MARGAUX RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2018 AND 2017

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Margaux Resources Ltd. as of December 31, 2018, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

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

MARGAUX RESOURCES LTD.
Statements of Financial Position

As at	**December 31, 2018** **$**	September 30, 2018 $
ASSETS		
CURRENT		
Cash	**363,743**	323,923
GST receivable	**33,121**	45,047
Prepaids	**33,260**	41,693
Deposits	**50,300**	50,300
TOTAL CURRENT ASSETS	**480,424**	460,963
NON-CURRENT		
PROPERTY AND EQUIPMENT (Note 4)	**160,886**	169,561
EXPLORATION AND EVALUATION ASSETS (Note 5)	**2,162,692**	1,886,608
TOTAL NON-CURRENT ASSETS	**2,323,578**	2,056,169
TOTAL ASSETS	**2,804,002**	2,517,132
LIABILITIES		
CURRENT		
Trade and other payables	**137,746**	305,265
Flow-through share premium liability (Note 6)	**-**	39,133
TOTAL CURRENT LIABILITIES	**137,746**	344,398
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	**15,292,266**	15,874,073
CONTRIBUTED SURPLUS	**7,349,662**	5,996,645
DEFICIT	**(19,975,672)**	(19,697,984)
TOTAL SHAREHOLDERS' EQUITY	**2,666,256**	2,172,734
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,804,002**	2,517,132

GOING CONCERN (Note 2)

COMMITMENTS (Note 7)

SUBSEQUENT EVENTS (Note 10)

Approved by the Board of Directors:

"H. Tyler Rice"	"James Letwin"
H. Tyler Rice, Director	James Letwin, Director

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

MARGAUX RESOURCES LTD.

Statements of Net Loss and Comprehensive Loss

For the three months ended December 31,	2018 $	2017 $
Expenses		
Operating	**19,391**	275,879
General and administrative (Note 8)	**251,424**	356,030
Share-based payments (Note 6)	**37,331**	69,171
Depreciation (Note 4)	**8,675**	8,994
Foreign exchange loss	**-**	1,425
Total expenses	**316,821**	711,499
Flow-through share premium (Note 6)	**(39,133)**	(18,297)
Net loss and comprehensive loss	**277,688**	693,202
Weighted average number of shares	**70,803,258**	45,061,944
Basic and diluted loss per share	**$ 0.00**	$ 0.02

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

MARGAUX RESOURCES LTD.
Statements Changes in Shareholders' Equity

	Note	Share Capital $	Contributed Surplus $	Deficit $	Total $
Balance as at, September 30, 2017		13,135,722	4,993,467	(11,984,553)	6,144,636
Net loss and comprehensive loss		-	-	(7,713,431)	(7,713,431)
Common shares issued, net costs	6	2,429,258	-	-	2,429,258
Warrants issued	6	495,419	-	-	495,419
Warrants expired	6	(638,612)	638,612	-	-
Property option payments	6	111,000	(19,358)	-	91,642
Share-based payments	6	24,329	350,089	-	374,418
Capitalized share-based payments	6	-	33,835	-	33,835
Shares to be issued	6	316,957	-	-	316,957
Balance as at, September 30, 2018		15,874,073	5,996,645	(19,697,984)	2,172,734
Net loss and comprehensive loss		-	-	(277,688)	(277,688)
Common shares issued, net costs	6	858,062	-	-	858,062
Warrants issued	6	185,744	-	-	185,744
Warrants expired	6	(1,313,906)	1,313,906	-	-
Property option payments	6	5,250	(1,769)	-	3,481
Share-based payments	6	-	37,331	-	37,331
Capitalized share-based payments	6	-	3,549	-	3,549
Shares to be issued	6	(316,957)	-	-	(316,957)
Balance as at, December 31, 2018		**15,292,266**	**7,349,662**	**(19,975,672)**	**2,666,256**

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

MARGAUX RESOURCES LTD.

Statements of Cash Flows

For the three months ended December 31,	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss and comprehensive loss	**(277,688)**	(693,202)
Items not affecting cash:		
Share-based payments (Note 6)	**37,331**	69,171
Depreciation (Note 4)	**8,675**	8,994
Foreign exchange loss	**-**	1,425
Flow-through share premium (Note 6)	**(39,133)**	(18,297)
Change in non-cash working capital:		
Trade receivables	**11,926**	(143,011)
Prepaids	**8,433**	33,890
Deposits	**-**	(17,750)
Trade and other payables	**(167,519)**	(180,808)
Net cash used in operating activities	**(417,975)**	(939,588)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share and warrant issuance, net of costs (Note 6)	**726,849**	3,090,074
Net cash generated from financing activities	**726,849**	3,090,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment (Note 4)	**-**	(19,573)
Purchase of exploration and evaluation (Note 5)	**(269,054)**	(695,919)
Net cash used in investing activities	**(269,054)**	(715,492)
Effect of foreign exchange on cash	**-**	(1,425)
(DECREASE) INCREASE IN CASH FOR THE PERIOD	**39,820**	1,433,569
CASH – BEGINNING OF PERIOD	**323,923**	1,024,387
CASH – END OF PERIOD	**363,743**	2,457,956

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

1. CORPORATE INFORMATION

Margaux Resources Ltd. (the "Corporation" or "Margaux") was incorporated under the Alberta Business Corporations Act on August 5, 2009 and was a Capital Pool Company under Policy 2.4 of the TSX Venture Exchange (the "TSX-V"). In January 2011, the Corporation completed an initial public offering ("IPO") and currently trades on the TSX-V and the OTCQB Venture Market under the trading symbols "MRL" and "MARFF" respectively. The registered address of the Corporation is 15th Floor, Bankers Court, 850 – 2nd St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a polymetallic exploration company and regional consolidator focused on the exploration and development of previously producing properties in the Kootenay Arc, located in southern British Columbia, including the Jackpot/Oxide, Sheep Creek and Bayonne properties, on which Margaux has options.

2. GOING CONCERN

These condensed interim financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation is in the process of acquiring and exploring mineral properties in British Columbia. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon:

- the existence of economically recoverable reserves;
- the ability of the Corporation to obtain financing in order to secure and maintain title and beneficial interest in its properties;
- the ability to complete the development of the properties; and,
- the ability to achieve future profitable production from the properties or obtain proceeds from the sale of properties.

During the three months ended December 31, 2018, the Corporation terminated the option agreement on the Jersey-Emerald property. All associated exploration and evaluation costs have been written off and impaired. Going forward, the Corporation will continue gold and zinc exploration at target identified on properties that have been amassed outside of the optioned Jersey-Emerald property.

Certain conditions exist that may cast significant doubt on the validity of the going concern assumption. The Corporation incurred a net loss of $277,688 for the period ended December 31, 2018 (2017 - $693,202) and had negative cash flows from operating activities of $417,975 (2017 - $939,588). The Corporation had a working capital of $342,678 (September 30, 2018 – $116,565). These condensed interim financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Corporation were unable to continue as a going concern and therefore be required to realize its assets and liabilities in other than the normal course of business and potentially at amounts materially different from those recorded in these condensed interim financial statements. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

3. BASIS OF PREPARATION

These condensed interim financial statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim financial statements are presented in Canadian dollars which is the Company's functional currency. In preparing these condensed interim financial statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2018.

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2018 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2018. These condensed interim financial statements were authorized for issue by the board of directors on February 26, 2019

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4. PROPERTY AND EQUIPMENT

	Computers, Equipment & Vehicles $
Cost	
Balance as at October 1, 2018	260,286
Additions	-
Balance as at December 31, 2018	**260,286**

Accumulated Depreciation	
Balance as at October 1, 2018	90,725
Charge for the year	8,675
Balance as at December 31, 2018	99,400
Net book value	
September 30, 2018	169,561
December 31, 2018	**160,886**

5. EXPLORATION AND EVALUATION ASSETS

	Jackpot Project	Sheep Creek Gold District	Tungsten Tailings Project	Old Timer Project	Total
Balance at October 1, 2018	**$ 500,135**	**$ 1,193,563**	**$ 192,910**	**$ -**	**$ 1,886,608**
Cash option payments	60,000	-	-	5,000	65,000
Share option payments	3,481	-	-	-	3,481
Exploration costs	83,359	116,218	-	8,026	207,603
Balance at December 31, 2018	**$ 646,975**	**$ 1,309,781**	**$ 192,910**	**$ 13,026**	**$ 2,162,692**

Exploration and Evaluation ("E&E") assets consist of costs expended on the Corporation's projects which are pending determination of technical feasibility and commercial viability.

Jersey Emerald Property

During the three months ended December 31, 2018, the Corporation elected to terminate the Jersey-Emerald Option Agreement. As a result, management has impaired the full value of the Jersey-Emerald asset in the amount of $6,064,657. The $200,000 in prepaid royalty and $25,700 of deposits made on the Jersey-Emerald were also impaired for an aggregate total of $6,290,357.

Jackpot Project (formerly Kootenay Arc Zinc Project)

During the three months ended December 31, 2018, the Corporation paid $60,000 (2017 - $30,000) cash in option payments and issued 150,000 shares (2017 – 50,000). The shares were valued at $5,250 less a discount of $1,769 (2017 - $43,500 less a discount of $9,489) which has been applied due a resale restriction on the shares (note 6).

The Corporation incurred $83,359 of E&E costs on the property during the three months ended December 31, 2018 (2017 - $64,442) relating to exploration activity.

Sheep Creek Gold District

The Corporation incurred $116,218 of E&E costs on the Sheep Creek Gold District during the three months ended December 31, 2018 (2017 - $176,149) relating to exploration activity.

Old Timer Project

During the three months ended December 31, 2018, the Corporation signed a letter of intent ("LOI") with a third party to option the Old Timer gold property, near Salmo in southern British Columbia. Terms of the Option Agreement include staged payments totalling $50,000 and 500,000 common shares ("Shares") of the Corporation over a 4 year period, for the Corporation to acquire a 100% interest in the Property.

Upon board approval and signing the LOI, the Corporation paid $5,000 cash in option payments. The Corporation incurred $8,026 of E&E costs on the Old Timer Project relating to exploration activity during the three months ended December 31, 2018.

6. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS

Authorized
Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Common shares

	Number of common shares	Share capital
Balance at October 1, 2018	61,718,201	$12,897,443
Shares issued (a)(b)	13,212,666	792,648
Share option payments (c)	150,000	5,250
Share issue costs		(65,799)
Warrant Allocation		(185,744)
Balance at December 31, 2018	**75,080,867**	**$13,443,798**

Warrants

	Number of warrants	Share capital
Balance at October 1, 2018	14,068,627	$2,976,630
Warrants issued (b)	10,583,100	185,744
Warrants expired	(6,104,000)	(1,313,906)
Balance at December 31, 2018	**18,547,727**	**$1,848,468**

Total share capital at October 1, 2018	$15,874,073
Total share capital at December 31, 2018	**$15,292,266**

(a) On October 16, 2018, the Corporation closed on a non-brokered private placement of 7,033,100 units of the Corporation at a purchase price of $0.08 per unit and 2,379,566 common shares issued on a "CEE flow-through" basis at a purchase price of $0.10 per unit for total proceeds of $800,605 ($316,957 was received in the year ended September 30, 2018). Each unit consists of one common share of the Corporation and one common share purchase warrant in the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.15 per warrant for a period of two years from October 16, 2018 subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSX Venture Exchange exceeds $0.20 per share.

(b) On December 5, 2018, the Corporation closed on a non-brokered private placement of 3,550,000 units of the Corporation at a purchase price of $0.08 per unit and 250,000 common shares issued on a "CEE flow-through" basis at a purchase price of $0.10 per unit for total proceeds of $309,000. Each unit consists of one common share of the Corporation and one common share purchase warrant in the Corporation. Each whole warrant will be exercisable by the holder at a price of $0.15 per warrant for a period of two years from December 5, 2018 subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSX Venture Exchange exceeds $0.20 per share.

As part of the non-flow through units issued on October 16, 2018 and December 5, 2018 subscribers received one warrant per unit purchased. Each whole warrant entitles the holder to purchase one common share of the Corporation at a price of $0.15 for a period of 24 months from the date of closing. All warrants vest immediately. A value of $185,744 has been attributed to the warrants issued based on the Black-Scholes pricing model and has been credited to warrants within shareholders' equity. The fair value of these warrants were estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free rate	1.91% – 2.33%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	96% - 105%
Weighted-average fair value	$0.01 - $0.02
Expected Life	2 years

(c) On December 1, 2018, the Corporation issued 150,000 common shares valued at a market price of $0.04 per common share as per the Jackpot/Oxide Property option agreement signed on October 12, 2016. The shares carry a resale restriction that expire on April 1, 2019.

Flow-through shares

During the three months ended December 31, 2018, the Corporation raised $262,957 on a CEE flow-through share basis and was required to incur a net total of $262,957 of qualifying expenditures to renounce the tax deductions to investors. As at December 31, 2018, all of the qualifying expenditures were incurred.

Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at October 1, 2018	5,743,333	$0.24
Forfeited	(358,333)	$0.21
Exercisable as at December 31, 2018	3,904,993	**$0.25**
Outstanding at December 31, 2018	5,385,000	**$0.24**

No options were issued during the three months ended December 31, 2018. At December 31, 2018, the weighted-average life of the options outstanding was 3.9 years (2017 – 3.5 years).

Share-based payments expense of $37,331 for the three months ended December 31, 2018 (December 31, 2017 – $69,171) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of $3,549 (2017 - $6,344) were capitalized to E&E.

7. COMMITMENTS

(a) Vehicle Operating Leases

The Corporation has a lease for a vehicle which expires October 2019. The following is a schedule, by year, of the future minimum lease payments under the operating lease agreements:

2019 - $7,640
2020 - $849

(b) Office Lease

The Corporation has a lease for office space which expires November 2019. The following is a schedule, by year, of the future minimum lease payments under the lease agreements:

2019 - $15,750
2020 - $3,500

8. GENERAL AND ADMINISTRATIVE

General and administrative details for the three months ended December 31:

		2018		2017
Consulting	$	148,363	$	114,412
Travel & Meals		13,500		34,904
Office & Administrative		5,903		21,780
Marketing		35,521		125,104
Professional Fees		48,137		59,830
Total	**$**	**251,424**	**$**	**356,030**

9. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at December 31, 2018, the Corporation had an amount of $18,948 (2017 - $nil) due to directors and officers included in trade and other payables.

During the three months ended December 31, 2018 the Corporation paid $37,500 (2017 - $31,000) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of $1,691 (2017 - $nil) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of $20,000 (2017 - $7,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of $62,500 (2017 - $52,500) in consulting fees were paid to a company owned by a director and officer of the Corporation for compensation as CEO of the Corporation. Costs associated with various administrative support costs of $235 (2017 - $17,413) was also reimbursed to a director and officer of the Corporation and was recorded in general and administrative expenses on the net loss and comprehensive loss. Costs associated with property and equipment of $nil (2017-$10,250) was reimbursed to a director and officer of the Corporation recorded in property and equipment on the statement of financial position.

Compensation of key management personnel
The remuneration of directors and other members of key management personnel during the year were as follows:

	December 31, 2018	December 31, 2017
	$	$
Short-term compensation	**120,000**	91,000
Share-based payments	**37,331**	69,171
Capitalized share-based payments	**3,549**	6,344
Total	**160,880**	166,515

10. SUBSEQUENT EVENTS

On January 15, 2019, the Corporation announced it had entered into an option agreement (“Option Agreement”) with a third party to option the Old Timer gold property (the “Property”), near Salmo in southern British Columbia. Terms of the Option Agreement include staged payments totalling $50,000 and 500,000 common shares (“Shares”) of the Corporation over a 4 year period, for the Corporation to acquire a 100% interest in the Property. The Option Agreement and the issuance of Shares was approved on February 6, 2019.

On January 21, 2019, the Corporation announced it had entered into a non-binding Letter of Intent (“LOI”) with Wildsky Resources Inc. (“Wildsky”) for an option to acquire the Cassiar Gold Project in northern British Columbia by way of an all-share agreement. Under the terms of the LOI, the Corporation will issue 58,200,000 Common Shares in the capital of the Corporation at a deemed price of $0.08 per Share, to Wildsky to acquire all the common shares in the capital of Wildsky’s wholly-owned subsidiary, Cassiar Gold Corp.

On February 4, 2019, the Corporation announced a non-brokered private placement, up to:

- 3,125,000 units (“Units”) of the Corporation at a price of $0.08 per Unit; and
- 2,500,000 flow-through units (“Flow-Through Units”) of the Corporation at a price of $0.10 per Flow-Through Unit, for aggregate gross proceeds of up to $500,000.

Each Unit will consist of one common share in the capital of the Corporation ("Common Share") and one Common Share purchase warrant ("Warrant"). Each Flow-Through Unit will consist of one Common Share issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one-half of one Warrant. Each Warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of $0.12 per Warrant Share until 4:30 pm (Mountain Standard time) on that date that is 24 months from the issuance closing date, (the "Expiry Time") subject to accelerated expiry, if the 20-day Volume Weighted Average Price of the Common Shares on the TSX Venture Exchange exceeds $0.20 per share.