



**Blue Star Gold Corp.
(Formerly WPC Resources Inc.)**

**Interim Condensed Consolidated Financial Statements
As at and for the nine months ended August 31, 2019**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The interim condensed consolidated financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS). Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The interim condensed consolidated financial statements for the nine months ended August 31, 2019 are unaudited and prepared by Management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Blue Star Gold Corp. (Formerly WPC Resources Inc.)

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at		August 31, 2019	November 30, 2018
	Note		
ASSETS			
Current			
Cash	5	\$ 1,184,599	\$ 15,137
Receivables	5, 6	35,828	6,779
Prepayments and deposits	7	462,205	16,702
		1,682,632	38,618
Long-term deposits	8	832,830	7,829
Equipment	9	1,141	2,422
Exploration and evaluation assets	10	3,170,104	2,546,087
		\$ 5,686,707	\$ 2,594,956
LIABILITIES and SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	11,14	\$ 118,332	\$ 73,123
Due to related parties	12	247,417	309,005
		365,749	382,128
Loans payable	13,15	1,242,975	200,000
Long-term debt	14	2,900,000	-
		4,508,724	582,128
Shareholders' equity			
Share capital	16	8,885,083	8,964,629
Reserves - options	16	686,244	686,244
Reserves - warrants	16	106,978	106,978
Deficit		(8,500,322)	(7,745,023)
		1,177,983	2,012,828
		\$ 5,686,707	\$ 2,594,956

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

Approved and authorized by the Board of Directors on October 18, 2019.

"Ken Yurichuk"
Ken Yurichuk, Director

"Robert Metcalfe"
Robert Metcalfe, Director

Blue Star Gold Corp. (Formerly WPC Resources Inc.)*(An Exploration Stage Company)***Interim Condensed Consolidated Statements of Loss and Comprehensive Loss***(Expressed in Canadian Dollars)**(Unaudited)*

	Note	Source	Three months ended August 31,		Nine months ended August 31,	
			2019	2018	2019	2018
Expenses						
Amortization	9	\$	427	\$ 427	\$ 1,281	\$ 1,281
Consulting Fees			136,726	2,500	185,351	47,500
Insurance			8,952	5,000	24,764	15,000
Investor and shareholder relations			24,824	350	43,217	14,187
Management fees	12		15,000	-	45,000	-
Office and miscellaneous			5,178	2,435	15,671	8,417
Professional fees	12		94,443	1,102	152,361	39,101
Property investigation			-	1,586	-	2,286
Regulatory and transfer agent fees			6,969	751	23,704	16,021
Rent and administrative services	15		16,010	8,263	48,700	24,598
Salaries	12		66,544	95,251	168,610	300,310
Travel and entertainment			3,664	-	3,665	-
			(378,737)	(117,665)	(712,324)	(468,701)
Interest expense	13,15		(21,714)	-	(42,975)	-
Impairment of exploration and evaluation assets	10		-	-	-	(30,000)
Net loss and comprehensive loss for the period		\$	(400,451)	\$ (117,665)	\$ (755,299)	\$ (498,701)
Loss per share						
Basic and Diluted		\$	(0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding						
Basic and diluted			129,600,304	98,541,608	124,755,790	101,015,860

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

Blue Star Gold Corp. (Formerly WPC Resources Inc.)

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital		Reserves - warrants	Reserves - options	Deficit	Total shareholders' equity
	Shares	Amount				
Balance - November 30, 2017	98,900,304	\$ 7,481,689	\$ 106,978	\$ 686,244	\$ (7,084,758)	\$ 1,190,153
Units issued for cash for private placement	32,000,000	1,600,000	-	-	-	1,600,000
Share issuance costs	-	(52,060)	-	-	-	(52,060)
Loss for the period	-	-	-	-	(498,701)	(498,701)
Balance - August 31, 2018	130,900,304	9,029,629	106,978	686,244	(7,583,459)	2,239,392
Balance - November 30, 2018	129,600,304	8,964,629	106,978	686,244	(7,745,023)	2,012,828
Finder's fee for private placement	-	(79,546)	-	-	-	(79,546)
Loss for the period	-	-	-	-	(755,299)	(755,299)
Balance - August 31, 2019	129,600,304	\$ 8,885,083	\$ 106,978	\$ 686,244	\$ (8,500,322)	\$ 1,177,983

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

Blue Star Gold Corp. (Formerly WPC Resources Inc.)

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Nine months ended August 31,	
	2019	2018
Operating activities		
Loss for the period	\$ (755,299)	\$ (498,701)
Items not affecting cash:		
Amortization	1,281	1,281
Mineral property impairment	-	30,000
Interest expense	42,975	-
Changes in non-cash working capital		
Advances and deposits	(445,503)	(4,002)
Receivables from Related Party	-	(65,000)
Receivables	(29,049)	19,982
Accounts payable and accrued liabilities	45,209	(140,677)
Due to related parties	(61,588)	(284,219)
	(1,201,974)	(941,336)
Investing activities		
Exploration and evaluation assets expenditures	(624,017)	(292,025)
Reclamation bond	(825,001)	-
	(1,449,018)	(292,025)
Financing activities		
Proceeds from issuance of shares	-	1,600,000
Proceeds from long-term debt	2,900,000	-
Loans payable	1,000,000	-
Share issuance costs	(79,546)	(52,060)
	3,820,454	1,547,940
Net change in cash	1,169,462	314,579
Cash (bank indebtedness), beginning of the period	15,137	(3,536)
Cash, end of the period	\$ 1,184,599	\$ 311,043

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

1. Nature of Operations

Blue Star Gold Corp. (“Blue Star” or the “Company”) was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. Effective January 18, 2019, the Company changed its name from WPC Resources Inc. to Blue Star Gold Corp. The Company’s principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company’s efforts are devoted to financing and developing these property interests. There has been no determination whether the Company’s interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “BAU”, and its corporate head office is located at 1125, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

2. Basis of Presentation

a) Statement of compliance

These interim condensed consolidated financial statements, including comparatives that are unaudited, have been prepared in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting* using accounting policies consistent with the IFRS as issued by the International Accounting Standards Board (IASB).

These interim condensed consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s 2018 annual audited financial statements except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

b) Going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These interim condensed consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these interim condensed consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. As at August 31, 2019, the Company has an accumulated deficit of \$8,500,322 (November 30, 2018 - \$7,745,023) and has a working capital of \$1,316,883 (November 30, 2018 – deficit \$343,510) and has incurred significant losses. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The recovery of amounts capitalized for exploration and evaluation assets at August 31, 2019 in the interim condensed consolidated statement of financial position is dependent upon the ability of the Company to arrange appropriate financing to complete the development and continued exploration of the properties.

2. Basis of Presentation (continued)

b) Going concern (continued)

The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or obtain profitable operations. The outcome of these matters cannot be predicted at this time.

c) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, WPC Resources (USA) Inc., a company incorporated under the laws of Nevada, USA, and Inukshuk Exploration Incorporated ("Inukshuk"), a company incorporated under the laws of British Columbia, Canada. All significant intercompany transactions have been eliminated upon consolidation. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

d) Functional and presentation currency

The Company and its wholly-owned subsidiaries' reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

e) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (FVTPL), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

f) Estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Critical accounting estimates

i. Recognition of deferred taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently.

2. Basis of Presentation (continued)

f) Estimates and judgments (continued)

Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

ii. Share-based payments

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, volatility and dividend yield, and making assumptions about them.

iii. Recoverable amount of exploration and evaluation assets

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability of these carrying values is subject to significant management estimates. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

Critical accounting judgments

i. Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3. Significant Accounting Policies

a) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral resource interests are capitalized by project. Costs incurred before the Company has obtained legal rights to explore an area are recognized in the consolidated statement of loss and comprehensive loss. The Company recognizes the payment or receipt of amounts required under option agreements as an addition or reduction, respectively, in the book value of the property under option when paid or received.

Development expenditures incurred subsequent to a determination of the feasibility of mining operations and to increase or to extend the life of existing production, are capitalized and will be amortized using the unit-of-production method based upon estimated proven and probable reserves. Once the technical feasibility and commercial viability of the extraction of mineral

3. Significant Accounting Policies (continued)

a) Exploration and evaluation assets (continued)

resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

The amounts shown for exploration and evaluation assets represent costs incurred to date, less recoveries, and do not necessarily reflect present or future values. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the projects, as well as future profitable production or proceeds from the disposition thereof.

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists an impairment test is conducted, where the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

b) Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments on loss per common share from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the years presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the year.

c) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in reserves is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based payments previously recorded in reserves.

3. Significant Accounting Policies (continued)

c) Share-based payments (continued)

Where equity instruments are issued to non-employees and some or all the goods and services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise share-based payments are measured at the fair value of the goods and services received.

d) Income taxes

Income taxes on the profit or loss for the periods presented comprise current and deferred tax. Income taxes are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years. Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: (1) goodwill not deductible for tax purposes; (2) the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and (3) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

e) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the production assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is amortized on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

3. Significant Accounting Policies (continued)

e) Provision for environmental rehabilitation (continued)

The Company was not aware of any environmental rehabilitation liabilities as at November 30, 2018. As at August 31, 2019, the Company is still assessing its rehabilitation liabilities as they relate to the Hood River and Ulu properties.

f) Financial instruments

Applicable to Fiscal Period Ending November 30, 2018, in accordance with IAS 39 – Financial Instruments: Recognition and Measurement

i. Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Loans and receivables – These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Available-for-sale – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. Significant Accounting Policies (continued)

f) Financial instruments (continued)

ii. Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Borrowing and other financial liabilities – This category includes non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the consolidated statement of loss and comprehensive loss over the period to maturity using the effective interest method.

Applicable to Fiscal Period Beginning December 1, 2018, in accordance with IFRS 9 – Financial Instruments

i. Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Amortized costs – These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market or that the Company's management has the positive intention and ability to hold to maturity. Those previously classified as “loans and receivables” under IAS 39 is now classified under this category and are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Those previously classified as “held-to-maturity” financial assets are still measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

FVTPL – This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Fair value through other comprehensive income (FVOCI) – Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the

3. Significant Accounting Policies (continued)

f) Financial instruments (continued)

fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets, except for those at FVTPL, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

ii. Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

FVTPL – This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized costs – This category includes non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the consolidated statement of loss and comprehensive loss over the period to maturity using the effective interest method.

iii. Classification

The Company has classified its cash as FVTPL. The Company's receivables are classified as financial assets at amortized costs. The Company's accounts payable and accrued liabilities, due to related parties are classified as financial liabilities at amortized costs.

g) Equipment

Equipment are stated at cost less accumulated amortization. Amortization is recorded at rates designed to amortize the cost of capital assets over their estimated useful lives.

Office equipment is amortized equally using straight-line method over a period of five years. Half of the normal amortization is taken in the year of acquisition.

h) Future accounting changes

A number of new standards, amendments to standards, and interpretations are not yet effective as of August 31, 2019 and November 30, 2018 and have not been applied in preparing these consolidated financial statements. These new standards are being evaluated but are not expected to have a material effect on the consolidated financial statements of the Company. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the discussion below. The Company intends to adopt the following standards and amendments when effective:

i. IFRS 16 Leases

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single

3. Significant Accounting Policies (continued)

h) Future accounting changes (continued)

lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost and is then depreciated similarly to equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

This new standard is effective for the Company's annual period beginning December 1, 2019.

The Company does not expect that the new and amended standards will have a significant impact on its financial statements for the nine months ended August 31, 2019.

ii. IFRIC 23 *Uncertainty over Income Tax Treatments*

This new standard clarifies the accounting for uncertainties in income taxes. This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.

In assessing whether uncertainty over income tax treatments exists, an entity may consider a number of indicators including, but not limited to, the following:

- Ambiguity in the drafting of relevant tax laws and related guidelines (such as ordinances, circulars and letters) and their interpretations
- Income tax practices that are generally applied by the taxation authorities in specific jurisdictions and situations
- Results of past examinations by taxation authorities on related issues
- Rulings and decisions from courts or other relevant authorities in addressing matters with a similar fact pattern
- Tax memoranda prepared by qualified in-house or external tax advisors
- The quality of available documentation to support a particular income tax treatment

3. Significant Accounting Policies (continued)

i) Future accounting changes (continued)

This new standard is effective for the Company's annual period beginning December 1, 2019.

The Company does not expect that the new and amended standards will have a significant impact on its financial statements for the nine months ended August 31, 2019.

4. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares and debt instruments. Further information relating to liquidity risk is disclosed in note 5.

In the management of capital, the Company includes the components of long-term debts and shareholders' equity.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture property arrangements, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and investments.

To facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors.

The Company's approach to capital management during the nine months ended August 31, 2019 allowed for more use of debt financing through various loans and issuance of hybrid financial instruments. Nevertheless, the Company is still not subject to externally imposed capital requirements.

4. Management of Financial Risk

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

5. Management of Financial Risk (continued)

The company's financial instruments as at August 31, 2019 are as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets at FVTPL				
Cash	\$1,184,599	\$ -	\$ -	\$1,184,599
Financial Assets at Amortized Costs				
Receivables	-	-	-	-
Financial Liabilities at Amortized Costs				
Accounts payable and accrued liabilities	118,332	-	-	118,332
Due to related parties	247,417	-	-	247,417
Loans payable	-	1,242,975	-	1,242,975
Liabilities at amortized costs	-	2,900,000	-	2,900,000

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Fair value

The carrying value of receivables, accounts payable and accrued liabilities, and amounts due to related parties approximated their fair value due to the short-term nature of these financial instruments.

b) Interest rate risk

The Company has minimal exposure at August 31, 2019 and November 30, 2018 to interest rate risk through its financial instruments as the loans payable has fixed, simple interest rates of 7%-7.5% per annum.

c) Currency risk

As at August 31, 2019 and November 30, 2018, the majority of the Company's cash was held in Canadian dollars, the Company's functional and reporting currency. Currency risk is minimal.

d) Credit risk

Concentration of credit risk exists with respect to the Company's cash, as substantially all amounts are held at major financial institutions. The credit risk associated with cash is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

e) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at August 31, 2019, the Company had cash of \$1,184,599 (November 30, 2018 - \$15,137) to settle current liabilities of \$365,749 (November 30, 2018 - \$382,128). The Company's current working capital is sufficient to support the Company's near term general administrative and corporate operating requirements on an on-going basis.

6. Receivables

As at August 31, 2019 and November 30, 2018, the Company's receivables are composed of following:

	August 31, 2019	November 30, 2018
GST / PST receivable	\$ 35,828	\$ 6,779

7. Prepayments and deposits

As at August 31, 2019 and November 30, 2018, the Company's prepayments and deposits relate to the following:

	August 31, 2019	November 30, 2018
Exploration and evaluation	\$ 440,796	\$ -
Others	21,409	16,702
	\$ 462,205	\$ 16,702

Prepayments for exploration and evaluation include payments made for helicopter services which are expected to be used within the next 12 months.

8. Long-term deposits

During the year ended November 30, 2017, the Company signed a new lease agreement and paid \$7,829 as a rental deposit. The lease agreement is effective until April 30, 2020 (note 15).

On August 19, 2019, the Company paid a deposit of \$825,000 to the Kitikmeot Inuit Association pursuant to its application to obtain Land Use License to get access to the Inuit Owned Lands for Hood River exploration camp and operations.

9. Equipment

	Office equipment
	\$
At November 30, 2017 and 2018, August 31, 2019	8,543
Accumulated Amortization	
At November 30, 2017	4,413
Amortization charge	1,708
At November 30, 2018	6,121
Amortization charge	1,281
At August 31, 2019	7,402
Net book value	
At November 30, 2018	2,422
At August 31, 2019	1,141

10. Exploration and Evaluation Assets

	Hood River (Canada)	Ulu (Canada)	Lupin (Canada)	Total
Balance, November 30, 2017	\$ 979,630	\$1,016,661	\$ 30,000	\$2,026,291
Acquisition	100,000	400,000	-	500,000
Exploration costs				
Consulting	2,113	11,974	-	14,087
Permits	24,150	(260)	-	23,890
Travel	2,160	9,659	-	11,819
Total additions during the year	128,423	421,373	-	549,796
Less: Mineral property impairment	-	-	(30,000)	(30,000)
Balance, November 30, 2018	\$1,108,053	\$1,438,034	\$ -	\$2,546,087
Acquisition	-	5,778	-	5,778
Exploration costs				
Camp and supplies	17,601	-	-	17,601
Consulting	10,655	32,087	-	42,742
Fixed wing	149,469	-	-	149,469
Permits	210,130	77,655	-	287,785
Site personnel	22,943	-	-	22,943
Drilling and Geological	86,515	-	-	86,515
Travel	10,234	950	-	11,184
Total additions during the year	507,547	116,470	-	624,017
Balance, August 31, 2019	\$1,615,600	\$1,554,504	\$ -	\$3,170,104

a) Hood River property

On May 15, 2014, the Company signed a letter of intent (the "LOI") to acquire 100% of the outstanding shares of Inukshuk Exploration Inc. ("Inukshuk"). Inukshuk owns a 100% interest in the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI"). On February 26, 2018 the Company and shareholders of Inukshuk signed the final Transaction Agreement (the "Definitive Agreement") and NSR Royalty Agreement covering the acquisition. Both agreements have an effective date of September 18, 2014.

10. Exploration and Evaluation Assets (continued)

a) Hood River property (continued)

Pursuant to the terms of the LOI, the Company acquired 100% of the outstanding shares of Inukshuk by issuing the shareholders (the "Vendors") and their assignees 8,000,000 common shares of the Company (issued in 2014 at a fair value of \$560,000) upon receipt of TSX-V preliminary approval (received September 18, 2014) for the transaction. In addition to the share payment, the Company is obligated to fulfil the following commitments:

- i. Enter into a 3% net smelter returns ("NSR") royalty agreement ("Royalty Agreement") with the Vendor on the terms outlined below;
- ii. Complete a technical report, prepared in accordance with NI 43-101 *Standards of Disclosure for Mineral Projects*, on the Hood River Property;
- iii. Pay all costs incurred to complete the transaction contemplated in the LOI;
- iv. Maintain the property in good standing for the period the LOI is in effect and ensure that in the event the transaction is terminated, the Hood River Property is returned to the Vendor with at least two years of assessments filed and two years, calculated from the next anniversary date, of NTI payments in place; and
- v. Engage one of the Vendors as Project Manager on the Hood River Property while the LOI is in effect.

The signing of the Definitive Agreement resulted in a reduction of \$175,000 in acquisition costs that were previously capitalized.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will pay the following:

- i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
- ii. Make advance royalty payments totalling \$500,000 in accordance with the following schedule:
 - (1) \$25,000 (paid) within 25 business days of TSX-V preliminary approval;
 - (2) an additional \$100,000 (paid) on or before February 28, 2018;
 - (3) an additional \$125,000 (outstanding) on or before February 28, 2019 (vendor has consented for payment to be extended);
 - (4) an additional \$125,000 on or before February 28, 2020; and
 - (5) an additional \$125,000 on or before February 28, 2021.
- iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
- iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to \$8,000,000 under the following terms:

- i. Purchase an initial 0.5% of the NSR for \$1,000,000;
- ii. Purchase an additional 0.5% of the NSR for an additional \$1,500,000;
- iii. Purchase an additional 0.5% of the NSR for an additional \$2,500,000; and
- iv. Purchase an additional 0.5% of the NSR for an additional \$3,000,000

10. Exploration and Evaluation Assets (continued)

b) Ulu Property

On May 30, 2014, the Company, entered into an option agreement (the "Option Agreement") with Elgin Mining Inc. and Bonito Capital Corp. (collectively, "Elgin"), to acquire an 80% undivided interest in the Ulu Property ("Ulu"). The TSX-V approved the Option Agreement on September 18, 2014 (the "Approval Date").

Pursuant to the Option Agreement, to earn a 70% interest in Ulu, the Company issued 5,000,000 shares, paid \$125,000, and incurred \$300,000 in property expenditures.

On September 10, 2014, Mandalay Resources Corporation ("Mandalay") acquired Elgin.

On January 8, 2018, the Company and Mandalay entered into the New Ulu Property Option Agreement. The new option agreement supersedes all prior agreements covering Ulu.

The New Ulu Property Option Agreement provides that the Company can purchase a 100% interest in the Ulu Gold Property (after Mandalay has completed permanent reclamation of historic surface mining and infrastructure disturbances that are beyond the needs of the exploration-stage project) by satisfying the following conditions:

- i. \$200,000 to be paid upon the receipt of TSXV approval for the New Ulu Property Option Agreement; (paid)
- ii. \$200,000 (paid) to be paid on or before May 31, 2018;
- iii. Issue 15,000,000 shares on or before December 31, 2019;
- iv. Post security required by the Kitikmeot Inuit Association ("KIA") and the Nunavut Water Board ("NWB") relating to future exploration-stage activities on the mining lease and related water license to facilitate the transfer of the Mining Lease; and
- v. Assume all future reclamation and site monitoring expenses and liabilities associated with the Ulu in a manner reasonably satisfactory to Mandalay, the KIA and the NWB.

c) Lupin property

On November 2, 2017, the Company announced that it had entered into a letter agreement (the "LOI") with Mandalay under which the Company may acquire Mandalay's subsidiary, Lupin Mines Incorporated ("Lupin") and the historic Lupin Gold Mine. The LOI replaced all prior agreements with Mandalay to acquire Lupin. On June 12, 2018, the Company received a notice from Mandalay that it wished to terminate the LOI and Mandalay was no longer interested in selling Lupin. As a result, the Company has recorded an impairment loss of \$30,000 during the year ended November 30, 2018 to write down the property to \$Nil in accordance with Level 3 of the fair value hierarchy.

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

10. Exploration and Evaluation Assets (continued)

c) Lupin property (continued)

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

11. Accounts Payable and Accrued Liabilities

As at August 31, 2019 and November 30, 2018, the Company's accounts payable and accrued liabilities are composed of following:

	August 31, 2019	November 30, 2018
Accruals for exploration and evaluation	\$ 112,304	\$ 49,320
Payroll liabilities	6,028	23,803
	\$ 118,332	\$ 73,123

12. Related Party Transactions and Key Management Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. The amount advanced to the director(s) of the Company is for business purposes, such as travel and accommodation and is included in prepaid expenses. Repayment terms, if any, are determined at the time of the advance.

As at August 31, 2019, \$247,417 (November 30, 2018 - \$309,005) was due to directors and officers of the Company:

	August 31, 2019	November 30, 2018
CEO	\$ 2,734	\$ 14,322
CFO	3,000	3,000
Director	-	50,000
Former director	39,840	39,840
Former CFO	39,840	39,840
Former director of subsidiary	162,003	162,003
	\$ 247,417	\$ 309,005

During the nine months ended August 31, 2019 and 2018, the Company entered into the following transactions with related parties:

Nature of expenditure	August 31, 2019	August 31, 2018
Salaries to CEO	\$ 48,000	\$ 74,880
Salaries to former CFO	-	56,160
Salaries to former director	-	56,160
Management fees to CFO	45,000	-
Professional fees		
Paid to a firm where the Corporate Secretary is a partner	109,747	-
Paid to a firm owned by the CFO	11,318	-
	\$ 214,065	\$ 187,200

Loans payable to a director

On December 19, 2018 a loan agreement was entered into with a Director of the Company, for \$250,000. The whole amount was received in cash on December 31, 2018. The loan pays 7.5% simple interest per annum payable on or before the date of repayment of December 31, 2020. In consideration, the Director will receive 1,000,000 Bonus Shares priced at \$0.05 each.

On March 1, 2019, the Director loaned another \$250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of March 31, 2021. In consideration, the Director will receive 1,000,000 Bonus Shares priced at \$0.05 each.

On May 7, 2019, the Director loaned another \$250,000. The loan bears 7.5% simple interest per annum payable on or before the date of repayment of July 30, 2021. In consideration, the Director will receive 1,000,000 Bonus Shares priced at \$0.05 each.

During the nine months ended August 31, 2019, the loans from the Director incurred \$28,459 interest expense.

13. Loans Payable

As of August 31, 2019, the company has the following loans:

Principal (\$)	Commencement Date	Maturity Date	Interest Rate	Outstanding Balance (\$)
200,000	November 30, 2018	November 29, 2020	7.0%	210,510
250,000	December 19, 2018	December 18, 2020	7.5%	263,103
250,000	March 1, 2019	March 31, 2021	7.5%	259,397
250,000	May 7, 2019	July 30, 2021	7.5%	255,959
250,000	June 19, 2019	July 30, 2021	7.5%	254,007
Total Loans Payable				\$ 1,242,975

On November 30, 2018, the Company entered into a loan agreement for \$200,000, which is due on November 30, 2020 and has a simple interest rate of 7% per annum.

The three loans granted from December 19, 2018 to May 7, 2019 all pertain to the obligations owed to a director of the Company, which was already disclosed in Note 12, Related Party Transactions.

On June 19, 2019, the Company entered into a loan agreement for \$250,000, which is due on July 30, 2021 and has a simple interest rate of 7% per annum. The Company will grant Bonus Shares to the creditor of this loan where the value of the Bonus Shares will equal 20% of the loan. A total of 1,000,000 bonus shares will be issued priced at \$0.05 each.

The grant and issuance of Bonus Shares are subject to suitable notice to and the approval of the TSX Venture Exchange.

During the nine months ended August 31, 2019, the loans incurred \$42,975 interest expense.

14. Long-term debt

On July 29, 2019, the Company announced the issuance of 3,000 units of non-secured convertible debentures for total gross proceeds of \$3.0 million (\$2.9 million received) to a director of the Company and to various third parties. Each unit will be priced at \$1,000 and will consist of 20,000 non-secured Convertible Debentures (the "Debentures") and 20,000 non-transferable Common Share purchase warrants ("Warrants"). The debentures will have a term of three years (the "Term"), and may be convertible, at the election of the holders, into common shares of the Company at the following rates: \$0.05 per share (for a maximum of 60,000,000 shares) if converted on the first year; and \$0.10 per share (for a maximum of 30,000,000 shares) if converted on the second and third years. The share purchase warrants will exercisable at a price of \$0.075 per share for up to three years.

The debentures bear interest, to be paid annually in advance for each year of the Term, at the rate of 7.5% per annum.

As at August 31, 2019, the transaction is still subject to final TSX-V approval. As such, the Company recognized a long-term debt for the amount received, which upon final TSX-V approval, will be adjusted based on the nature of the instrument (liability with conversion feature) using IFRS 9 as the applicable standard.

15. Commitments

Leases

The Company leased premises under a lease agreement expiring April 30, 2020. Minimum annual lease payments required under the contract is as follows:

For the year ending November 30	\$
2019	64,163
2020	26,735
Total	90,898

During the nine months ended August 31, 2019, the Company paid \$48,700 (2018 - \$16,335) for its lease.

Reclamation securities

In May 2015, the Nunavut Water Board (“NWB”) issued the Ulu Water Licence, which required a financial security of \$1.67 million for the reclamation liability of the mining license. On August 19, 2019, the Company also paid a deposit of \$825,000 to the Kitikmeot Inuit Association (KIA) pursuant to its application to obtain a Land Use License to get access to the Inuit Owned Lands for the Hood River exploration camp and operations.

A director has agreed to advance sufficient funds on behalf of the Company to cover the reclamation liabilities for the NWB and the KIA. The securities provided by the director will be advanced for a period of 12 months for the Ulu Water License and up to 3 years for the Land Use License and the Company will pay to the director simple interest in the amount of 3% per annum, earned in advance.

In further consideration of his advancing funds for the reclamation securities, the Company has agreed to award the director bonus shares. The amount of the loan will be based on the amounts required for the reclamation securities, which is expected to equal \$1,685,542.00 for up to one year and \$750,000.00 for up to three years. The anticipated result would be an aggregate of up to 7,871,084 bonus shares issuable to Dr. Pollert over the term of three years. The Company is in the process of obtaining approval from the TSX-V, with final approval subject to shareholder approval on the transaction.

Interest in subsidiary

The Company has been working on the permitting of the 2019 exploration program on its Hood River Concessions that are owned through its wholly-owned subsidiary, Inukshuk Exploration Inc. To fund its operations, its consultants and the permit applications, a director has lent the Company a total of \$750,000 in the form of unsecured 2-year notes, bearing an annual simple interest of 7.5%. To settle these debts and to help put the Company on a more secure financial footing, the Company has agreed to exchange a 20% equity interest in Inukshuk as payment for the \$500,000 and to grant to the Director the option to acquire up to a 20% equity interest in the vehicle through which Ulu will be owned by the Company in exchange of the remaining \$250,000 of the notes and \$250,000 in cash (with such cash amount to be offset with the accrued interest on the notes).

16. Share Capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Share issuances

At August 31, 2019, the Company had 129,600,304 (November 30, 2018 – 129,600,304) common shares issued and outstanding.

- On February 7, 2018, the Company announced a non-brokered private placement of up to 34,000,000 units (the “Units”) at a price of \$0.05 per Unit for gross proceeds of \$1,700,000 (the “Offering”). Each Unit consists of one common share (“Common Share”) and one-half common share purchase warrant (a “Warrant”). Each full Warrant will be exercisable to purchase one Common Share at a price of \$0.10 for twelve months following the close of the private placement.
- On February 14, 2018, the Company closed the first tranche of the non-brokered private placement by issuing 13.6 million Units at a price of \$0.05 per Unit for gross proceeds of \$680,000. On April 16, 2018, the Company closed the second and final tranche of the non-brokered private placement and issued 6.9 million Units for gross proceeds of \$345,000 and further 11.5 million Units for additional gross proceeds of \$575,000.
- All securities issued pursuant to the First Tranche, including the Common Shares underlying the Warrants, are subject to a statutory hold period which will expire on June 14, 2018. All securities issued pursuant to the second and final tranche, including the Common Shares and any Common Shares issued upon the exercise of the Warrants, are subject to a statutory hold period which expires on August 16, 2018.
- On October 29, 2018, 1,300,000 Units issued for proceeds of \$65,000 pursuant to the non-brokered private placement were cancelled.
- In total, the Company issued 30,700,000 Units for gross proceeds of \$1,535,000. Finder’s fees and other share issuance costs of \$52,060 were paid in cash in connection with the private placement. The former CFO of the Company purchased 700,000 Units for gross proceeds of \$35,000, and a director of the Company purchased 13,000,000 Units for gross proceeds of \$650,000.

c) Stock options

The Company has a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company’s total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period. Options, other than options granted to consultants providing investor relations services, shall vest immediately.

16. Share Capital and Reserves (continued)

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, November 30, 2017	5,250,000	\$0.10
Expired	(1,950,000)	\$0.10
Balance, November 30, 2018 and August 31, 2019	3,300,000	\$0.10

At August 31, 2019 and November 30, 2018, the Company has the following outstanding stock options enabling holders to acquire common shares as follows:

Exercise Price	Expiry Date	August 31, 2019		November 30, 2018	
		Outstanding	Exercisable	Outstanding	Exercisable
\$ 0.10	September 1, 2019	825,000	825,000	825,000	825,000
\$ 0.10	August 19, 2020	2,475,000	2,475,000	2,475,000	2,475,000
		3,300,000	3,300,000	3,300,000	3,300,000

d) Warrants

Share purchase warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance, November 30, 2017	14,800,000	\$0.10
Granted	15,350,000	\$0.10
Expired	(14,800,000)	\$0.10
Balance, November 30, 2018	15,350,000	\$0.10
Expired	(15,350,000)	\$0.10
Balance, August 31, 2019	-	-

During the year ended November 30, 2018, the Company issued 15,350,000 warrants with an exercise price of \$0.10, pursuant to the private placement closed on April 16, 2018, and 14,800,000 warrants expired unexercised.

During the nine months ended August 31, 2019, the 15,350,000 share warrants expired unexercised.

16. Share Capital and Reserves (continued)

d) Warrants (continued)

As at August 31, 2019 and November 30, 2018, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	Number of Warrants	
		August 31, 2019	November 30, 2018
February 14, 2019	\$0.10	-	6,300,000
April 16, 2019	\$0.10	-	9,050,000
		-	15,350,000

e) Agent warrants

During the year ended November 30, 2018, all outstanding 1,071,200 agent warrants exercisable at \$0.10 per unit expired unexercised.

17. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At August 31, 2019 and November 30, 2018, the Company's exploration and evaluation assets are located in Canada, as disclosed in note 10. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

18. Events After the Reporting Date

No subsequent event with financial impact has been observed as on the reporting date.