



## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

Three and Nine months ended November 30, 2017

*The attached unaudited condensed interim financial statements have been prepared by Management of Sphinx Resources Ltd. and have not been reviewed by the auditors*

**SPHINX RESOURCES LTD.**  
**Statements of Financial Position**

As at November 30, 2017  
(Unaudited, in Canadian Dollars)

	Notes	November 30, 2017 \$	February 28, 2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		308,681	1,754,951
Sales tax and other receivables		144,737	41,188
Tax credits receivable	3	384,017	40,111
Prepaid expenses		37,849	22,514
<b>Total current assets</b>		<b>875,284</b>	<b>1,858,764</b>
<b>Non-current assets</b>			
Non-current portion of tax credits receivable	3	43,570	28,675
<b>Total non-current assets</b>		<b>43,570</b>	<b>28,675</b>
<b>TOTAL ASSETS</b>		<b>918,854</b>	<b>1,887,439</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables		186,262	147,099
Flow-through share premium		19,638	-
Current portion of sublease loss reserve		-	66,520
<b>Total current liabilities</b>		<b>205,900</b>	<b>213,619</b>
<b>Non-current liabilities</b>			
Convertible debenture	6	141,671	113,897
<b>Total non-current liabilities</b>		<b>141,671</b>	<b>113,897</b>
<b>Total liabilities</b>		<b>347,571</b>	<b>327,516</b>
<b>Equity</b>			
Capital stock		60,077,159	59,784,982
Equity component of convertible debentures		38,542	38,542
Warrants		1,900,048	1,871,943
Contributed surplus		10,115,840	10,115,840
Deficit		(71,560,306)	(70,251,384)
<b>Total equity</b>		<b>571,283</b>	<b>1,559,923</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>918,854</b>	<b>1,887,439</b>
Going concern	1		
Subsequent events	12		

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

**SPHINX RESOURCES LTD.****Statements of Loss and Comprehensive Loss**

Three and Nine months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

		Three months ended November 30,		Nine months ended November 30,	
	Notes	2017	2016	2017	2016
		\$	\$	\$	\$
<b>Revenues</b>					
Project management fees		3,940	-	4,982	-
<b>Expenses</b>					
Exploration and evaluation expenditures	4	145,999	73,430	729,287	346,184
General and administrative	9	205,569	227,101	563,213	444,117
Operating loss		(347,628)	(300,531)	(1,287,518)	(790,301)
<b>Other expenses (income)</b>					
Interest income		(337)	(81)	(2,425)	(219)
Finance costs	10	9,543	27,260	28,139	169,065
Loss before income taxes		(356,834)	(327,710)	(1,313,232)	(959,147)
Flow-through share premium		(4,310)	-	(4,310)	-
<b>Loss and comprehensive loss for the period</b>		<b>(352,524)</b>	<b>(327,710)</b>	<b>(1,308,922)</b>	<b>(959,147)</b>
Weighted average number of common shares outstanding					
- basic and diluted		84,984,513	53,753,632	84,427,657	49,453,257
Basic and diluted loss per common share		(0.004)	(0.006)	(0.016)	(0.019)

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

## SPHINX RESOURCES LTD.

### Statements of Changes in Equity

Three and Nine months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

	Common Shares Number	Capital Stock	Equity component of convertible debenture	Warrant	Contributed Surplus	Deficit	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Balance at February 28, 2017</b>	<b>83,870,801</b>	<b>59,784,982</b>	<b>38,542</b>	<b>1,871,943</b>	<b>10,115,840</b>	<b>(70,251,384)</b>	<b>1,559,923</b>
Shares issued for:							
Private placements	1,244,000	46,650	-	15,550	-	-	62,200
Flow-through private placements	2,856,616	168,555	-	17,125	-	-	185,680
Reduction for flow-through share premium	-	(28,566)	-	-	-	-	(28,566)
Project acquisition	2,946,154	133,577	-	-	-	-	133,577
Issuance costs	-	(28,039)	-	(4,570)	-	-	(32,609)
Loss and comprehensive loss	-	-	-	-	-	(1,308,922)	(1,308,922)
<b>Balance at November 30, 2017</b>	<b>90,917,571</b>	<b>60,077,159</b>	<b>38,542</b>	<b>1,900,048</b>	<b>10,115,840</b>	<b>(71,560,306)</b>	<b>571,283</b>
<b>Balance at February 29, 2016</b>	<b>46,637,478</b>	<b>58,261,425</b>	<b>62,949</b>	<b>1,232,937</b>	<b>9,904,454</b>	<b>(69,241,917)</b>	<b>219,848</b>
Shares issued for:							
Private placement	5,530,000	210,140	-	66,360	-	-	276,500
Project acquisition	2,923,077	106,923	-	-	-	-	106,923
Issuance costs	-	(30,833)	-	(9,736)	2,951	-	(37,618)
Warrants expired	-	-	-	(33,731)	33,731	-	-
Warrants extended	-	-	-	319,753	-	(319,753)	-
Share-based payment	-	-	-	-	88,450	-	88,450
Loss and comprehensive loss	-	-	-	-	-	(959,147)	(959,147)
<b>Balance at November 30, 2016</b>	<b>55,090,555</b>	<b>58,547,655</b>	<b>62,949</b>	<b>1,575,583</b>	<b>10,029,586</b>	<b>(70,520,817)</b>	<b>(305,044)</b>

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

**SPHINX RESOURCES LTD.****Statements of Cash Flows**

Three and Nine months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

		Nine months ended November 30,	
	Notes	2017	2016
		\$	\$
<b>Operating activities</b>			
Loss for the period		(1,308,922)	(959,147)
Adjustments for:			
Share-based payments		-	88,450
Shares issued for project acquisition	4	133,577	106,923
Finance income		(4,982)	(219)
Finance costs		28,139	169,065
Flow-through share premium		(4,310)	-
Changes in non-cash working capital items	11	(505,407)	620,325
<b>Cash flow from operating activities</b>		<b>(1,661,905)</b>	<b>25,397</b>
<b>Financing activities</b>			
Finance costs paid		-	(8,664)
Loan payable repayments		-	(160,000)
Common shares issued		62,200	276,500
Common shares – flow-through issued		185,680	-
Issue costs		(37,227)	(37,618)
<b>Cash flow from financing activities</b>		<b>210,653</b>	<b>70,218</b>
<b>Investing activities</b>			
Finance income received		4,982	219
Disbursement - promissory note		-	(85,000)
<b>Cash flow from investing activities</b>		<b>4,982</b>	<b>(84,781)</b>
Change in cash during the period		(1,446,270)	10,834
Cash, beginning of period		1,754,951	199,890
<b>Cash, end of period</b>		<b>308,681</b>	<b>210,724</b>

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

# SPHINX RESOURCES LTD.

## Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Sphinx Resources Ltd. (the "Corporation") was incorporated on June 28, 2005 and is governed by the *Canada Business Corporations Act*. The Corporation's shares are listed on the TSX Venture Exchange ("Exchange") under the trading symbol "SFX". The Corporation operates in one industry segment, being the acquisition, exploration and development of mineral properties. The Corporation's head office is situated at 1000, De La Gauchetiere West, Suite 2100, Montreal, Quebec, H3B 4W5.

The measurement of certain assets and liabilities is dependent on future events, therefore the preparation of these unaudited condensed interim financial statements ("Financial Statements") requires the use of estimates, which may vary from actual results. The success of the Corporation's exploration and evaluation activities is influenced by significant financial risks, legal and political risks, commodity prices, and the ability of the Corporation to discover economically recoverable reserves.

The Financial Statements of the Corporation for the nine months ended November 30, 2017 were reviewed, approved and authorized for issue by the Board of Directors on January 22, 2018.

#### 1.1 Going concern

The Financial Statements have been prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

The Corporation recorded a loss of \$1,308,922 for the nine months ended November 30, 2017 (\$959,147 for the nine months ended November 30, 2016), and has an accumulated deficit of \$71,560,306 as at November 30, 2017 (\$70,251,384 as at February 28, 2017). In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at November 30, 2017, the Corporation had a working capital of \$669,384 (\$1,645,145 as at February 28, 2017), of which \$151,548 must be dedicated to exploration work according to the restriction imposed by the November 1, 2017 flow-through financing. These conditions indicate the existence of material uncertainty that may cast a significant doubt regarding the Corporation's ability to continue as a going concern.

The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. While Management has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

These Financial Statements have been prepared in accordance International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, the Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Basis of presentation

The Financial Statements should be read in conjunction with the annual financial statements for the year ended February 28, 2017, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year, except for the policies described below.

#### Revenue recognition

The project management fees received when the Corporation is the operator are recorded in the statement of loss and comprehensive loss when the exploration work recharged to the partners are incurred.

## 3. TAX CREDITS RECEIVABLE AND PAYABLE

	November 30, 2017	February 28, 2017
	\$	\$
Refundable tax credit for resources	382,586	51,522
Quebec refundable credits on mining duties for losses	45,001	17,264
Total tax credits receivable	427,587	68,786
Less: non-current portion of tax credits receivable	(43,570)	(28,675)
<b>Tax credits receivable - current</b>	<b>384,017</b>	<b>40,111</b>

## 4. MINERAL PROPERTIES

Mineral properties that have not reached technical feasibility, exploration and evaluation expenditures are charged to operations as they are incurred. The Corporation's exploration and evaluation expenditures incurred are as follows:

	Three months ended November 30, 2017				Three months ended November 30, 2016			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Calumet-Sud	525	78,754	(23,653)	55,626	-	(1,000)	337	(663)
Tessouat	31,500	4,309	(1,330)	34,479	-	-	-	-
Tessouat-Sud	-	3,693	(834)	2,859	-	-	-	-
Obwondiag	-	-	(68)	(68)	-	-	-	-
GPd	641	23,208	(574)	23,275	4,760	34,221	(11,554)	27,427
Cheechoo-Éléonore Trend	-	29,981	(12,754)	17,227	-	46,745	(20,893)	25,852
Chemin Troilus	-	12,183	(4,799)	7,384	636	23,185	(11,840)	11,981
Somanike	4,086	62	106	4,254	668	9,886	(3,336)	7,218
Generation	560	500	(97)	963	-	2,437	(822)	1,615
<b>Total</b>	<b>37,312</b>	<b>152,690</b>	<b>(44,003)</b>	<b>145,999</b>	<b>6,064</b>	<b>115,474</b>	<b>(48,108)</b>	<b>73,430</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

#### 4. MINERAL PROPERTIES (CONT'D)

	Nine months ended November 30, 2017				Nine months ended November 30, 2016			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Calumet Sud	128,602	101,271	(31,255)	198,618	70,017	203	(69)	70,151
Tessouat	31,500	14,830	(4,882)	41,448	-	-	-	-
Tessouat-Sud	19,346	3,693	(834)	22,205	-	-	-	-
Obwondiag	6,418	219	(68)	6,569	-	-	-	-
GPd	922	248,250	(76,622)	172,550	8,240	102,874	(34,729)	76,385
Cheechoo-Éléonore Trend	-	190,641	(82,882)	107,759	38,569	51,688	(22,562)	67,695
Chemin Troilus	1,632	297,318	(129,260)	169,690	68,370	40,568	(17,708)	91,230
Somanike	5,116	4,403	(1,359)	8,160	3,670	51,001	(17,219)	37,452
Generation	560	2,500	(772)	2,288	-	4,937	(1,666)	3,271
<b>Total</b>	<b>194,096</b>	<b>863,125</b>	<b>(327,934)</b>	<b>729,287</b>	<b>188,866</b>	<b>251,271</b>	<b>(93,953)</b>	<b>346,184</b>

#### 4.1 Calumet-Sud project

SOQUEM must fund \$450,000 in exploration expenditures as follows:

	Work	
	Commitment	Completed as of September 22, 2017
	\$	\$
On or before February 27, 2017	100,000	100,000
On or before August 31, 2018	150,000	150,000
On or before February 28, 2020	200,000	200,000
<b>Total</b>	<b>450,000</b>	<b>450,000</b>

The Calumet-Sud project was acquired in 2015 from Gardin Inc. ("Gardin") (a company controlled by Michel Gauthier, a director of the Corporation). In July 2017, the Corporation issued 2,842,231 common shares to Gardin (valued at \$128,077) as per the agreement with Gardin. As of September 22, 2017, SOQUEM has completed its \$450,000 exploration expenditure commitment and exercised its option to acquire a 50% interest in the Calumet-Sud project.

#### 4.2 Tessouat project

On August 1, 2017, the Corporation signed an agreement with Ressources Tranchemontagne Inc. (controlled by Michel Gauthier, a director of the Corporation) and Gardin to acquire 100% of the Tessouat project, located in the Pontiac MRC in southwestern Quebec, for a consideration that consists of: payment of \$26,000 (completed in September 2017), issuance of 100,000 common shares (valued at \$5,500, completed in September 2017), completion of \$70,000 of exploration work prior to August 1, 2019 and a 2% net smelter return.



## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

#### 4. MINERAL PROPERTIES (CONT'D)

##### 4.3 Tessouat-Sud project

In the summer 2017, the Corporation staked the Tessouat-Sud project, located in the Pontiac MRC in southwestern Quebec.

##### 4.4 Obwondiag project

In the summer 2017, the Corporation staked the Obwondiag project, located in the Pontiac MRC in southwestern Quebec.

##### 4.5 GPd project

The Corporation must satisfy the following exploration commitments as per the March 12, 2015 definitive agreement, as amended on January 19, 2018, failing which the project will be returned to Gardin:

	Work	
	Commitment	Completed
	\$	\$
On or before January 20, 2016	50,000	50,000
On or before January 20, 2017	100,000	100,000
On or before January 20, 2019	600,000	586,122
<b>Total</b>	<b>750,000</b>	<b>736,122</b>

##### 4.6 Somanike project

The Corporation must complete the following exploration work on 7 of the claims according to the June 15, 2015 (amended on June 7, 2016) definitive agreement, failing which the project will be returned to Globex Mining Enterprises Inc. ("Globex"):

	Work	
	Commitment	Completed
	\$	\$
On or before June 15, 2018	300,000	11,100
On or before June 15, 2019	100,000	-
On or before June 15, 2020	100,000	-
<b>Total</b>	<b>500,000</b>	<b>11,100</b>

#### 5. SUBLEASE LOSS RESERVE

The changes in the sublease loss reserve are as follows:

	Nine months ended August 31, 2017	Year ended February 28, 2017
	\$	\$
Balance, beginning of year	66,520	103,520
Payment	(66,885)	(38,016)
Accretion expense	365	1,016
<b>Sublease loss reserve</b>	<b>-</b>	<b>66,520</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

#### 6. CONVERTIBLE DEBENTURES

	Nine months ended November 30, 2017	Year ended February 28, 2017
	\$	\$
Balance, beginning of year	113,897	328,377
Convertible debentures reaching maturity	-	(150,000)
Convertible debenture extended	-	150,000
Conversion into shares	-	(225,000)
Discounting	-	(38,542)
Accretion expense	18,574	44,970
Accrued interest	9,200	-
Issuance cost amortization	-	4,092
<b>Convertible debenture</b>	<b>141,671</b>	<b>113,897</b>

In June 2017, the Corporation exercised its option to postpone to December 2017 the issuance of common shares to pay the interest due as of June 19, 2017 on the convertible debenture (see note 12).

#### 7. COMMON SHARES AND WARRANTS

##### 7.1 Private placements

On November 1, 2017, the Corporation closed a private placement totalling \$62,200 by issuing 1,244,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of \$0.08 until November 1, 2020. The value allocated to the warrants of \$15,500 (\$0.0125 per warrant) was determined using the Black-Scholes option pricing model assuming no expected dividends, a risk-free interest rate of 1.59%, an expected stock price volatility of 80% and an expected life of three years.

Also on November 1, 2017, the Corporation closed a private placement totalling \$185,680 by issuing 2,856,616 flow-through units at a price of \$0.065 per unit. Each unit is comprised of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of \$0.10 until November 1, 2019. On November 1, 2017, the Corporation's share closed at \$0.055 on the Exchange, therefore the residual value attributed to the flow-through share premium is \$0.01, for a total value of \$28,566. The value allocated to the warrants of \$17,125 (\$0.0120 per warrant) was determined using the Black-Scholes option pricing model assuming no expected dividends, a risk-free interest rate of 1.52%, an expected stock price volatility of 80% and an expected life of two years.

The Corporation incurred cash issuance costs of \$37,227, of which \$28,039 was allocated to capital stock, \$4,570 to warrants and \$4,618 to the flow-through premium.

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

#### 7. COMMON SHARES AND WARRANTS (CONT'D)

##### 7.2 Warrants

The changes in warrants issued are as follows:

	Nine months ended November 30, 2017		Year ended February 28, 2017	
	Number of warrants	Weighted average exercise prices	Number of warrants	Weighted average exercise prices
		\$		\$
Balance, beginning of period	40,817,003	0.26	14,937,223	0.57
Issued	2,672,308	0.09	28,910,165	0.09
Expired	-	-	(3,030,385)	0.16
<b>Balance, end of period</b>	<b>43,489,311</b>	<b>0.25</b>	<b>40,817,003</b>	<b>0.26</b>

Outstanding warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

Expiry date	November 30, 2017	
	Number of warrants	Exercise price
		\$
September 5, 2018	8,389,615	0.175
September 12, 2018	1,925,000	0.175
December 19, 2018	576,923	0.17
July 17, 2018	941,900	6.00
August 7, 2018	73,400	6.00
September 22, 2019	5,530,000	0.08
November 1, 2019	1,428,308	0.10
February 28, 2020	23,380,165	0.09
November 1, 2020	1,244,000	0.08
	<b>43,489,311</b>	

##### 7.3 Agent's compensation warrants

The changes in agent's compensation warrants issued are as follows:

	Nine months ended November 30, 2017		Year ended February 28, 2017	
	Number of agent's compensation warrants	Weighted average exercise prices	Number of agent's compensation warrants	Weighted average exercise prices
		\$		\$
Balance, beginning of period	1,185,228	0.09	491,978	0.61
Issued	-	-	1,185,228	0.09
Expired	-	-	(491,978)	0.61
<b>Balance, end of period</b>	<b>1,185,228</b>	<b>0.09</b>	<b>1,185,228</b>	<b>0.09</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

#### 7. COMMON SHARES AND WARRANTS (CONT'D)

Outstanding agent's compensation warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

Expiry Date	November 30, 2017	
	Number of agent's compensation warrants	Exercise price
September 22, 2019	173,600	\$ 0.08
February 28, 2020	1,011,628	0.09
	<b>1,185,228</b>	

#### 8. SHARE-BASED PAYMENTS

The changes in stock options issued are as follows:

	Nine months ended November 30, 2017		Year ended February 28, 2017	
	Number of options	Weighted average exercise prices	Number of options	Weighted average exercise prices
Balance, beginning of year	2,850,000	\$ 0.11	1,400,000	\$ 0.125
Granted	-	-	1,450,000	0.10
Forfeited	-	-	-	-
<b>Balance, end of year</b>	<b>2,850,000</b>	<b>0.11</b>	<b>2,850,000</b>	<b>0.11</b>

Outstanding stock options entitling their holder to subscribe to an equivalent number of common shares as follow:

Expiry Date	November 30, 2017	
	Number of options	Exercise price
October 10, 2024	1,400,000	\$ 0.125
October 13, 2026	1,450,000	0.10
	<b>2,850,000</b>	

**SPHINX RESOURCES LTD.****Notes to the Financial Statements**

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

**9. GENERAL AND ADMINISTRATION**

	Three months ended November 30,		Nine months ended November 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Directors fees	12,000	12,000	36,000	36,000
Filing and transfer agent fees	17,264	13,999	27,935	30,399
Management fees	18,268	14,899	51,540	50,315
Office and miscellaneous	14,463	9,499	28,645	25,304
Professional fees	32,249	10,904	49,864	50,235
Promotion	66,124	31,808	213,203	49,893
Salaries and benefit	34,174	36,182	107,731	98,943
Share-based payments	-	88,450	-	88,450
Travel	11,027	9,360	48,295	14,578
<b>General and administration</b>	<b>205,569</b>	<b>227,101</b>	<b>563,213</b>	<b>444,117</b>

**10. FINANCE COSTS**

	Three months ended November 30,		Nine months ended November 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Provision on promissory note receivable	-	-	-	85,000
Accretion sublease reserve	-	254	365	762
Accretion of convertible debentures	9,543	6,040	18,574	36,723
Issuance costs on convertible debentures	-	1,287	-	3,861
Accrued interest on convertible debentures	-	19,679	9,200	42,719
<b>Finance costs</b>	<b>9,543</b>	<b>27,260</b>	<b>28,139</b>	<b>169,065</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Three and Nine Months ended November 30, 2017 and 2016

(Unaudited, in Canadian Dollars)

#### 11. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital items:

	Nine months ended November 30,	
	2017	2016
	\$	\$
<b>Change in non-cash working capital items:</b>		
Trade and other receivables	(103,549)	(32,577)
Tax credits receivable	(358,801)	961,212
Advances for exploration, development and operations costs	-	-
Prepaid expenses	(15,335)	553
Trade and other payables	39,163	(281,423)
Tax credit payable	-	-
Sublease reserve	(66,885)	(27,440)
	<b>505,407</b>	<b>620,325</b>

#### 12. SUBSEQUENT EVENT

Subject to the TSX approval, the Corporation will issue 318,465 common shares in lieu of a cash payment for the interest from December 19, 2016 to December 19, 2017 for \$17,998, in accordance with the terms of the convertible debentures issued by the Corporation on December 19, 2014 and extended on December 19, 2016.