TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019
(Unaudited - prepared by Management)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity’s auditor.

VANCOUVER, BC

November 26, 2019

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Financial Position
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

As at	September 30, 2019	December 31, 2018 (Audited)
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	1,771,133	225,782
Trade and other receivables	75,384	160,254
Prepayments and deposits	524,610	407,408
	2,371,127	793,444
Non-current assets		
Prepayments and deposits	100,000	100,000
Right-of-use asset (note 7)	42,693	-
Property and equipment (note 3)	12,542	12,910
Investment in equities (note 4)	1	1
Exploration and evaluation assets (note 5)	3,235,275	3,190,231
	3,390,511	3,303,142
Total assets	5,761,638	4,096,586
LIABILITIES		
Current liabilities		
Trade and other payables (note 8)	276,959	170,495
Deferred premium on flow-through shares (note 6)	9,733	-
	286,692	170,495
Non-current liabilities		
Lease liability (note 7)	42,693	-
Reclamation provision (note 5)	50,000	50,000
Total liabilities	379,385	220,495
SHAREHOLDERS' EQUITY		
Share capital (note 6)	66,568,448	61,505,051
Reserve (note 6)	6,512,809	5,862,433
Deficit	(67,699,004)	(63,491,393)
	5,382,253	3,876,091
Total shareholders' equity and liabilities	5,761,638	4,096,586

Nature and continuance of operations (note 1)
Commitments and contingency (note 7)

Approved on behalf of the board:

"John Anderson"	" Tony Barresi "
John Anderson	Tony Barresi
Director	Director

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

	3 months ended		9 months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	$	$	$	$
Expenses				
Administrative expenses	59,731	76,403	184,412	200,119
Corporate communications	324,257	291,078	672,956	785,445
Depreciation (notes 3 and 7)	14,717	3,688	41,184	8,663
Exploration expenditures (note 5)	1,460,439	2,709,731	2,244,716	5,423,993
Interest (note 7)	2,846	-	10,867	-
Listing and filing fees	3,954	7,420	25,939	25,195
Professional fees (note 8)	89,561	90,058	263,370	148,654
Share-based payments (notes 6 and 8)	416,899	378,937	613,913	762,290
Wages and salaries (note 8)	194,907	258,424	422,773	482,706
	(2,567,311)	(3,815,739)	(4,480,130)	(7,837,065)
Other item				
Interest and other income	450	96	837	6,638
Flow-through share premium reversal (note 6)	271,682	-	271,682	-
Net and comprehensive loss for the year	(2,295,179)	(3,815,643)	(4,207,611)	(7,830,427)
Loss per share - basic and diluted	**($0.02)**	**($0.05)**	**($0.05)**	**($0.11)**
Weighted average number of shares outstanding - basic and diluted	**96,531,329**	**77,339,937**	**88,330,408**	**68,112,976**

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, December 31, 2017	62,067,537	55,607,365	4,875,178	(54,686,747)	5,795,796
Share issuance (note 6)	14,641,101	5,124,385	-	-	5,124,385
Share issue costs (note 6)	-	(73,278)	-	-	(73,278)
Warrants exercised	4,321,500	823,400	-	-	823,400
Share-based payments	-	-	762,290	-	762,290
Loss for the period	-	-	-	(7,830,427)	(7,830,427)
Balance, September 30, 2018	81,030,138	61,481,872	5,637,468	(62,517,174)	4,602,166
Share issue recovery	-	679		-	679
Warrants exercised (note 6)	250,000	22,500	-	-	22,500
Share-based payments (note 6)	-	-	224,965	-	224,965
Loss for the period	-	-	-	(974,219)	(974,219)
Balance, December 31, 2018	81,280,138	61,505,051	5,862,433	(63,491,393)	3,876,091
Share issuance (note 6)	12,220,311	5,122,913			5,122,913
Share issue costs (note 6)	-	(247,554)	36,463	-	(211,091)
Flow-through share premium (note 6)	-	(281,415)	-	-	(281,415)
Warrants exercised (note 6)	4,849,566	469,453	-	-	469,453
Share-based payments (note 6)	-	-	613,913	-	613,913
Loss for the period	-	-	-	(4,207,611)	(4,207,611)
Balance, September 30, 2019	98,350,015	66,568,448	6,512,809	(67,699,004)	5,382,253

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Condensed Consolidated Statements of Cash Flows
(Unaudited - Prepared by Management)
(Expressed in Canadian dollars)

For the nine month period ended	**September 30, 2019**	**September 30, 2018**
	$	**$**
Cash flows from operating activities		
Loss for the period	(4,207,611)	(7,830,427)
Items not involving cash		
Depreciation	41,184	8,663
Interest	10,867	-
Share-based payments	613,913	762,290
Flow-through share premium	(271,682)	-
	(3,813,329)	(7,059,474)
Change in non-cash working capital		
Trade and other receivables	84,870	(127,406)
Prepayments and deposits	(117,202)	(513,323)
Trade and other payables	106,464	203,198
	(3,739,197)	(7,497,005)
Cash flows from investing activities		
Acquisition of property and equipment	(5,108)	(7,817)
Acquisition of exploration and evaluation assets	(45,044)	(142,324)
	(50,152)	(150,141)
Cash flows from financing activities		
Payment of lease liability	(46,575)	-
Proceeds on issuance of common shares, net	4,911,822	5,051,107
Exercise of warrants	469,453	823,400
	5,334,700	5,874,507
Change in cash and cash equivalents	1,545,351	(1,772,639)
Cash and cash equivalents, beginning of the year	225,782	2,894,602
Cash and cash equivalents, end of the year	1,771,133	1,121,963
Cash and cash equivalents consist of:		
Cash	251,583	1,102,413
Term deposit	1,519,550	19,550
	1,771,133	1,121,963
Cash paid for:		
Income taxes	-	-
Interest	-	-
	-	-

Non-cash transactions:
During the nine month period ended September 30, 2019, the Company recorded $36,463 for the fair value of finder's warrants (note 6).

There were no non-cash transactions during the nine month period ended September 30, 2018.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Triumph Gold Corp. was incorporated under the Alberta Business Corporations Act on January 13, 2006 and its incorporation was continued into British Columbia on December 19th, 2011. It is also extra- provincially registered in the Yukon Territory. The Company is listed on the TSX Venture Exchange ("TSXV"), having the symbol "TIG". The Company's principal business activity is the exploration for mineral resources, primarily in the Yukon Territory, Canada.

The Company's corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver, British Columbia, Canada.

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. Although the Company has a history of raising money, there is no guarantee of this in the future. As a result, there always exists uncertainty that causes significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2018.

The financial statements were authorized for issue on November 26, 2019 by the directors of the Company.

2. BASIS OF PREPARATION (continued)

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bushmaster Exploration Services (2007) Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation. The financial statements of the subsidiary are prepared using consistent accounting policies and reporting dates of the Company. The functional currency for the Company and its subsidiary is the Canadian dollar.

New accounting standards adopted

IFRS 16 - Leases was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

The Company applied IFRS 16 effective January 1, 2019 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company applied the following practical expedients permitted under the new standard: leases of low dollar value will continue to be expensed as incurred; and the Company will not apply any grandfathering practical expedients. See Note 7.

New accounting standards issued but not yet effective

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian dollars)

3. PROPERTY AND EQUIPMENT

	Automotive	Computer Equipment	Equipment	Total
	$	$	$	$
Cost				
Balance, December 31, 2017	107,242	12,519	68,047	187,808
Additions	-	7,817	-	7,817
Balance, December 31, 2018	107,242	20,336	68,047	195,625
Additions	-	5,108	-	5,108
Balance, September 30, 2019	107,242	25,444	68,047	200,733
Accumulated depreciation				
Balance, December 31, 2017	105,384	6,260	59,921	171,565
Depreciation	557	8,967	1,626	11,150
Balance, December 31, 2018	105,941	15,227	61,547	182,715
Depreciation	293	4,208	975	5,476
Balance, September 30, 2019	106,234	19,435	62,522	188,191
Net book value				
As at December 31, 2018	1,301	5,109	6,500	12,910
As at September 30, 2019	1,008	6,009	5,525	12,542

4. INVESTMENT IN EQUITIES

The Company holds securities that have been designated as FVTPL as follows:

	Cost	Fair Market Value
	$	$
Balance, December 31, 2018 and September 30, 2019		
150,000 common shares of FluidOil Limited (formerly Dawson Gold Corp.)	380,000	1

The shares of FluidOil Limited ("FluidOil") were halted on the TSXV. As at December 31, 2018, no trading occurred and the shares were delisted from the TSXV and listed on the CSE. At September 30, 2019, the shares of FluidOil remained halted.

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at the financial statement date. The fair value of these securities may differ from the quoted trading price due to market fluctuations and adjustment for quantities traded.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Canada			
	Freegold Mountain	**Other**	**Andalusite Peak**	**Total**
	$	**$**	**$**	**$**
Exploration and Evaluation Assets				
Balance, December 31, 2017	3,022,300	1	1,102	3,023,403
Additions	162,388	-	4,440	166,828
Balance, December 31, 2018	3,184,688	1	5,542	3,190,231
Additions	40,166	-	4,878	45,044
Balance, September 30, 2019	3,224,854	1	10,420	3,235,275
Current Exploration Expenditures				
Year ended December 31, 2018				
Administrative	9,919	-	525	10,444
Assaying	431,260	-	1,563	432,823
Camp costs	523,226	-	86	523,312
Community relations	8,750	-	-	8,750
Drilling	2,513,898	-	-	2,513,898
Environmental	31,346	-	-	31,346
Equipment and supplies	348,793	-	1,000	349,793
Geological costs	362,419	-	200	362,619
Geophysical costs	146,225	-	-	146,225
Helicopter	-	-	903	903
Reclamation provision	25,000	-	-	25,000
Resource work	125,274	-	-	125,274
Transportation and storage	115,777	-	1,103	116,880
Travel and accomodation	102,650	-	3,227	105,877
Wages and labour costs	1,038,696	-	6,686	1,045,382
Total	5,783,233	-	15,293	5,798,526
Period ended September 30, 2019				
Administrative	2,130	-	25	2,155
Assaying	116,797	-	-	116,797
Camp costs	274,831	-	-	274,831
Drilling costs	834,959	-	-	834,959
Environmental	2,454	-	-	2,454
Equipment and supplies	179,949	244	-	180,193
Geological costs	180,432	4,050	-	184,482
Geophysical costs	8,000	-	-	8,000
Helicopter	-	23,212	-	23,212
Option payment	-	-	(25,000)	(25,000)
Resource work	18,500	-	-	18,500
Transportation and storage	45,721	-	-	45,721
Travel and accomodation	41,047	-	-	41,047
Wages and labour costs	537,365	-	-	537,365
	2,242,185	27,506	(24,975)	2,244,716

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

	Canada			
	Freegold Mountain	**Other**	**Andalusite Peak**	**Total**
	$	**$**	**$**	**$**
Cumulative Exploration Expenditures				
Administrative	680,290	-	550	680,840
Assaying	766,634	660	2,132	769,426
Camp costs	3,642,079	3,450	86	3,645,615
Community relations	8,750	-	-	8,750
Drilling costs	17,253,775	-	-	17,253,775
Environmental	33,800	-	-	33,800
Equipment and supplies	833,269	1,474	2,000	836,743
Exploration grant	(325,455)	-	-	(325,455)
Geological costs	5,397,107	43,277	200	5,440,584
Geophysical costs	1,441,742	-	-	1,441,742
Helicopter	7,942	30,841	4,465	43,248
Option payment	-	-	(25,000)	(25,000)
Reclamation provision	25,000	-	-	25,000
Resource work	143,774	-	-	143,774
Transportation and storage	1,410,840	22,632	2,423	1,435,895
Travel and accomodation	784,453	100	6,369	790,922
Wages and labour costs	11,620,773	20,413	14,937	11,656,123
Total	43,724,773	122,847	8,162	43,855,782

Exploration and evaluation assets and related expenditures comprise:

Freegold Mountain, Canada

The Freegold Mountain project is comprised of the following exploration properties:

(i) Tinta Hill Property, Yukon

The Company holds a 100% interest in the Tinta Hill Property subject to an annual advanced royalty payment of $20,000 and a 3% Net Smelter Return (“NSR”). The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. As at September 30, 2019, total advanced royalty payment made was $40,000 (December 31, 2018 – $40,000).

Of the 3% NSR, the Company can elect to purchase 2% at a cost of $250,000 for the first 1% and $1,000,000 for the second 1%.

5. EXPLORATION AND EVALUATION ASSETS (continued)

(ii) Freegold Property, Yukon

The Company holds a 100% interest in the Freegold Property subject to an annual advanced royalty payment of $10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production.

As at September 30, 2019, total advanced royalty payment made was $20,000 (December 31, 2018 – $20,000).

Of the 3% NSR, the Company can elect to purchase 2% at a cost of $250,000 for the first 1% and $1,000,000 for the second 1%.

(iii) Goldstar Property, Yukon

The Company holds a 100% interest in the Goldstar Property subject to an advance payment of $10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after the commencement of commercial production. As at September 30, 2019, total advanced royalty payment made was $20,000 (December 31, 2018 – $20,000).

Of the 3% NSR, the Company can elect to purchase 2% at a cost of $500,000 for the first 1% and $1,000,000 for the second 1%.

(iv) Golden Revenue Property, Yukon

The Company holds a 100% interest in the Golden Revenue Property subject to a 1% NSR in favour of ATAC Resources Ltd on that portion of the property which is not subject to an underlying royalty. There is a 2% underlying NSR on a portion of the property. A total of 75% of the underlying NSR (1.5% NSR) may be purchased at any time for $600,000. On June 13, 2018, the Company acquired the underlying NSR for a purchase price of $100,000, thereby conveying the exclusive right to be paid all future rights associated from the NSR to the Company.

During the period ended September 30, 2019, the Company recorded an additional $Nil (year ended December 31, 2018 – additional $25,000) provision for a total of $50,000 for reclamation activity related to the Freegold Mountain project.

Other, Canada

(i) Tad/Toro Property, Yukon

The Company holds a 100% interest in the Tad/Toro Property subject to a 3% NSR, of which the first 1% may be purchased for $500,000 and a second 1% for $1,000,000.

(ii) Severance Property, Yukon

The Company holds a 100% interest in the Severance Property subject to a 3% NSR, of which 2% may be purchased for $1,500,000.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Other, Canada (continued)

(ii) Severance Property, Yukon (continued)

Due to the limitation of cash resources in previous years, the Company has been unable to explore other Yukon properties to the full extent and has written down the value of the properties to $1.

Andalusite Peak, British Columbia, Canada

The Company staked the Andalusite Peak Property and holds a 100% interest.

On August 26, 2019, the Company and Rio Tinto Exploration Canada Inc. ("RTEC") entered into an option agreement, whereby RTEC has the option to obtain up to a 100% interest in the Company's Andalusite Peak Property. Under the terms of the option agreement, RTEC will pay the Company a total of $3,000,000 over a five-year option period and reserve for the Company a 1% NSR, which is capped at $50 million. The sum of $25,000 was paid to the Company within 45 days of the option agreement date and a further $50,000 is payable on or before the first anniversary date of the option agreement.

6. SHARE CAPITAL

Authorized:

Unlimited common shares with no par value

Unlimited preferred shares, the series rights and restrictions to be determined by the Board of Directors on issuance

Issued:

For the period ended September 30, 2019

(i) On May 14, 2019, the Company completed a private placement financing of 2,887,500 non-flow through units at a price of $0.35 per unit for gross proceeds of $1,010,625. Each unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until May 14, 2021. Share issuance costs and finders' fees of $80,139 were paid in connection with the private placement. The Company also issued 59,185 finder's warrants which were recorded at a fair value of $5,549. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.58%, share price on grant date of $0.35 and an expected volatility of 76.29%. The finder's warrants are exercisable at a price of $0.60 until May 14, 2021.

6. SHARE CAPITAL (continued)

Issued: (continued)

For the period ended September 30, 2019 (continued)

(ii) On June 12, 2019, the Company completed a private placement financing of 878,766 non-flow through units at a price of $0.35 per unit for gross proceeds of $307,568 and 3,357,144 flow-through units at a price of $0.49 per unit for gross proceeds of $1,645,000. Each non-flow-through and flow-through unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until June 12, 2021.

On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of $268,572 that investors paid for the flow-through feature, which is recognized as a liability and; ii) share capital of $1,376,429. To September 30, 2019, the Company expended $1,645,000 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to $Nil. Share issuance costs and finders' fees of $22,580 were paid in connection with the private placement. The Company also issued 41,493 finder's warrants which were recorded at a fair value of $5,792. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.44%, share price on grant date of $0.41 and an expected volatility of 81.94%. The finder's warrants are exercisable at a price of $0.60 until June 12, 2021.

(iii) On July 11, 2019, the Company completed a private placement financing of 2,269,743 non-flow-through units at a $0.35 per unit for gross proceeds of $794,410. Each non-flow-through unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until July 11, 2021. Share issuance costs and finders' fees of $75,711 were paid in connection with the private placement. The Company also issued 130,582 finder's warrants which were recorded at a fair value of $23,516. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.52%, share price on grant date of $0.51 and an expected volatility of 72.71%. The finder's warrants are exercisable at a price of $0.60 until July 11, 2021.

(iv) On July 18, 2019, the Company completed a private placement financing of 142,842 non-flow through units at a price of $0.35 per unit for gross proceeds of $50,000 and 1,284,316 flow-through units at a price of $0.49 per unit for gross proceeds of $629,315. Each non-flow-through and flow-through unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until July 18, 2021.

6. SHARE CAPITAL (continued)

Issued: (continued)

For the period ended September 30, 2019 (continued)

(iv) (continued)

On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of $12,843 that investors paid for the flow-through feature, which is recognized as a liability and; ii) share capital of $616,472. To September 30, 2019, the Company expended $152,396 in eligible exploration expenditures and, accordingly, the flow-through liability was reduced to $9,733. Share issuance costs and finders' fees of $18,593 were paid in connection with the private placement. The Company also issued 9,999 finder’s warrants which were recorded at a fair value of $1,605. The fair value was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.43%, share price on grant date of $0.48 and an expected volatility of 72.64%. The finder’s warrants are exercisable at a price of $0.60 until July 18, 2021.

(v) On July 24, 2019, the Company completed a private placement financing of 1,400,000 flow-through units at a $0.49 per unit for gross proceeds of $686,000. Each flow-through unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.60 per share until July 24, 2021. Share issuance costs of $14,068 were paid in connection with the private placement.

On issuance, there was no flow-through share premium and to September 30, 2019, the Company has not expended or renounced any amounts in eligible exploration expenditures.

(vi) During the nine month period ended September 30, 2019, 4,849,566 warrants were exercised for proceeds of $469,453.

For the year ended December 31, 2018

(i) On July 11, 2018, the Company completed a private placement of 14,641,101 units at a price of $0.35 per unit for gross proceeds of $5,124,386. Each unit is comprised of one common share of the Company and one-half share purchase warrant of the Company. Each full warrant is exercisable into an additional common share at a price of $0.55 per share until July 11, 2020. Finders' fees of $31,300 were paid in connection with the private placement. The Company also incurred additional share issue costs of $41,300.

(ii) During the year ended December 31, 2018, 4,571,500 warrants were exercised for total proceeds of $845,900.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Stock options:

The Company has a stock option plan whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding common shares. Options granted under this plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities.

A summary of outstanding stock options at September 30, 2019 is as follows:

Number of stock options outstanding	Exercise price	Expiry date	Number of stock options exercisable
	$		
670,000	0.50	July 26, 2022	-
5,340,000	0.40	July 30, 2022	5,340,000
325,000	0.40	December 20, 2022	325,000
1,900,000	0.40	July 20, 2023	1,425,000
1,950,000	0.55	July 26, 2024	487,500
10,185,000			7,577,500

Stock option transactions are summarized as follows:

	Number of stock options	Weighted average exercise price	Weighted average remaining life
		$	
December 31, 2017	6,022,500	0.42	4.50
Cancelled	(102,500)	(1.00)	
Expired	(55,000)	(1.00)	
Granted	1,900,000	0.40	
December 31, 2018	7,765,000	0.40	3.84
Cancelled	(200,000)	0.40	
Granted	2,620,000	0.54	
September 30, 2019	10,185,000	0.44	3.41

On July 20, 2018, the Company granted 1,900,000 stock options to directors, officers, consultants and employees. The stock options are exercisable at $0.40 per share until July 20, 2023. These options vest as to 475,000 immediately, 475,000 on January 20, 2019, 475,000 on July 20, 2019 and 475,000 on January 20, 2020. The total fair value of $702,866 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 2.19%, share price on grant date of $0.44 and an expected volatility of 120.84%. The vesting of these options resulted in a total share-based compensation expense of $219,646, which was recorded during the nine month period ended September 30, 2019.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Stock options (continued):

On July 26, 2019, the Company granted a total of 670,000 stock options to consultants and employees. The stock options are exercisable at $0.50 per share until July 26, 2022 and vest fully on January 19, 2020.The total fair value of $170,505 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.52%, share price on grant date of $0.51 and an expected volatility of 74.66%. The vesting of these options resulted in a total share-based compensation expense of $56,835, which was recorded during the nine month period ended September 30, 2019.

On July 26, 2019, the Company granted a total of 1,950,000 stock options to directors, officers, consultants and employees. These options vest as to 487,500 immediately, 487,500 on January 26, 2020, 487,500 on July 26, 2020 and 487,500 on January 26, 2021. The total fair value of $784,888 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.46%, share price on grant date of $0.51 and an expected volatility of 112.00%. The vesting of these options resulted in a total share-based compensation expense of $316,135, which was recorded during the nine month period ended September 30, 2019.

The Company recorded a further $21,297 in share-based compensation relating to previously granted stock options which vested during the nine month period ended September 30, 2019.

Expected volatility is determined by reference to the Company's historical stock prices.

Warrants:

A summary of outstanding warrants at September 30, 2019 is as follows:

Number of warrants outstanding	Exercise price	Expiry date	Remaining life (years)
	$		
6,960,714	0.09	January 30, 2020	0.33
7,320,550	0.55	July 11, 2020	0.78
4,660,000	0.35	November 9, 2020	1.11
800,000	0.35	November 21, 2020	1.15
1,502,935	0.60	May 14, 2021	1.62
2,159,448	0.60	June 12, 2021	1.70
1,265,453	0.60	July 11, 2021	1.78
723,578	0.60	July 18, 2021	1.80
700,000	0.60	July 24, 2021	1.82
26,092,678			

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Warrants: (continued)

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price	Weighted average remaining life
		$	
December 31, 2017	21,841,781	0.18	2.19
Granted	7,320,550	0.55	
Exercised	(4,571,500)	(0.19)	
December 31, 2018	24,590,831	0.29	1.30
Granted	6,351,414	0.60	
Exercised	(4,849,566)	(0.09)	
Expired	(1)	-	
September 30, 2019	26,092,678	0.40	0.96

Reserve:

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Any fair value attributed to the warrants is recorded in the reserve. If the warrants expire unexercised, the value attributed to the warrants is transferred to deficit.

7. COMMITMENTS AND CONTINGENCY

a) As of September 30, 2019, the Company has $19,550 (December 31, 2018 – $19,623) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

b) Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the period ended September 30, 2019, the Company received $2,274,315 from the issue of flow-through shares and expended $1,797,397 in eligible expenditures. Such expenditures, as incurred and once renounced, are not available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at September 30, 2019 the Company is committed to expend a further $476,918 of the proceeds raised from the issuance of flow-through shares during the current period on future qualifying exploration expenditures.

(Expressed in Canadian dollars)

7. COMMITMENTS AND CONTINGENCY (continued)

c) On July 10, 2018, the Company entered into a sublease agreement that provides for a base rent of $5,175 per month, commencing September 1, 2018 to August 31, 2020.

The Company initially recognized a lease liability obligation related to its lease commitment for its office lease of $78,401. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 20% as at January 1, 2019. The associated right-of-use asset was measured at the lease obligation amount, less prepaid lease payment, resulting in no adjustment to the opening balance of deficit. The right-of-use asset will be depreciated and the Company will record a related interest expense over the term of the lease liability obligation. During the nine month period ended September 30, 2019, the Company paid lease obligations of $46,575 and recorded $35,708 in depreciation of the right-of-use asset and $10,867 in interest expense.

The Company will amortize the right-of-use asset and record interest over the remaining lease commitment period as follows:

	Depreciation $	Interest $
2019	13,454	2,070
2020	29,239	1,811
	42,693	3,881

d) The Company has included in officers' employment agreements a change in control clause that entitles them to a lump sum severance payment equal to 1.5 to 2.0 times their annual base salaries.

e) Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company. The claims covered by such indemnifications are subject to statutory and other legal limitation periods.

8. RELATED PARTY TRANSACTIONS

The Company had the following transactions involving key management during the nine months period ended September 30, 2019:

(i) An officer of the Company provides accounting services to the Company. Professional fees incurred during the period were $36,000 (2018 - $36,000). At September 30 2019, this officer was owed $4,200 (2018 - $4,200).

(ii) Westview Consulting Ltd., a company controlled by the former President and CEO of the Company, provided management and geological services during the period. Consulting fees incurred during the period were $45,000 (2018 – $95,000) was recorded in exploration expenditures. At September 30, 2019, this company was owed $nil (2018 – $nil).

(iii) Purplefish Capital Limited, a company controlled by a director of the Company, provides consulting services to the Company. Consulting fees incurred during the period were $97,000 (2018 – $100,000).

8. RELATED PARTY TRANSACTIONS (continued)

(iii) Wages and salaries of $305,150 (2018 – $370,040) were paid to directors and officers of the Company.
(iv) Directors of the Company were paid consulting fees of $75,000 (2018 – $75,000) and were recorded in wages and salaries. At September 30, 2019, the directors were owed $125,000 (2018 - $50,500).
(v) Recorded $386,035 (2018 - $523,012) in share-based payments, for stock options granted and vested, to officers and directors of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

9. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration of mineral properties. All of the Company's assets are located in Canada.

10. CAPITAL MANAGEMENT

The Company includes cash and cash equivalents and equity, comprising issued common shares, reserve and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended September 30, 2019. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper. Other receivables are comprised primarily of tax receivables generated on the purchase of supplies and services for the Company's exploration programs, which are refundable from the Canadian government. The Company's maximum exposure to credit risk is the carrying amount of financial assets on the consolidated statements of financial position.

Liquidity Risk – The Company's cash and cash equivalents are invested in business accounts with high-credit quality financial institutions which are available on demand for the Company's programs. Future operations or exploration programs will require additional financing primarily through equity markets.

Market Risk – Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on cash and cash equivalents and term deposits. Every 1% fluctuation in interest rates up or down would have an insignificant impact on profit or loss.

Foreign currency risk - The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk and has no financial instruments held in United States funds. Therefore, foreign currency risk is minimized.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand. Price risk to which the Company is exposed include its investment in equities which is comprised of shares held in FluidOil which are designated as FVTPL and listed on the CSE. A $0.01 change in the quoted share price would change the fair value of the investments by approximately $1,500. The change would be recorded in profit or loss.

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS (continued)

Fair Value - The Company has various financial instruments comprised of cash and cash equivalents, trade and other receivables, investment in equities and trade and other payables.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
September 30, 2019				
Assets:				
Cash and cash equivalents	1,771,133	-	-	1,771,133
Investment in equities	1	-	-	1
December 31, 2018				
Assets:				
Cash and cash equivalents	225,782	-	-	225,782
Investment in equities	1	-	-	1

12. SUBSEQUENT EVENTS

Subsequent to the nine months ended September 30, 2019, 95,238 common shares were issued upon the exercise of 95,238 share purchase warrants at an exercise price of $0.09 per share.