

American Creek Resources Ltd.

Financial Statements

March 31, 2019

(unaudited – Prepared by Management)

(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.

Interim Statements of Financial Position

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

	March 31, 2019	December 31, 2018
	\$	\$
Assets		
Current assets		
Cash	91,545	49,719
Prepaid expenses and deposits (note 4)	11,803	12,973
Receivables (note 5)	9,012	21,261
Marketable securities (note 8)	190	17,880
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	112,550	101,833
Reclamation bonds (note 6)	82,000	82,000
Property and equipment (note 7)	15,807	16,986
Exploration and evaluation assets (notes 9 and 15)	2,992,895	2,941,253
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	3,203,252	3,142,072
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 10 and 15)	616,743	778,351
Current portion of long-term debt (note 11)	-	1,869
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	616,743	780,220
Long-term debt (note 11)	-	35,073
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	-	815,293
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Shareholders' Equity		
Share capital (note 12)	31,180,256	30,900,758
Reserves (note 12)	9,546,754	9,408,750
Deficit	(38,140,501)	(37,982,729)
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	2,586,509	2,326,779
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	3,203,252	3,142,072
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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.

Interim Statements of Loss and Comprehensive Loss

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

	March 31, 2019	March 31, 2018
	\$	\$
Expenses		
Advertising and promotion	26,152	19,951
Business development and property investigation	7,485	7,395
Corporate communications	6,360	4,652
Depreciation on equipment (note 7)	1,179	1,651
Interest on long term debt	-	746
Filing and transfer agent fees	15,599	6,000
Management fees (note 13)	70,390	71,209
Office and administration	33,496	35,537
Professional fees	2,704	7,135
Stock-based compensation (note 12)	-	23,731
	<u>(163,365)</u>	<u>(178,007)</u>
Other		
Gain on disposal of marketable securities and change in fair market value(note 8)	<u>5,593</u>	<u>8,288</u>
Net loss and total comprehensive loss	<u>(157,772)</u>	<u>(169,719)</u>
Basic and diluted loss per common share	<u>(0.00)</u>	<u>(0.00)</u>
Basic and diluted weighted average number of common shares outstanding	<u>279,403,322</u>	<u>260,263,590</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 \$	Deficit \$	
Balance as at January 1, 2019	271,447,209	30,900,759	5,382,834	4,025,915	(37,982,729)	2,326,779
Shares issued (note 12):						
Private placements	5,200,000	260,000	-	-	-	260,000
Shares issued to settle payables	3,291,441	164,572	-	-	-	164,572
Valuation of warrants issued	-	(138,005)	-	138,005	-	-
Share issuance costs	-	(7,070)	-	-	-	(7,070)
Valuation of options granted (note 12)	-	-	-	-	-	-
Loss for the period	-	-	-	-	(157,772)	(157,772)
Balance as at March 31, 2019	279,938,650	31,180,256	5,382,834	4,163,920	(38,140,501)	2,586,509
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 12):						
Private placements	6,000,000	300,000	-	-	-	300,000
Valuation of warrants issued	-	(114,918)	-	114,918	-	-
Share issuance costs	-	(2,250)	-	-	-	(2,250)
Valuation of options granted (note 12)	-	-	23,731	-	-	23,731
Loss for the period	-	-	-	-	(169,719)	(169,719)
Balance as at March 31, 2018	265,210,959	30,708,278	5,477,966	3,813,649	(37,488,336)	2,511,557

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Interim Statements of Cash Flows

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

	March 31, 2019 \$	March 31, 2018 \$
Operating activities		
Net loss for the year	(157,772)	(169,719)
Items not affecting cash		
Depreciation on equipment	1,179	1,651
Gain on disposal of marketable securities and change in fair market value	(5,593)	(8,288)
Stock-based compensation	-	23,731
	<u>(162,186)</u>	<u>(152,625)</u>
Changes in non-cash working capital		
Prepaid expenses and deposits	1,170	(14,932)
Receivables	12,249	3,295
Accounts payable and accrued liabilities	2,964	(206,355)
	<u>(145,803)</u>	<u>(370,617)</u>
Cash used in operating activities		
Financing activities		
Repayment of long-term debt	(36,942)	(454)
Proceeds from issuance of capital stock	260,000	300,000
Share issuance costs - cash	(7,070)	(2,250)
	<u>215,988</u>	<u>297,296</u>
Cash provided by financing activities		
Investing activities		
Disposal of marketable securities	23,283	95,793
Expenditures of exploration and evaluation assets	(51,642)	(2,711)
Payment of reclamation bond	-	-
	<u>(28,359)</u>	<u>93,082</u>
Cash provided by (used in) investing activities		
Increase (decrease) in cash	41,926	(19,761)
Cash – beginning	49,719	24,063
Cash – ending	<u>91,545</u>	<u>43,824</u>

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Three months ended March 31, 2019 and 2018

(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. On December 11, 2018, the Company continued again into British Columbia. 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 \$157,772 during the period ended March 31, 2019 (2018 – \$169,719), generated negative cash flows from operating activities of \$145,803 (2018 – \$370,617) and, as of that date the Company’s deficit was \$38,140,501 (2018 – \$37,488,336) and working capital deficiency was \$504,193 (2018 – \$678,387). 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 factors indicate the existence of material uncertainties that may cast significant doubt about 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 Three months ended March 31, 2019 and 2018

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

2 Basis of preparation

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, 2018, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective January 1, 2019.

These financial statements were approved for issuance by the Company’s board of directors (“Board”) on May 30, 2019.

These financial statements have been prepared on a historical cost basis except as disclosed in the significant accounting policies in note 3. They are presented in Canadian dollars which is the Company’s functional currency.

3 Significant accounting policies

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 year-end date 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 following new standards, amendments and interpretations that have not been early adopted in the financial statements do not have a material effect on the Company’s future results of operations and financial position.

- 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.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Three months ended March 31, 2019 and 2018

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

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4 Prepaid expense and deposits

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

	March 31, 2019	December 31, 2018
	\$	\$
Insurance	6,916	10,576
Vendor prepayments	4,887	2,397
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	11,803	12,973
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5 Receivables

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

6 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:

	March 31, 2019	December 31, 2018
	\$	\$
Electrum	16,000	16,000
Treaty Creek	40,000	40,000
Ironmist	10,000	10,000
Gold Hill	16,000	16,000
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	82,000	82,000
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American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Three months ended March 31, 2019 and 2018

(unaudited – prepared by Management)

(expressed in Canadian dollars)

7 Property and equipment

	Leasehold Improvements \$	Plant and Equipment \$	Total \$
Cost -			
As at December 31, 2017	46,006	443,586	489,592
Additions	-	-	-
As at December 31, 2018	46,006	443,586	489,592
Additions	-	-	-
As at March 31, 2019	46,006	443,586	489,592
Accumulated depreciation -			
As at December 31, 2017	(46,006)	(419,995)	(466,001)
Additions	-	(6,605)	(6,605)
As at December 31, 2018	(46,006)	(426,600)	(472,606)
Additions	-	(1,179)	(1,179)
As at March 31, 2019	(46,006)	(427,779)	(473,785)
Net carrying amounts -			
As at December 31, 2018	-	16,986	16,986
As at March 31, 2019	-	15,807	15,807

8 Marketable securities

As at March 31, 2019, the Company holds 499 (2018 – 74,499) common shares of Tudor Gold Corp (“Tudor Shares”).

The Tudor Shares fair value had increased to \$0.38 per share at March 31, 2019 from \$0.24 per share at December 31, 2018. Management determined the shares were impaired in 2017, and therefore the Company wrote the marketable securities down to \$294,550 with an impairment loss of \$513,749 of which \$363,049 of this amount was a reclassification adjustment for unrealized losses included in AOCI into comprehensive loss.

During the three month period ended March 31, 2019, the Company sold 74,000 (2018 - 610,500) Tudor Shares for total net proceeds of \$23,283 (2018 - \$223,732) resulting in a gain on disposal of \$5,593 (2018 – loss of \$38,783) in addition \$Nil (2018 - \$14,155) of unrealized losses were recorded in the statement of loss and comprehensive loss.

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Three months ended March 31, 2019 and 2018

(unaudited – prepared by Management)

(expressed in Canadian dollars)

9 Exploration and evaluation assets

As at March 31, 2019, 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 – December 31, 2018	432,185	119,944	336,100	542,000	40,500	59,000	1,529,729
Additions	-	-	-	-	-	-	-
Acquisition costs – March 31, 2019	432,185	119,944	336,100	542,000	40,500	59,000	1,529,729
Exploration costs – December 31, 2018	640,046	260,701	448,703	26,166	20,429	15,479	1,411,524
Additions	-	-	51,592	50	-	-	51,642
Exploration costs – March 31, 2019	640,046	260,701	500,295	26,216	20,429	15,479	1,463,166
Other items during the period ended March 31, 2019: Proceeds on option to purchase - cash	-	-	-	-	-	-	-
Total March 31, 2019	1,072,231	380,645	836,395	568,216	60,929	74,479	2,992,895

American Creek Resources Ltd.

Notes to the Interim Financial Statements

For the Three months ended March 31, 2019 and 2018

(unaudited – prepared by Management)

(expressed in Canadian dollars)

As at December 31, 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 – December 31, 2017	482,185	119,944	336,100	542,000	40,500	59,000	1,579,729
Additions	-	-	-	-	-	-	-
Acquisition costs – December 31, 2018	482,185	119,944	336,100	542,000	40,500	59,000	1,579,729
Exploration costs – December 31, 2017	640,046	260,701	81,055	24,347	8,021	15,479	1,029,649
Additions	-	-	367,648	1,819	12,408	-	381,875
Exploration costs – December 31, 2018	640,046	260,701	448,703	26,166	20,429	15,479	1,411,524
Other items during the year ended December 31, 2018: Proceeds on option to purchase - cash	(50,000)	-	-	-	-	-	(50,000)
Total December 31, 2018	1,072,231	380,645	784,803	568,166	60,929	74,479	2,941,253

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2019

(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 2017 incurred \$2,231 in exploration costs.

On June 29, 2018, the Company entered into an option agreement, whereby it has granted the optionee an exclusive option to acquire the remaining 40% interest in the Electrum property in exchange for a non-refundable cash payment of \$50,000 (received), and a payment made by the optionee of \$2,650,000. The option expired unexercised on April 15, 2019.

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. The Company had to transfer 25% of the 500,000 common shares of the purchaser to the NSR holders. The Company maintains a 20% interest in the property and is not obligated to contribute towards costs until a production notice is given by the operator of the property. No exploration costs were incurred by the Company during the current period or previous year.

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 \$51,592 (2018 - \$367,648) were incurred during the current period and previous year.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2019

(expressed in Canadian dollars)

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. 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 \$50 (2017 - \$1,819) were incurred during the current period and previous year.

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 18). 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 \$Nil (2018 - \$12,408) were incurred during the current period and previous year.

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.

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. 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. No exploration costs were incurred during the current period or previous year (note 15).

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. In 2017, further exploration costs in the amount of \$Nil (2016 - \$1,895) were incurred and capitalized.

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2019

(expressed in Canadian dollars)

10 Accounts payable and accrued liabilities

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

	March 31, 2019	December 31, 2018
	\$	\$
Trade payables (note 14)	598,743	760,351
Accrued liabilities	18,000	18,000
	616,743	778,351

11 Long-term debt

	March 31, 2019	December 31, 2018
	\$	\$
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. Repaid in January 2019.	-	36,942
Less: Current portion	-	(1,869)
	-	35,073

12 Share capital and reserves

Share capital

a) Authorized

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

b) Issued and outstanding

Share issuances

During the period ended March 31, 2019, the Company:

- i) Completed a private placement offering of 2,000,000 units at \$0.05 per unit for gross proceeds of \$100,000. Each unit consisted of one common share of the Company and one non-transferrable

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2019

(expressed in Canadian dollars)

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 \$0.06 per share.

- ii) Completed a private placement offering of 3,200,000 units at \$0.05 per unit for gross proceeds of \$160,000 if fully subscribed. Each unit will consist 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 \$0.06 per share.
- iii) Issued 3,291,441 common shares to a non-arms length contractor at a price of \$0.05 per share in a shares for debt arrangement. The debt had a carrying value of \$164,527.

During the year ended December 31, 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) 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 \$0.06 per share.
 - iii) 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.
 - iv) Issued 118,125 common shares with a fair value of \$5,906 under a shares for services agreement related to advertising and promotion for the Company.
- c) 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.

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

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2019

(expressed in Canadian dollars)

	Number of options	Weighted average exercise price \$
Balance – December 31, 2017	25,870,000	0.07
Options granted	600,000	0.05
Options expired	<u>(3,350,000)</u>	<u>0.10</u>
Balance – December 31, 2018	23,120,000	0.07
Options granted	<u>4,500,000</u>	<u>0.05</u>
Balance – March 31, 2019	<u>27,620,000</u>	<u>0.07</u>
Number of options currently exercisable	<u>27,620,000</u>	<u>0.07</u>

The following incentives stock options were outstanding and exercisable as at March 31, 2019:

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	600,000
January 17, 2029	0.05	<u>4,500,000</u>
		<u>27,620,000</u>
Weighted average remaining contractual life (years)		<u>7.34</u>

American Creek Resources Ltd.

Notes to Financial Statements

March 31, 2019

(expressed in Canadian dollars)

During the period ended March 31, 2019, the Company:

- i) Granted 4,500,000 options to directors and officers at \$0.05 per share expiring on January 27, 2029. 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 \$97,277 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 172% volatility, a risk free interest rate of 1.94%, and a term of 10 years.

During the year ended December 31, 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 \$29,704 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 161% volatility, a risk free interest rate of 2.32%, 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 – December 31, 2017	33,700,000	0.09
Warrants granted	<u>12,000,000</u>	<u>0.07</u>
Balance – December 31, 2017	<u>45,700,000</u>	<u>0.08</u>
Warrants granted	<u>5,200,000</u>	<u>0.06</u>
Balance – December 31, 2018	<u>50,900,000</u>	<u>0.08</u>

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The following warrants to acquire common shares were outstanding at March 31, 2019:

Expiry Date	Exercise Price \$	Number Outstanding
October 11, 2019	0.08	5,000,000
November 26, 2019	0.06	6,000,000
February 14, 2020	0.08	6,000,000
March 7, 2020	0.08	5,000,000
March 17, 2020	0.08	2,000,000
April 12, 2020	0.10	1,200,000
April 22, 2020	0.10	8,000,000
June 1, 2020	0.08	12,500,000
January 24, 2021	0.06	2,000,000
		<u>3,200,000</u>
		<u>50,900,000</u>
Weighted average remaining contractual life (years)		<u>1.40</u>

The following warrants to acquire common shares were issued during the period ended March 31, 2019:

- i) The Company issued 2,000,000 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 \$41,820 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 172% volatility, a risk free interest rate of 1.94% and a term of 24 months.

- ii) The Company issued 3,200,000 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 \$96,183 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 178% volatility, a risk free interest rate of 1.54% and a term of 24 months.

- iii) Extended the exercise period of a total of 28,700,000 outstanding share purchase warrants by one year. The extended periods are reflected in the above table.

The following warrants to acquire common shares were issued during the year ended December 31, 2018:

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- i) 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 \$114,917 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.

- ii) 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 \$0.06.

The relative fair value of the common share purchase warrants was determined to be \$111,162 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 173% volatility, a risk free interest rate of 2.24% and a term of 24 months.

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.

13 Related party transactions

Included in accounts payable and accrued liabilities is \$28,955 (2018 – \$nil) due to companies controlled by officers of the Company. These amounts due to related parties are unsecured, bear interest at comparable market rates, and have no specific terms of repayment.

During the period ended March 31, 2019, the Company incurred the following related party transactions:

- a) Incurred fees in the amount of \$48,709 (2018– \$48,709) to a company controlled by the Company's Chief Executive Officer.
- b) Incurred fees in the amount of \$24,000 (2017– \$22,500) to a company controlled by the Company's Chief Financial Officer.

For the period ended March 31, 2019, the total remuneration of key management personnel was \$72,709 (2018 - \$71,209) of management fees and \$nil (2018 - \$27,229) of stock-based compensation.

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14 Segmented information

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

15 Commitments

Amended NSR Agreement

On April 13, 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 (note 9). 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 (note 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.

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Mineral Property Acquisitions

During the year ended December 31, 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:

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) (note 9);

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

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 (in default);

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) (note 9);

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

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 (in default);

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.

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

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

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 (in default);

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. Though some of the agreements above are in default, the vendor has agreed to hold the agreement in place pending further negotiation of the terms.