MASON
RESOURCES

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in United States dollars)
Three and nine months ended September 30, 2018

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING

The accompanying condensed consolidated interim financial statements of Mason Resources Corp. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Mason Resources Corp.

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2018 and December 31, 2017 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	September 30, 2018	December 31, 2017
Assets			
Current assets			
Cash		**$ 6,250**	$ 7,510
Short-term deposits		**51**	-
Receivables		**10**	49
Prepaid expenses		**326**	263
		6,637	7,822
Property, plant and equipment		**14**	20
Exploration and evaluation assets	5	**39,808**	41,168
Reclamation deposits and other		**339**	481
Total assets		**$ 46,798**	$ 49,491
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 298**	$ 274
		298	274
Deferred income tax		**2,276**	2,276
Total liabilities		**$ 2,574**	$ 2,550
Shareholders' equity			
Share capital	6	**$ 19,823**	$ 19,751
Reserves		**343**	126
Accumulated other comprehensive income		**3,535**	5,067
Retained earnings		**20,523**	21,997
Total shareholders' equity		**44,224**	46,941
Total liabilities and shareholders' equity		**$ 46,798**	$ 49,491

Nature of operations (Note 1)

Plan of arrangement (Note 2)

Commitments (Note 14)

Subsequent events (Note 15)

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

Mason Resources Corp.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine months ended September 30, 2018 and 2017 (Unaudited)

(expressed in thousands of U.S. dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2018	**2017**	**2018**	**2017**
Expenses					
Exploration	8	**$ 141**	$ 154	**$ 529**	$ 527
General and administrative		**324**	420	**906**	1,225
Share-based compensation	7	**282**	213	**286**	216
Depreciation		**3**	3	**7**	9
Operating loss		**750**	790	**1,728**	1,977
Foreign exchange loss (gain)		**79**	498	**(169)**	462
Gain on sale of asset		**-**	-	**(1)**	-
Interest income, net		**(30)**	(22)	**(84)**	(35)
Loss before income taxes		**$ 799**	$ 1,266	**$ 1,474**	$ 2,404
Income tax expense		**-**	-	**-**	-
Net loss		**$ 799**	$ 1,266	**$ 1,474**	$ 2,404
Other comprehensive loss (income)					
Foreign currency translation		**(757)**	(1,719)	**1,532**	(3,846)
Total comprehensive loss (income)		**$ 42**	$ (453)	**$ 3,006**	(1,442)
Net loss per common share					
Basic and fully diluted		**$ (0.01)**	$ (0.02)	**$ (0.02)**	$ (0.03)
Weighted average number of common shares outstanding (000's)					
Basic and fully diluted	6	**78,226**	77,976	**78,199**	77,926
Total common shares issued and outstanding (000's)		**78,230**	78,129	**78,230**	78,129

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

Mason Resources Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2018 and 2017 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	Shares (000's)	Share capital	Reserves	Other capital reserves	Accumulated other comprehensive income	Retained earnings	Total
Balance at December 31, 2017		78,129	$ 19,751	$ 126	$ -	$ 5,067	$ 21,997	$ 46,941
Net loss and comprehensive loss		**-**	**-**	**-**	**-**	**(1,532)**	**(1,474)**	**(3,006)**
Share-based compensation	7	**-**	**-**	**286**	**-**	**-**	**-**	**286**
Issuance of share capital – stock options	7	**101**	**72**	**(69)**	**-**	**-**	**-**	**3**
Balance at September 30, 2018		**78,230**	**$ 19,823**	**$ 343**	**$ -**	**$ 3,535**	**$ 20,523**	**$ 44,224**
Balance at December 31, 2016		-	$ -	$ -	$ 16,283	$ 1,261	$ 18,442	$ 35,986
Net loss and comprehensive income		-	-	-	-	3,846	(2,404)	1,442
Share-based compensation		-	-	216	-	-	-	216
Total financing provided by Entrée		-	-	-	339	-	-	339
Cash contribution by Entrée pursuant to the Arrangement		-	-	-	8,750	-	-	8,750
Issuance of share capital - Arrangement		77,806	19,651	-	(19,651)	-	-	-
Issuance of share capital – stock options		323	100	(70)	-	-	-	30
Adjustment for shares issued in connection with the Arrangement		-	-	-	(5,721)	-	5,721	-
Balance at September 30, 2017		78,129	$ 19,751	$ 146	$ -	$ 5,107	$ 21,759	$ 46,763

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

Mason Resources Corp.

Condensed Consolidated Interim Statements of Cash Flows

For the nine months period ended September 30, 2018 and 2017 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	Nine months ended September 30	
		2018	**2017**
Cash flows used in operating activities			
Net loss		**$ (1,474)**	$ (2,404)
Items not affecting cash:			
Share-based compensation	7	**286**	216
Unrealized foreign exchange (gain) loss		**(155)**	561
Gain on sale of asset		**(1)**	-
Depreciation		**7**	9
		(1,337)	(1,618)
Changes in non-cash working capital:			
Receivables and prepaid expenses		**10**	(176)
Accounts payable and accrued liabilities		**(10)**	31
		(1,337)	(1,763)
Cash flows from investing activities			
Reclamation deposits		**143**	-
Investment in short-term deposits		**(51)**	-
Proceeds from sale of assets		**2**	-
		94	-
Cash flows from financing activities			
Proceeds from issuance of share capital – stock options	7	**3**	30
Funds received pursuant to the Arrangement	2	**-**	8,843
		3	8,873
Net cash (outflows) inflows		**(1,240)**	7,110
Cash, beginning of the period		**$ 7,510**	$ 129
Effect of exchange rate changes on cash		**(20)**	709
Cash, end of the period		**$ 6,250**	$ 7,948

Supplemental cash flow information (Note 13)

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

1 Nature of operations

Mason Resources Corp. (the "Company" or "Mason") was incorporated on February 24, 2017 under the *Business Corporations Act* (British Columbia) (the "Act") as part of a plan of arrangement to reorganize Entrée Resources Ltd. ("Entrée") as described in Note 2. The Company's principal business activity is the acquisition, exploration and evaluation of mineral properties in the United States.

The Company's head office is located at 1650-1066 West Hastings Street, Vancouver, BC, V6E 3X1, Canada. The Company's common shares commenced trading on the Toronto Stock Exchange ("TSX") on May 12, 2017 under the symbol "MNR" and commenced trading on the OTCQB in the United States on November 9, 2017 under the symbol "MSSNF".

All amounts are expressed in United States dollars ("USD"), except for certain amounts denoted in Canadian dollars ("C$").

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

2 Plan of arrangement

On May 9, 2017, Mason and Entrée completed a strategic reorganization of Entrée's business through a plan of arrangement (the "Arrangement") under Section 288 of the Act.

As part of the Arrangement, Entrée transferred to Mason all of the issued and outstanding shares of Entrée's wholly owned British Columbia subsidiary, Entrée U.S. Holdings Inc. (now Mason U.S. Holdings Inc. – "Mason Holdings"), and $8.84 million in cash. Mason Holdings owns the Ann Mason copper-molybdenum porphyry project in Nevada through its wholly owned subsidiaries Mason Resources (US) Inc. (formerly Entrée Gold (US) Inc. – "Mason US") and M.I.M. (U.S.A.) Inc. ("MIM"), and the Lordsburg copper-gold property in New Mexico through Mason US.

Under the Arrangement, shareholders of Entrée received common shares in Mason by way of a share exchange, pursuant to which each existing share of Entrée was exchanged for one "new" common share of Entrée and 0.45 of a Mason common share. A total of 77,805,786 Mason shares were distributed to Entrée shareholders.

In addition, optionholders and warrantholders of Entrée received options and warrants, respectively, of Mason which were proportionate to, and reflective of the terms of, their existing options and warrants of Entrée. A total of 3,708,000 stock options were issued by Mason at exercise prices ranging from C$0.07 per share to C$0.27 per share and with expiry dates ranging from September 2017 to November 2021. A total of 4,169,119 share purchase warrants were issued by Mason with an exercise price of C$0.23 and with expiry dates ranging from January 10, 2022 to January 12, 2022.

As the shareholders of Entrée continued to hold their respective interests in Mason, there was no resultant change of control in either the Company or the underlying net assets acquired. As such, the Arrangement was considered a capital reorganization and was excluded from the scope of IFRS 3, *Business Combinations*.

Under the continuity of interest basis of accounting, the assets and liabilities transferred are recorded at their pre-Arrangement carrying values. The condensed consolidated interim statements of comprehensive loss include the allocated expenditures from the net assets acquired. For the period up to May 9, 2017, the exploration expenditures have been allocated directly from Entrée and all remaining expenses have been allocated on a pro-rata basis based on the level of exploration activities. The carve-out entity did not operate as a separate legal entity and, as such, the condensed consolidated interim financial statements may not be indicative of the financial performance of the carve-out entity on a standalone basis and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the carve-out entity operated as an independent entity during the periods presented.

3 Basis of presentation and first-time adoption of IFRS

The Company prepares its condensed consolidated interim financial statements in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended December 31, 2017 ("annual financial statements"). The accounting policies and critical estimates applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements, unless otherwise stated.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are recognized at fair value.

These condensed consolidated interim financial statements have been prepared on a continuity of interest basis of accounting following the Arrangement which requires that prior to the May 9, 2017 effective date thereof, the assets, liabilities, results of operations and cash flows of the Company be on a 'carve-out' basis from the condensed consolidated interim financial statements and accounting records of Entrée, in accordance with the financial reporting framework specified in National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*, for carve-out financial statements.

These condensed consolidated interim financial statements were approved by the Audit Committee of the Board of Directors on November 9, 2018.

4 Accounting standard issued and adopted on January 1, 2018

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. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively for assets that continued to be recognized at the date of initial application. 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:

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 ("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, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Short-term investments	Not applicable	FVTPL
Receivables	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

The Company did not restate prior periods and determined that the adoption of IFRS 9 resulted in no impact to the opening retained earnings on January 1, 2018.

Measurement

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 comprehensive loss. 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 comprehensive loss in the period in which they arise.

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 comprehensive loss, 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.

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 comprehensive loss.

5 Exploration and evaluation assets

	Ann Mason Project (a)	Lordsburg property (b)	Total
Balance, December 31, 2017	$ 40,748	$ 420	**$ 41,168**
Foreign exchange	(1,346)	(14)	**(1,360)**
Balance, September 30, 2018	$ 39,402	$ 406	**$ 39,808**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristics of many exploration and evaluation assets. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to the exploration and evaluation assets remains in good standing.

The Company's principal asset is the Ann Mason Project in Nevada.

a) Ann Mason Project, Nevada, United States

The Ann Mason Project is defined by a series of both unpatented lode claims on public land administered by the Bureau of Land Management, and title to patented lode claims. The project area includes the Ann Mason and the Blue Hill deposits, several early-stage copper porphyry targets including the Blackjack IP, Blackjack Oxide, Roulette and Minnesota targets, and the Minnesota and Shamrock copper skarn targets.

Certain of the unpatented lode claims peripheral to the Ann Mason and Blue Hill deposits are leased to the Company pursuant to a mining lease and option to purchase agreement ("MLOPA") with a Nevada limited liability company. Under the MLOPA, the Company has the option to purchase the claims for $500,000, which, if exercised, will be subject to a 3% net smelter returns ("NSR") royalty (which may be bought down to a 1% NSR royalty for $2 million). The MLOPA also provides for annual advance minimum royalty payments of $27,500 which commenced in 2011 and will continue until the commencement of sustained commercial production. The advance payments will be credited against future royalty payments or the buy down of the royalty.

Under a September 2009 agreement with Bronco Creek Exploration Inc., a wholly-owned subsidiary of EMX Royalty Corp., the Company may acquire an 80% interest in certain unpatented lode claims to the southwest of the Ann Mason and Blue Hill deposits. In order to acquire its interest, the Company must make an advance royalty payment of $75,000 in October 2019 and deliver a bankable feasibility study before the tenth anniversary of the agreement.

Certain of the unpatented lode claims, including the claims covering the Ann Mason and Blue Hill deposits, are subject to a 0.4% NSR royalty held by Sandstorm Gold Ltd.

In addition, certain of the patented lode claims peripheral to the Ann Mason and Blue Hill deposits are subject to a 2% NSR royalty.

b) Lordsburg property, New Mexico, United States

The Lordsburg property is located in southwest New Mexico. The Company has a 100% interest in the property.

The Lordsburg property is subject to a 2% NSR royalty.

6 Share capital

a) Common shares

The Company's authorized share capital consists of unlimited common shares without par value. At September 30, 2018, the Company had 78,229,622 (December 31, 2017 – 78,129,276) shares issued and outstanding.

Under the Arrangement (Note 2), the Company issued 77,804,786 common shares in exchange for all shares of Mason Holdings held by Entrée.

7 Stock options and warrants

The Company provides stock-based compensation to its directors, officers, employees and service providers through grants of stock options.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

a) Stock options

The Company has adopted a stock option plan (the "Plan") to grant options to directors, officers, employees and service providers.

Under the Plan, the Company may grant options to directors, officers, employees and service providers to acquire up to 10% of the issued and outstanding shares of the Company. Options granted can have a term of up to ten years and an exercise price typically not less than the Company's closing stock price on the TSX on the last trading day before the date of grant. Vesting is determined at the discretion of the Board of Directors.

Under the Plan, an option holder may elect to transform an option, in whole or in part and, in lieu of receiving shares to which the terminated option relates (the "Designated Shares"), receive the number of shares, disregarding fractions, which, when multiplied by the weighted average trading price of the shares on the TSX during the five trading days immediately preceding the day of termination (the "Fair Value" per share) of the Designated Shares, has a total dollar value equal to the number of Designated Shares multiplied by the difference between the Fair Value and the exercise price per share of the Designated Shares.

During the three and nine months ended September 30, 2018, the Company recorded share-based compensation expense of $0.3 million and $0.3 million, respectively (three and nine months ended September 30, 2017 - $0.2 million and $0.2 million, respectively). The weighted average fair value at date of grant for the options granted during the nine months ended September 30, 2018 was C$0.19 (nine months ended September 30, 2017 - C$0.16). The fair value per option granted was determined using the following weighted average assumptions at the time of the grant using the Black-Scholes option pricing model:

	September 30, 2018
Risk-free interest rate	2.00%
Expected life of option	4.6 years
Expected volatility	142%
Expected dividend	0.00%

Stock option transactions are summarized as follows:

	September 30, 2018	
	Options (000's)	**Weighted average exercise price C$**
Outstanding - beginning of period	**4,428**	**0.15**
Granted	**2,220**	**0.19**
Exercised	**(101)**	**0.17**
Cancelled	**(412)**	**0.21**
Forfeited/Expired	**(425)**	**0.20**
Outstanding - end of period	**5,710**	**0.16**

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

At September 30, 2018, the following stock options were outstanding and exercisable:

Options (000's)	Price per share C$	Expiry Date
302	0.11	December 2018
432	0.07 – 0.15	February – December 2019
594	0.12 – 0.14	July – December 2020
1,008	0.14 – 0.15	March – November 2021
1,154	0.16 - 0.21	May – July 2022
2,220	0.19	July 2023
5,710		

	September 30, 2018
Weighted average exercise price for exercisable options	C$0.16
Weighted average share price for options exercised	C$0.21
Weighted average years to expiry for exercisable options	3.5 years

b) Warrants

At September 30, 2018, the following warrants were outstanding:

Number of share purchase warrants (000's)	Exercise price (C$)	Expiry date
3,895	0.23	January 10, 2022
274	0.23	January 12, 2022

8 Exploration costs

	Three months ended September 30		Nine months ended September 30	
	2018	**2017**	**2018**	**2017**
Ann Mason Project	**$ 123**	$ 135	**$ 476**	$ 487
Lordsburg property	**19**	19	**53**	40
	$ 142	$ 154	**$ 529**	$ 527

9 Related party transactions

Administrative services agreement

On May 9, 2017, Mason entered into an Administrative Services Agreement ("ASA") with Entrée, a related party by virtue of the fact that it provides key management personnel services to Mason. Under the terms of the ASA, Entrée will provide office space, furnishings and equipment, communications facilities and personnel necessary for Mason to fulfill its basic day-to-day head office and executive responsibilities on a pro-rata cost-recovery basis.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Transactions with Entrée for goods and services are made on commercial terms through the ASA.

	Three months ended September 30		**Nine months ended September 30**	
	2018	2017	**2018**	2017
Executive services	**$ 101**	$ 101	**$ 376**	$ 168
Corporate overhead	**$ 70**	$ 105	**$ 210**	$ 175
Investor communications	**$ -**	$ 17	**$ -**	$ 28
Restructure charge	**$ -**	$ -	**$ -**	$ 175

The Company's related parties include its wholly owned subsidiaries and key management personnel. Direct remuneration paid to the Company's directors and key management personnel (excluding amounts incurred by Mason under the ASA noted above) during the three and nine month periods ended September 30, 2018 and 2017 are as follows:

	Three months ended September 30		**Nine months ended September 30**	
	2018	2017	**2018**	2017
Director's fees	**$ 38**	$ 13	**$ 62**	$ 41
Share-based compensation	**$ 246**	$ 125	**$ 249**	$ 125

Under the continuity of interest basis of accounting, compensation paid to the Company's directors and other key management personnel up to May 9, 2017 have been allocated directly from Entrée on a pro-rata basis based on the level of exploration activities.

As at September 30, 2018, included in the accounts payable and accrued liabilities balance on the condensed consolidated interim statement of financial position is $0.2 million (December 31, 2017 – $0.2 million) due to Entrée relating to the ASA.

10 Segmented information

The Company operates in one business segment being the exploration of exploration and evaluation assets. The Company's capital assets and exploration and evaluation assets are all located in the United States.

11 Financial instruments

a) Fair value classification of financial instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, short-term investments, receivables, deposits, accounts payable and accrued liabilities.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

The carrying values of short-term investments, receivables, deposits, and accounts payable and accrued liabilities approximate their fair value due to their short terms to maturity. Cash is measured at fair value using Level 1 inputs.

The following table summarizes the classification and carrying values of the Company's financial instruments at September 30, 2018:

	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
Financial assets				
Cash	$ 6,250	$ -	$ -	$ 6,250
Short-term investments	51	-	-	51
Receivables	-	10	-	10
Deposits	-	339	-	339
Total financial assets	$ 6,301	$ 349	$ -	$ 6,650
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ 298	$ 298

b) Financial risk management

i) Credit risk

The Company's credit risk is primarily attributable to cash, short-term investments, and receivables.

The Company limits its credit exposure on cash and short-term investments by holding its key transactional bank accounts and investments with large, highly rated financial institutions.

The Company`s receivables balance was not significant and, therefore, was not exposed to significant credit risk.

The carrying amount of financial assets recorded in the condensed consolidated interim financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

ii) Liquidity risk

The Company manages liquidity risk by trying to maintain enough cash balances to ensure that it is able to meet its short term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

The Company's operating results may vary due to fluctuation in commodity price, inflation and foreign exchange rates.

iii) Market risks

Interest rate risk

The Company's interest rate risk arises primarily from the interest received on cash, short-term investments, and deposits. Short-term investments and deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and exploration expenditures. The Company does not believe that it is exposed to material interest rate risk on its cash, investments, or deposits.

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

As at September 30, 2018, the Company has not entered into any contracts to manage interest rate risk.

Foreign exchange risk

The functional currency of the parent and its subsidiaries is C$. The reporting currency is USD. A portion of the Company`s operating expenses are in USD.

As at September 30, 2018, the Company has not entered into contracts to manage foreign exchange risk.

The Company is exposed to foreign exchange risk through the following assets and liabilities:

	September 30, 2018	December 31, 2017
Cash	**$ 6,250**	$ 7,510
Short-term investments	**51**	-
Receivables	**10**	49
Accounts payable and accrued liabilities	**(298)**	(274)
	$ 6,013	$ 7,285

As at September 30, 2018, with other variables unchanged, a 5% increase or decrease in value of the USD against the currencies to which the Company is normally exposed (C$) would result in an insignificant change in net loss.

12 Capital management

The Company considers items included in shareholders' equity as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders. As at September 30, 2018, the Company had working capital of $6.4 million (December 31, 2017 - $7.5 million).

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration programs, availability of financing and industry conditions. There are no external restrictions on management of capital. The Company believes it will be able to raise new funds as required in the long term to fund its exploration programs but recognizes there will be risks involved that may be beyond its control.

13 Supplement cash flow information

Unless disclosed elsewhere, there were no significant non-cash transactions during the three and nine months ended September 30, 2018 and 2017.

14 Commitments

As at September 30, 2018, the Company had the following contractual obligations outstanding:

	Total	Less than 1 year	Thereafter
Lease commitments	**$ 29**	$ 27	$ 2

15 Subsequent events

Subsequent to September 30, 2018, the Company made an advance royalty payment of $75,000 to Bronco Creek Exploration Inc. pursuant to an option agreement on certain unpatented lode claims peripheral to the Ann Mason deposit (Note 5).

On October 31, 2018, Mason announced an arrangement agreement with Hudbay Minerals Inc. (“Hudbay”) pursuant to which Hudbay will acquire the remaining 86% of the issued and outstanding common shares of Mason that it does not already own (the “Hudbay Arrangement”). Under the Hudbay Arrangement, Mason shareholders will receive C$0.40 in cash for each Mason common share they own. The Hudbay Arrangement is expected to close in December 2018.

Subsequent to September 30, 2018, stock options to purchase 6,750 shares with an exercise price of C$0.11, and 29,250 share purchase warrants with an exercise price of C$0.23 were exercised. The Company received proceeds of C$7,470.