,077	11,627,241
Additions	2,231	-	14,292	23,935	-	1,895	42,353
Exploration costs – December 31, 2017	5,130,429	6,398,770	81,055	24,347	8,021	26,972	11,669,594
Other items during the year ended December 31, 2016:							
Proceeds on sale of percentage of ownership - cash	(493,999)	-	-	-	-	-	(493,999)
Proceeds on sale of percentage of ownership -shares	(1,180,000)	(583,999)	-	-	-	-	(1,763,999)
Impairment	(4,545,601)	(6,548,376)	-	-	-	(285,857)	(11,379,834)
Other items December 31, 2016	(6,219,600)	(7,132,375)	-	-	-	(285,857)	(13,637,832)
Other items during the year ended December 31, 2017							
Impairment	-	-	-	-	-	(16,786)	(16,786)
Other items year ended December 31, 2017:	(6,219,600)	(7,132,375)	-	-	-	(302,643)	(13,654,618)
Total December 31, 2017	1,122,231	380,645	417,155	566,347	48,521	74,479	2,609,378

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Six months ended June 30, 2018 and 2017

(Unaudited – prepared by Management)
(expressed in Canadian dollars)

Electrum Property, British Columbia, Canada

The Electrum property is located north of Stewart, British Columbia. The claims were acquired via an option agreement which all terms and conditions have been completed through total cash payments of \$210,000 and 2,500,000 common shares issued with fair value ranging from \$0.12 to \$0.75 per share. This property is subject to a 2% Net Smelter Royalty (“NSR”). The Company may purchase the 2% NSR at any time for \$1,000,000. In 2016, the Company recorded an impairment on the value of the Electrum property in the amount of \$4,545,601. The Company then disposed of a 60% interest in the property for net cash proceeds of \$493,999 and 1,000,000 common shares of the purchaser with a fair value of \$1.18 under the terms of a joint venture agreement (note 8). The Company maintains a 40% interest in the property and for the period incurred \$Nil (December 31, 2017 - \$2,231) in exploration costs.

Treaty Creek Property, British Columbia, Canada

The Treaty Creek property is located northeast of Stewart, British Columbia. In 2009, the Company completed the requirements as set out in the option agreement to earn a 51% interest in the property by issuing 100,000 common shares with a fair value ranging from of \$0.23 to \$0.24 per share and by incurring the balance of aggregate exploration expenditures in excess of \$5,000,000. Each of the claims that make up the property is subject to either a 1% or 2% NSR royalty on the Company’s ownership interest only. The Company has the option to purchase the royalty interests for \$1,500,000 with the exception of 0.5% which can not be purchased and will remain on the claims. In 2016, an impairment of \$6,548,376 on the value of the Treaty Creek property was recorded. The Company then disposed of 31% of its 51% interest in the property for 500,000 common shares of the purchaser with a fair value of \$1.18 (note 8). The Company had to transfer 25% of the 500,000 common shares of the purchaser to the NSR holders (notes 8 and 19). The Company maintains a 20% interest in the property and in 2017 incurred \$Nil (2016 - \$Nil) in exploration costs. The Company is not obligated to contribute towards costs until a production notice is given by the operator of the property.

Gold Hill Property, British Columbia, Canada

The Gold Hill property is located near Fort Steele, British Columbia and was purchased on March 9, 2015 along with the D-1 McBride property. Consideration paid for the Gold Hill property consisted of 3,734,444 shares issued to the vendor and 373,444 shares issued as an arms-length finder’s fee with a fair value of \$0.09 per share. Exploration costs in the amount of \$3,414 (December 31, 2017 - \$14,292) were incurred during the period.

Dunwell Property, British Columbia, Canada

The Dunwell property is a combination of three acquired properties and is located near Stewart, British Columbia. The first of the three properties, the Silvershot property was acquired through staking in the amount of \$412. The second property, the Dunwell property, was purchased through the acquisition of a private company which holds 100% interest in the property by issuing 7,000,000 shares for fair value of \$490,000 (note 12). The third property, the Bear River property, was purchased by issuing 800,000 shares with fair value of \$52,000. Exploration costs in the amount of \$371 (December 31, 2017 - \$23,935) were incurred during the period.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

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Ample Goldmax Property, British Columbia, Canada

In 2016, the Company entered into an option agreement to acquire a 100% interest in the Ample Goldmax property located near Lillooet, British Columbia (note 19). The Ample Goldmax claims are subject to a 25% net profit royalty associated with any bulk sample as defined in the agreement. 2017 acquisition costs included cash option payments of \$17,000 and the issuance of 200,000 common shares with a fair value of \$14,000 (note 12). 2016 acquisition costs included the issuance of 100,000 common shares with a fair value of \$9,500. Exploration costs in the amount of \$748 (December 31, 2017 - \$Nil) were incurred during the period.

Other Properties, British Columbia, Canada

The Slippery Willow property is located adjacent to the Company's Electrum property. The property was purchased on February 9, 2007. The consideration paid consisted of \$25,000 in cash and the issuance of 120,000 of the Company's common shares with a fair value of \$1.72 per share. In 2016, the Company recorded an impairment on the property of \$234,842 and disposed of 60% of the property under the terms of the Electrum joint venture agreement and still maintains a 40% interest in the property (see above and note 15).

In 2016, the Company entered into option agreements to acquire a 100% interest in the Silverside Property located near Clearwater, British Columbia, the Red Tusk Property located near Squamish, British Columbia and the Glitter King Property located on Pitt Island, British Columbia (note 19). 2017 combined acquisition costs include cash option payments of \$37,500 and the issuance of 175,000 common shares with a fair value of \$12,250 (note 12). 2016 combined acquisition costs included the issuance of 200,000 common shares with a fair value of \$19,000. Each of the claims are subject to a 3% NSR royalty interest that can be purchased for \$500,000 for each 1% interest purchased. Exploration costs in the amount of \$Nil (2017 - \$Nil) were incurred during the period. During the year ended December 31, 2017, the Company abandoned the option agreement related to the Red Tusk Property resulting in an impairment charge of \$16,786 to fully write-off capitalized costs related to this property.

The Austruck-Bonanza property is located near Kamloops, British Columbia. In 2010, the value of the property was considered impaired and all acquisition and exploration costs were written off. During the period ended June 30, 2018, further exploration costs in the amount of \$Nil (December 31 2017 - \$1,895) were incurred and capitalized.

9 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities for the Company are comprised of the following:

	June 30, 2018	December 31, 2017
	\$	\$
Trade payables (note 13)	461,559	619,290
Accrued liabilities	-	22,768
	461,559	642,058

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10 Long-term debt

	June 30, 2018 \$	December 31, 2017 \$
Arms-Length loan for leasehold improvements, bearing interest at 8% per annum and repayable in monthly instalments, including principal and interest of \$400 until September 1, 2030.	37,894	38,811
Less: Current portion	(1,869)	(1,869)
	<u>36,025</u>	<u>36,942</u>

11 Share capital and reserves

Share capital

a) Authorized

Unlimited number of common shares; and
Unlimited number of preferred shares.

Issued and outstanding
Share issuances

During the six month period ended June 30, 2018, the Company:

- i) Completed a non-brokered private placement offering of 6,000,000 units at a price of \$0.05 per unit for gross proceeds of \$300,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the Offering at a price of \$0.08 per share.
- ii) Issued 118,125 common shares with a fair value of \$4,725 under a shares for services agreement related to advertising and promotion for the Company.

During the year ended December 31, 2017, the Company:

- i) Completed a non-brokered private placement offering of 12,500,000 units at a price of \$0.05 per unit for gross proceeds of \$625,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the Offering at a price of \$0.08 per share. The warrants are subject to an acceleration provision which provides that in the event that the market closing price of the Company's shares exceeds \$0.12 for 20 consecutive trading days, the Company may within 5 days after such an event, provide notice to the warrant holders of early expiry

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and thereafter, the warrants will expire on the date which is 15 days after the date of the notice to the warrant holders.

- ii) Company settled debt in the amount of \$300,000 by issuing an arms-length creditor 5,000,000 common shares. The fair value of the common shares was determined to be \$0.05 per share. Gain on shares issued to settle payables of \$50,000 was recognized related to this debt settlement.
 - iii) Company settled debt in the amount of \$354,576 by issuing an arms-length creditor 6,566,217 common shares. The fair value of the common shares was determined to be \$0.05 per share. Gain on shares issued to settle payables of \$26,265 was recognized related to this debt settlement.
 - iv) Issued 455,000 common shares with a fair value of \$24,937 under a shares for services agreement related to advertising and promotion for the Company.
 - v) Completed a non-brokered private placement offering of 5,000,000 units at a price of \$0.05 per unit for gross proceeds of \$250,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.08 per share. The warrants are subject to an acceleration provision which provides that in the event that the market closing price of the Company's shares exceeds \$0.12 for 20 consecutive trading days, the Company may within 5 days after such an event, provide notice to the warrant holders of early expiry and thereafter, the warrants will expire on the date which is 15 days after the date of the notice to the warrant holders.
 - vi) Issued 375,000 common shares with a fair value of \$26,250 towards exploration assets acquisition costs (note 9).
- b) Stock options and warrants

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture Exchange. Options to purchase common shares have been granted to directors, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. The options vest immediately on the date of the grant.

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Stock options transactions and the number of stock options outstanding are summarized as follows:

	Number of options	Weighted average exercise price \$
Balance – January 1, 2017	22,770,000	0.08
Options granted	<u>3,100,000</u>	<u>0.05</u>
Balance – December 31, 2017	<u>25,870,000</u>	<u>0.07</u>
Options granted	600,000	-
Options cancelled	<u>(3,350,000)</u>	<u>0.10</u>
Balance – June 30, 2018	<u>23,120,000</u>	<u>0.07</u>
Number of options currently exercisable	<u>23,120,000</u>	<u>0.07</u>

The following incentives stock options were outstanding and exercisable as at June 30, 2018:

Expiry Date	Exercise Price \$	Number Outstanding
March 20, 2022	0.10	2,900,000
March 10, 2025	0.10	3,570,000
April, 24, 2025	0.10	480,000
March 2, 2026	0.05	7,700,000
May 19, 2026	0.08	2,870,000
November 2, 2026	0.07	1,900,000
May 29, 2027	0.05	1,900,000
July 18, 2027	0.05	1,200,000
February 5, 2028	0.05	<u>600,000</u>
		<u>23,120,000</u>
Weighted average remaining contractual life (years)		<u>7.32</u>

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During the six month period ended June 30, 2018, the Company:

- i) Granted 600,000 options to purchase common shares to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.05.

The fair value of the common share purchase options was determined to be \$23,731 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 161% volatility, a risk free interest rate of 1.94%, and a term of 10 years.

During the year ended December 31, 2017, the Company:

- i) Granted 1,900,000 options to purchase common shares to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.05.

The fair value of the common share purchase options was determined to be \$74,938 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 157% volatility, a risk free interest rate of 0.70%, and a term of 10 years.

- ii) Granted 1,200,000 options to purchase common shares to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.05.

The fair value of the common share purchase options was determined to be \$59,342 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 159% volatility, a risk free interest rate of 2.10%, and a term of 10 years.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price \$
Balance – January 1, 2017	19,960,000	0.10
Warrants granted	17,500,000	0.08
Warrants expired	(3,760,000)	0.10
Balance – December 31, 2017	33,700,000	0.09
Warrants granted	6,000,000	0.08
Warrants expired	-	-
Balance – June 30, 2018	39,700,000	0.084

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The following warrants to acquire common shares were outstanding at June 30, 2018:

Expiry Date	Exercise Price \$	Number Outstanding
March 7, 2019	0.08	5,000,000
March 17, 2019	0.08	2,000,000
April 12, 2019	0.10	1,200,000
April 22, 2019	0.10	8,000,000
June 1, 2019	0.10	12,500,000
October 11, 2019	0.10	5,000,000
February 14, 2020	0.08	6,000,000
		<u>39,700,000</u>
Weighted average remaining contractual life (years)		<u>1.01</u>

The following warrants to acquire common shares were issued during the period ended June 30, 2018:

- iii) The Company issued 6,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.08.

The relative fair value of the common share purchase warrants was determined to be \$114,918 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 144% volatility, a risk free interest rate of 1.82% and a term of 24 months.

The following warrants to acquire common shares were issued during the year ended December 31, 2017:

- iv) The Company issued 12,500,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.08.

The relative fair value of the common share purchase warrants was determined to be \$213,798 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 161% volatility, a risk free interest rate of 0.70% and a term of 24 months.

- v) The Company issued 5,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the issuance at a price of \$0.08.

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The relative fair value of the common share purchase warrants was determined to be \$54,160 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 154% volatility, a risk free interest rate of 1.55% and a term of 24 months.

During the year ended December 31, 2017, the Company extended the term of 8,000,000 common share purchase warrants by 24 months resulting in an expiry date of April 22, 2019. No additional compensation was recognized related to this extension.

Reserves

The share-based payment reserve includes stock-based compensation expense related to fair value of stock options granted and also the fair value of warrants issued for services. The warrant reserve includes the relative fair value of attachable warrants issued as a part of units in conjunction with private placements of common shares. The gross proceeds of private placements is allocated between share capital and the warrant reserve using the relative fair value method which allocates a pro-rata amount based on the fair value of the common shares and the warrants issued. The investment revaluation reserve includes unrealized gains and losses on marketable securities which is reclassified to comprehensive loss on disposal or impairment of the securities.

12 Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss includes the investment revaluation reserve which records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses.

13 Related party transactions

Key management personnel compensation

	Six Months Ended	
	June 30, 2018	June 30, 2017
Consulting fees - payments made to officers	\$ 141,919	\$ 127,508
Stock based compensation to officers	\$ 19,776	\$ 26,656

Related party balances

Included in trade payables and accrued liabilities at June 30, 2018 is \$Nil (June 30, 2017 – \$586,302) owed to officers of the Company for accrued consulting fees.

14 Segmented information

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada.

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15 Commitments

Amended NSR Agreement

During 2016, the Company issued 15,000,000 common shares at \$0.06 per share under an amended agreement with arms length third parties that hold a NSR related to the Company's interest in the Treaty Creek property located in NW British Columbia (notes 9 and 12). The amended agreement reduces the prior \$6 million payment obligation which was potentially triggered if the Company reduced its 51% interest in the property, or granted access for development and tunnel construction.

Additional terms of the amended agreement include:

- a) The NSR holders will hold a 2% NSR on certain Treaty Creek property mineral tenures ("Group I") and a 1% NSR on the remaining Treaty Creek mineral tenures ("Group II"). The NSR interests apply only to the Company's interest in the Treaty Creek property. Within 30 days of a Treaty Creek property feasibility study being completed, the NSR holders will be paid an aggregate sum of \$1,500,000 in order for the Company to collectively buy out 0.75% of the Group I NSR and 0.25% of the Group II NSR. At any time the Company may buy out a further 0.75% of the Group I and 0.25% of the Group II NSR for the aggregate sum of \$1,500,000. The NSR holders will retain a 0.5% NSR on the Group I and Group II mineral tenures.
- b) The NSR holders were entitled to 25% of any cash payments or securities the Company received related to the Company entering into an agreement with a third party to advance the Treaty Creek project such that it disposes directly or indirectly of any of its interest in the Treaty Creek property. During the year ended December 31, 2016, the Company disposed 31% of its 51% interest for 500,000 common shares of the purchaser, and as such had to transfer 125,000 of those common shares to NSR holders fulfilling this obligation under the agreement (notes 8 and 9).
- c) The Company will pay the NSR holders 25% of any consideration the Company may receive from any non-governmental party for access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose, or fees for the use of the Company's own infrastructure facilities.
- d) The Company will pay the NSR holders 25% of any compensation proceeds the Company may receive from any governmental or quasi-governmental agency for the loss of any rights resulting from the expropriation of access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose.

Mineral Property Acquisitions

During 2016, the Company entered into four option agreements to acquire a 100% interest in the Ample Goldmax Property, the Glitter King Property, the Silverside Property and the Red Tusk Property. The terms of each of the agreements are as follows:

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Ample Goldmax Property

\$7,000 cash payment within 5 business days of TSX-V approval (paid) and issuance of 100,000 common shares within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (notes 9 and 12);

Year 1 - \$10,000 cash payment (paid), 200,000 common shares issued to the optionor (issued with a fair value of \$14,000) (notes 9 and 12) and \$15,000 in exploration work conducted on the property prior to the one year anniversary of the agreement (in default);

Year 2 - \$15,000 cash payment, 250,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 300,000 common shares issued to the optionor and \$75,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$100,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 25% bulk sample royalty on any net profits the Company receives from the extraction of a bulk sample as well as a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Glitter King Property

\$7,500 cash payment within 30 business days of TSX-V approval (paid) and issuance of 100,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (notes 9 and 12);

Year 1 - \$10,00 cash payment (paid), 100,000 common shares issued to the optionor (issued with a fair value of \$7,000) (notes 9 and 12) and a minimum of \$10,000 in exploration work conducted on the property prior to the one year anniversary of the agreement (in default);

Year 2 - \$20,000 cash payment, 150,000 common shares issued to the optionor and \$20,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 200,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$35,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Silverside Property

\$5,000 cash payment within 30 business days of TSX-V approval (paid) and issuance of 50,000 common

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shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$4,750) (notes 9 and 12);

Year 1 - \$10,000 cash payment (paid), 75,000 common shares issued to the optionor (issued with a fair value of \$5,250) (notes 9 and 12) and a minimum of \$5,000 in exploration work conducted on the property prior to the one year anniversary of the agreement (in default);

Year 2 - \$20,000 cash payment, 100,000 common shares issued to the optionor and \$10,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 150,000 common shares issued to the optionor and \$30,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$50,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Red Tusk Property

The option agreement related to the Red Tusk Property was terminated during the year ended December 31, 2017.

All cash payments, share payments and work commitment amounts in each of the agreements may be accelerated at the Company's discretion.