

**THE O.T. MINING CORPORATION**  
**(An Exploration Stage Enterprise)**

**Unaudited Balance Sheets**

For the Periods Ended September 30, 2018 and 2017

In U.S. Dollars

	September 30 2018	September 30 2017
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 3,877	18,033
Total Current Assets	<u>3,877</u>	<u>18,033</u>
MINERAL PROPERTIES AND CLAIMS	<u>502,565</u>	<u>502,565</u>
<b>TOTAL ASSETS</b>	<u>\$ 506,442</u>	<u>520,598</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES		
Accounts Payable	\$ 105,247	240,946
Deposit on Lease	700	700
Loans Payable	325,947	225,467
Related Party Loan Payable	276,287	163,690
Total Current Liabilities	<u>708,181</u>	<u>630,803</u>
COMMITMENTS AND CONTINGENCIES	<u>-</u>	<u>-</u>
STOCKHOLDERS' EQUITY		
Preferred Stock, \$0.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	<u>-</u>	<u>-</u>
Common Stock, no par value; 200,000,000 shares authorized, 30,888,361 and 30,888,361 shares issued and outstanding, respectively	21,274,243	21,274,243
Share Subscriptions	122,294	60,334
Accumulated Deficit	<u>(21,598,276)</u>	<u>(21,444,782)</u>
Total Stockholders' Equity	<u>(201,739)</u>	<u>(110,205)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 506,442</u>	<u>520,598</u>

Approved by the Board,

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**THE O.T. MINING CORPORATION**  
**(An Exploration Stage Enterprise)**  
**Unaudited Statement of Operations**

For the Periods Ended September 30, 2017 and 2018  
In U.S. Dollars

	Periods Ended September 30	
	2018	2017
REVENUES	\$ -	\$ -
GENERAL AND ADMINISTRATIVE EXPENSES		
Exploration and development	45,105	45,105
Office services	20,907	20,392
Professional fees	3,435	2,000
Corporate services	3,050	3,000
Field services	542	1,295
Total Expenses	<u>73,039</u>	<u>71,792</u>
LOSS FROM OPERATIONS	<u>(73,039)</u>	<u>(71,792)</u>
OTHER INCOME (LOSS)		
Rent income	-	1,921
Interest income/expense	(3,620)	(3,152)
Foreign exchange gain/loss	437	(206)
Total Other Income (Loss)	<u>(3,183)</u>	<u>(1,437)</u>
LOSS BEFORE TAXES	(76,222)	(73,229)
INCOME TAXES	-	-
NET LOSS	<u>(76,222)</u>	<u>(73,229)</u>
NET LOSS PER COMMON SHARE		
BASIC	\$ (0.002)	\$ (0.002)
DILUTED	\$ (0.002)	\$ (0.002)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING,		
BASIC	30,888,361	30,888,361
DILUTED	30,888,361	30,888,361

**THE O.T. MINING CORPORATION**  
**(An Exploration Stage Enterprise)**  
**Unaudited Statement of Cash Flows**

For the Periods Ended September 30, 2018 and 2017  
In U.S. Dollars

	Periods Ended	
	2018	September 30, 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (76,222)	\$ (78,229)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Accounts payable	5,609	(8,146)
Deposit	-	-
Net cash provided (used) by operating activities	<u>(70,614)</u>	<u>(86,375)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loans payable	58,533	69,158
Related party loan payable	5,262	21,635
Stock subscriptions	9,147	12,015
Issuance of common stock	-	-
Net cash provided (used) by financing activities	<u>72,942</u>	<u>102,808</u>
Net increase (decrease) in cash	<u>2,328</u>	<u>16,433</u>
Cash, beginning of period	<u>1,548</u>	<u>1,600</u>
Cash, end of period	\$ <u><u>3,877</u></u>	\$ <u><u>18,033</u></u>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE:</b>		
Income taxes paid	\$ -	\$ -
Interest paid	\$ 3,545	\$ 3,152

**The O.T Mining Corporation**  
**Consolidated Statement of Changes in Shareholder's Equity**

For the periods ended September 30 2018, and September 30, 2017

(in U.S. Dollars)

	Share Capital		Subscriptions		Contributed Surplus	Warrants Reserve	Deficit	Accumulated Other Comprehensive Income	Total Equity
	Number	Amount	Number	Amount					
		\$			\$		\$		\$
<b>Balance as at June 30, 2018</b>	30,888,361	21,274,243	1,414,325	113,146	-	-	(21,522,054)	-	(134,665)
Restatement	-	-	-	-	-	-	-	-	-
Net earnings (loss) for the period	-	-	-	-	-	-	(76,222)	-	(76,222)
Subscriptions Received	-	-	114,350	9,148	-	-	-	-	9,148
Fair value of warrants granted	-	-	-	-	-	-	-	-	-
Expired warrants for the period	-	-	-	-	-	-	-	-	-
<b>Balance as at September 30, 2018</b>	<b>30,888,361</b>	<b>21,274,243</b>	<b>1,528,675</b>	<b>122,294</b>	<b>-</b>	<b>-</b>	<b>(21,598,276)</b>	<b>-</b>	<b>(201,739)</b>
		\$			\$		\$		\$
<b>Balance as at June 30, 2017</b>	30,888,361	21,274,243	603,988	48,319	-	-	(21,364,766)	-	(42,204)
Restatement	-	-	-	-	-	-	(6,787)	-	(6,787)
Net earnings (loss) for the period	-	-	-	-	-	-	(73,229)	-	(73,229)
Subscriptions Received	-	-	150,188	12,015	-	-	-	-	12,015
Fair value of warrants granted	-	-	-	-	-	-	-	-	-
Expired warrants for the period	-	-	-	-	-	-	-	-	-
<b>Balance as at September 30, 2017</b>	<b>30,888,361</b>	<b>21,274,243</b>	<b>754,175</b>	<b>60,334</b>	<b>-</b>	<b>-</b>	<b>(21,444,782)</b>	<b>-</b>	<b>(110,205)</b>
		\$			\$		\$		\$
<b>Balance as at June 30, 2017</b>	30,888,361	21,274,243	603,988	48,319	-	-	(21,364,766)	-	(42,204)
Restatement	-	-	-	-	-	-	14	-	14
Net earnings (loss) for the period	-	-	-	-	-	-	(157,302)	-	(157,302)
Subscriptions Received	-	-	810,338	64,827	-	-	-	-	64,827
Fair value of warrants granted	-	-	-	-	-	-	-	-	-
Expired warrants for the period	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2018</b>	<b>30,888,361</b>	<b>21,274,243</b>	<b>1,414,325</b>	<b>113,146</b>	<b>-</b>	<b>-</b>	<b>(21,522,054)</b>	<b>-</b>	<b>(134,665)</b>

See accompanying notes to consolidated financial statements.

**THE O.T. MINING CORPORATION**  
**(An Exploration Stage Enterprise)**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**September 30, 2018**

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**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

The O.T. Mining Corporation (the Company or OT) was incorporated in September of 1980 under the laws of the State of Montana as Ruby Resources of Montana Inc. for the purpose of acquiring and developing economic ore bodies. In May 1987, the Company changed its name to The O.T. Mining Corporation. The Company has elected a June 30 fiscal year-end. The Company is in the exploration stage, as it has not realized any significant revenues from its planned mining operations in Jefferson Country, Montana.

**NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is solely responsible for their integrity and objectivity. The accounting policies applied in the preparation of the financial statements conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Concentration of Risk

The Company maintains its cash in a commercial bank in Kalispell, Montana. The accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2018, the Company did not exceed the FDIC insured limits.

Earnings Per Share

The Company calculates "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share. Although there were common stock equivalents outstanding, they were not included in the calculations of earnings per share because they would have been considered anti-dilutive.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of judgments, estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. While management believes that these judgments and estimates are reasonable, actual results could differ from those estimates and could impact future results of comprehensive income and cash flows. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods.

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Exploration Stage

The Company has been in the exploration stage since its formation in September 1980 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition, exploration and development of natural resource properties. Upon establishing the existence of proven reserves in one of its properties, the Company plans to sell the reserve-containing property for cash or stock or a combination thereof.

Going Concern

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue activities and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the three months ended September 30, 2018 the Company incurred a net loss of \$76,222. At September 30, 2018, the Company's accumulated deficit was \$21,594,289. The Company continues to generate operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral properties. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through borrowing, the issuance of capital stock or joint venture agreements, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management plans to continue to secure the necessary financing through a combination of debt and equity financing and possibly joint venture arrangements; however, there is no assurance that the Company will be successful in these actions. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Foreign Currency Translation

As the Company's functional currency is the U.S. Dollar, and all translation gains and losses are transactional, the Company has no assets with value recorded in Canadian Dollars and there is no recognition of other comprehensive income from foreign currency translation in the financial statements.

Foreign Operations

The accompanying balance sheet contains certain recorded Company assets (principally cash) in a foreign country (Canada). Although Canada is considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations.

Mineral Exploration and Development Costs

All exploration expenditures are expensed as incurred. Significant property acquisition payments for active exploration properties are capitalized. If no minable ore body is discovered, previously capitalized costs are expensed in the period the property is abandoned. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on a units-of-production basis over proven and probable reserves.

Should a property be abandoned, its capitalized costs are charged to operations. The Company charges to operations the allocable portion of capitalized costs attributable to properties sold. Capitalized costs are allocated to properties sold based on the proportion of claims sold to the claims remaining within the project area.

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**NOTE 3 - MINERAL PROPERTIES**

Ruby Mines Property and Mineral Claims

By agreement dated July 28, 1980, Ruby Resources, Ltd. acquired from Fargo Energy Corporation, a related party, thirteen patented and two hundred ninety-one unpatented mining claims consisting of approximately 9.26 square miles, located in the lowland Mining District of Jefferson County, Montana, USA. The claims were acquired with an encumbrance attached thereto, since discharged by payment of \$66,000. On August 13, 1980, Ruby Resources, Ltd., the parent company, granted a deed to such realty and mineral claims to O.T. Mining Corp. (formerly Ruby Resources of Montana, Inc.) in return for 50,000 shares of the Company's common stock valued at \$102,565. Such shares are presently 400,000 since the Company split its stock at eight shares for each one share owned on June 1, 1987.

**NOTE 4 – SHAREHOLDERS EQUITY**

**a) PREFERRED STOCK**

The Company is authorized to issue 5,000,000 shares of \$0.01 par value preferred stock. The board of directors of the Company has the authority to issue shares of preferred stock from time to time in one or more classes or series, which may have such voting power, full or limited as fixed by the board of directors. The board of directors may also fix the terms of any such series or class, including dividend rights, dividend rates, conversion, exchange, voting rights and terms of redemption, the redemption price and the liquidation preference of such class or series. No shares of preferred stock are issued or outstanding.

**b) COMMON STOCK**

The Company is authorized to issue 200,000,000 shares of common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. There are 30,888,361 and 30,888,361 shares of common stock issued and outstanding at September 30, 2018 and September 30, 2017, respectively.

During the period ended September 30, 2016, the Company issued 302,300 shares of common stock pursuant to a private placement. The share units were valued at \$0.08 per share and each unit included one warrant to purchase an additional share at an initial exercise price of \$0.16 per share.

During the period ended September 30, 2016, the Company received subscriptions for 66,000 shares of common stock pursuant to a private placement. The share units were valued at \$0.08 per share and included a warrant to purchase an additional share at an initial exercise price of \$0.16 per share.

During the period ended December 31, 2016, the Company received subscriptions for 38,350 shares of common stock pursuant to a private placement. The share units were valued at \$0.08 per share and included a warrant to purchase an additional share at an initial exercise price of \$0.16 per share.

**c) WARRANTS**

The Company uses the residual method in determining the fair value of warrants issued, which method provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued. There are currently no warrants outstanding.

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**d) OPTIONS**

The Company has not issued a written incentive stock option plan for directors, officers and consultants. Key management personnel consist of the directors and executive officers of the Company. Their remuneration could include share-based payments, consulting fees, directors' fees and options, however no such compensation has been paid in the periods ending September 30, 2018 and September 30, 2017.

**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

Lease Obligation

The Company occupies a fully equipped office space, including complete secretarial services, on a month-to-month basis from Somerville House Management Ltd., a related party.

**NOTE 5 - FINANCIAL RISK MANAGEMENT**

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit Risk

The Company manages credit risk, in respect to its cash and cash equivalents by banking with major Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty meeting obligations associated with financial liabilities. The Company manages its liquidity risk by forecasting operating cash requirements and investing activities and anticipating financing activities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not currently exposed to these price risks.

Interest Rate Risk

To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to negligible interest rate risk. The Company is not susceptible to interest rate risk since borrowings either bear no interest or a low fixed rate of interest. To the extent that changes in prevailing market rates differ from the interest rates built into the Company's monetary assets and liabilities, the Company's balance sheet is exposed to minimal interest rate price risk.

Foreign Currency Risk

The Company incurs certain expenses in currencies other than the United States dollar. The Company is subject to foreign currency risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining a bank account in Canadian dollars to pay these foreign currency expenses as they arise. Receipts in foreign currencies are maintained in those currencies. The Company does not undertake currency hedging activities. The Company also does not attempt to hedge the net investment and equity of integrated foreign operations.



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**NOTE 7 - RELATED PARTIES**

Somerville House Management Ltd.

The Company has one officer in common with Somerville House Management Ltd. From time to time, the Company issues Somerville shares of common stock valued at current market value for the settlement of unpaid liabilities.

Managerial and Financial Control

Rosemary L. Christensen is the President of the Company and a major shareholder, and is the President of Somerville House Management Ltd. From time to time Somerville House Management Ltd. discharges its liability by issuing common stock valued at the lower of market (National Quotation Bureau) or the Company's restricted stock price.

Accrued Compensation

Certain officers of the Company are to be compensated on a deferred basis. Provision has been made in these financial statements for past compensation payable in the future. The deferred compensation has resulted in charges to operations of \$15,000 in each of the quarters ended September 30, 2018 and September 30, 2017.

Financing Operations

The Company has debt obligations to related parties and others for \$276,287 and \$163,690 the periods ended September 30, 2018 and September 30, 2017 to finance operations.

**NOTE 8 - ENVIRONMENTAL OBLIGATIONS**

The Company's mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**NOTE 9 - LOANS**

The Company has relied on small loans from several dedicated investors in order to remain in good standing while the market conditions for copper and other minerals relevant to the properties have improved. Ongoing costs of litigation have been met. Management is confident that sufficient funding for the company to proceed with development work on the properties in the coming season will be forthcoming.

**NOTE 10 - SUBSEQUENT EVENTS**

Mr. Corey Safran tendered his resignation from the Board of Directors on October 17, 2018, and it has been accepted. The Company's legal counsel in Montana has been replaced due to ill-health. Issues summarized in a letter to shareholders on October 15, 2015 are still pending before the Montana court. The Board of Directors will issue news releases as appropriate.