Red Pine Exploration Inc.

Audited Consolidated Financial Statements

For the Years Ended July 31, 2019 and 2018

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Red Pine Exploration Inc.:

Opinion

We have audited the consolidated financial statements of Red Pine Exploration Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2019 and July 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholder's equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2019 and July 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's ability to continue operations and fund its mining interest expenditures is dependent on management's ability to secure additional financing. As at July 31, 2019, the Company had a working capital surplus of $1,125,990, net cash used in operating activities of $4,892,871 and an accumulated deficit of $65,292,120. As stated in Note 1, management is actively pursuing additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Patrycja Anna Kajda.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

November 28, 2019 — Licensed Public Accountants

MNP

Red Pine Exploration Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	July 31, 2019	July 31, 2018
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 695,996	$ 1,943,300
Marketable Securities	2,500	2,500
Amounts Receivable (note 3, 6)	803,559	295,115
Amounts Receivable from Joint Venture Partner (note 5, 6)	-	563,791
Prepaid Expenses	89,310	64,398
Total Current Assets	1,591,365	2,869,104
Equipment (note 4)	60,832	149,960
Perpetual Software Licenses (note 4)	18,204	26,304
Leasehold Improvements (note 4)	86,297	105,474
Long-Term Rent Deposit (note 12)	41,579	41,579
Total Assets	**$ 1,798,277**	**$ 3,192,421**
Liabilities		
Current Liabilities:		
Accounts Payable and Accrued Liabilities (note 7)	$ 354,499	$ 375,198
Deferred Flow-Through Premium (note 8)	-	130,031
Flow-Through Provision (note 9)	110,876	110,876
Lease Inducements (note 10)	-	15,922
Total Current Liabilities	465,375	632,027
Rental Deposit (note 12)	17,281	17,281
Total Liabilities	482,656	649,308
Shareholder’s Equity		
Share Capital (note 11)	55,258,221	46,361,624
Contributed Surplus (note 11)	8,043,575	7,658,688
Warrant Reserve (note 11)	3,305,945	8,834,875
Accumulated Deficit	(65,292,120)	(60,312,074)
Total Shareholders’ Equity	1,315,621	2,543,113
Total Liabilities and Shareholders’ Equity	**$ 1,798,277**	**$ 3,192,421**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Nature of Operations and Going Concern *(note 1)*
Commitments and Contingencies *(note 12)*

Red Pine Exploration Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended July 31, 2019	Year ended July 31, 2018
Expenses		
Exploration Expenditures (notes 4, 5)	$ 4,842,553	$ 6,078,021
General and Administrative (notes 10, 12)	714,811	595,199
Payroll & Professional Fees (note 6)	476,631	435,573
Share-Based Compensation (note 11)	384,887	16,489
Depreciation and Amortization (note 4)	108,305	106,344
Foreign Exchange Loss	2,062	2,834
Interest Income	(9,638)	-
Deferred Premium (note 8)	(407,931)	(121,403)
Recovery of Exploration Expenditures (note 5)	(1,131,634)	(2,978,768)
Total Expenses	4,980,046	4,134,289
Other income		
Sale Net Smelter Return (note 5)	-	(300,000)
Loss and Comprehensive Loss for the Year	$ (4,980,046)	$ (3,834,289)
Loss per share – basic and diluted	$(0.01)	$ (0.01)
Weighted average shares outstanding – basic and diluted	340,024,500	284,209,655

The accompanying notes are an integral part of these Consolidated Financial Statements

Red Pine Exploration Inc.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended July 31, 2019	Year Ended July 31, 2018
Operating Activities		
Loss for the Year	$ (4,980,046)	$ (3,834,289)
Adjustments for non-cash items:		
Amortization of lease inducements	(15,922)	(15,923)
Amortization and depreciation	108,305	106,344
Amortization included in exploration expenditures	8,100	8,100
Share-based property acquisition	-	10,000
Share-based compensation	384,887	16,489
Recognition of deferred premium	(407,931)	(121,403)
Change in working capital items:		
Amounts receivable	(508,444)	379,135
Amounts receivable from joint-venture partners	563,791	(235,673)
Prepaid expenses	(24,912)	(20,763)
Accounts payable and accrued liabilities	(20,699)	(344,692)
Flow -Through Provision	-	(137,041)
Obligation to Joint Venture	-	-
Net cash used in operating activities	(4,892,871)	(4,189,716)
Investing Activities		
Vehicular purchase	-	(35,218)
Exploration equipment purchases	-	(2,401)
Office equipment purchase	-	(982)
Net cash used in investing activities	-	(38,601)
Financing Activities		
Proceeds from private placements	3,741,500	2,557,099
Proceeds from warrant and option exercise	11,200	226,347
Share issue costs	(107,133)	-
Net cash provided by financing activities	3,645,567	2,783,446
Cash and Cash Equivalents		
Net increase (decrease) in cash and cash equivalents	(1,247,304)	(1,444,871)
Cash and cash equivalents - beginning of year	1,943,300	3,388,171
Cash and cash equivalents - end of year	$ 695,996	$ 1,943,300

Supplemental Disclosures:		
Interest received as cash	$ 9,638	$ -
Shares issued to settle debt	$ -	$ 16,083

The accompanying notes are an integral part of these Consolidated Financial Statements.

Red Pine Exploration Inc.
Consolidated Statements of Changes in Shareholder's Equity
(Expressed in Canadian Dollars)

	Shares #	Share Capital $	Contributed Surplus $	Warrant Reserve $	Accumulated Deficit $	Shareholder's Equity $
Balance – July 31, 2017	**264,149,026**	**44,037,907**	**7,642,199**	**8,462,564**	**(56,477,785)**	**3,664,885**
Private Placements	27,426,315	2,865,300	-	-	-	2,865,300
Fair Value of Warrants Issued	-	(1,495,316)	-	1,495,316	-	-
Fair Value of Flow-Through Premiums	-	(113,500)	-	-	-	(113,500)
Cost of Issue	-	(308,102)	-	-	-	(308,102)
Warrants Exercised	2,388,105	226,247	-	-	-	226,247
Fair Value of Warrants Exercised	-	135,193	-	(135,193)	-	-
Fair Value of Warrants Expired		987,812	-	(987,812)	-	-
Shares-for-Debt Settlement	146,209	16,083	-	-	-	16,083
Shares for Acquisition of Property	100,000	10,000	-	-	-	10,000
Stock-Based Compensation	-	-	16,489	-	-	16,489
Loss for the Year	-	-	-	-	(3,834,289)	(3,834,289)
Balance – July 31, 2018	**294,209,655**	**46,361,624**	**7,658,688**	**8,834,875**	**(60,312,074)**	**2,543,113**
Private Placements	74,830,000	3,741,500	-	-	-	3,741,500
Fair Value of Warrants Issued	-	(356,097)	-	356,097	-	-
Fair Value of Flow-Through Premiums	-	(277,900)	-	-	-	(277,900)
Cost of Issue	-	(107,133)	-	-	-	(107,133)
Warrants Exercised	190,668	11,200	-	-	-	11,200
Fair Value of Warrants Exercised	-	17,552	-	(17,552)	-	-
Fair Value of Warrants Expired	-	5,891,593	-	(5,891,593)	-	-
Fair Value Broker Warrants	-	(24,118)		24,118	-	-
Stock-Based Compensation	-	-	384,887	-	-	384,887
Loss for the Year	-	-	-	-	(4,980,046)	(4,980,046)
Balance – July 31, 2019	**369,230,323**	**55,258,221**	**8,043,575**	**3,305,945**	**(65,292,120)**	**1,315,621**

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. Nature of Operations and Going Concern

Red Pine Exploration Inc. (the "Company" or "Red Pine") was founded in 1936 under the laws of Ontario, Canada for the acquisition, exploration, and development of mining properties. The Company's head office and primary location of its registered records is 145 Wellington Street West, Suite 1001, Toronto, Ontario, M5J 1H8. The Company is currently in the exploration stage and has not commenced any commercial operations.

The accompanying Consolidated Financial Statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As at July 31, the Company had a working capital surplus of $1,125,990 (July 31, 2018: $2,237,077), net cash used in operating activities of $4,892,871 (July 31, 2018: $4,189,716) and an accumulated deficit of $65,292,120 (July 31, 2018: $60,312,074).

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its mining interest expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. The Company is currently in the exploration stage and has not commenced commercial operations. These conditions cast significant doubt about the Company's ability to continue as a going concern.

Theses Consolidated Financial Statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore need to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying Consolidated Financial Statements.

2. Significant Accounting Policies

(a) Statement of compliance

These Consolidated Financial Statements have been prepared in accordance and comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The Consolidated Financial Statements were approved by the Board of Directors on November 28, 2019.

(b) Basis of presentation

These Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these Consolidated Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Basis of consolidation

These Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiary Augustine Ventures Inc. ("Augustine"). All intercompany balances and transactions have been eliminated.

(d) Significant accounting judgements and estimates

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 financial statements and reported amounts of expenses during the reporting period.

Actual outcomes could differ from these estimates. The 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 also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the Consolidated Financial Statements relate to the following:

Going concern

The preparation of the Consolidated Financial Statements requires management to make judgments regarding the going concern of the Company.

Share-based compensation

Estimating fair value for 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 life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based payment expense along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 11.

Deferred Flow-Through Premium and Flow-Through Provision Estimates

The assumptions and calculations used for estimating the value attributed to the flow-through premiums on flow-through financings and flow-through provisions as disclosed in Notes 8 and 9.

2. Significant Accounting Policies (Continued)

(d) Significant accounting judgements and estimates (Continued)

Deferred taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

(e) Foreign currencies

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar.

(f) Financial instruments

Effective August 1, 2018, the Company adopted IFRS 9, "Financial instruments, classification and measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets. The Company's adoption of IFRS 9 did not have a material impact on the consolidated financial statements.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest. All financial instruments are initially recognized at fair value on the statement of financial position.

Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Financial assets:	**IAS 39 Classification**	**IFRS 9 Classification**
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Loans & receivables	Amortized cost
Marketable securities	Available for sale	FVTPL
Financial liabilities:	**IAS 39 Classification**	**IFRS 9 Classification**
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

2. Significant Accounting Policies (Continued)

(f) Financial instruments (Continued)

Fair value hierarchy

The Company classifies its financial instruments according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash and cash equivalents, and marketable securities are classified within level 1 of the fair value hierarchy.

(g) Cash and cash equivalents

Cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

(h) Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to acquisition costs, geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(i) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

2. Significant Accounting Policies (Continued)

(i) Income taxes (Continued)

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized, and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive loss depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(j) Share-based payment transactions

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each period end, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are granted to non-employees and same or all goods and services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of goods or services received.

The Company transfers to share capital the value of expired, forfeited or canceled warrants.

(k) Asset retirement obligation

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, provides guidance relating to asset retirement obligations. An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and charged to expenses as an exploration cost, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

As at July 31, 2019 and 2018, the Company had no asset retirement obligations.

(l) Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

(m) Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence.

2. Significant Accounting Policies (Continued)

(n) Equipment

Equipment is stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful live, using the straight-line method after taking into account their estimated residual values. Depreciation beings when the equipment becomes available for use. Depreciation is charged to the Consolidated Statements of Loss and Comprehensive Loss.

The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of equipment are estimated as follows:

- The Company owns all-terrain vehicles and other exploration equipment, which are depreciated on a straight-line basis over an estimated useful life of three (3) years.
- The Company owns office furniture and equipment, which are depreciated on a straight-line basis over an estimated useful life of seven (7) years.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Gains and losses on disposals are determined by comparing net proceeds with carrying amounts and are included in the Consolidated Statements of Loss and Comprehensive Loss.

(o) Leasehold Improvements

Leasehold improvements are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of the leasehold improvements over their estimated useful live, using the straight-line method. Depreciation beings when the leasehold improvements are completed. Depreciation is charged to the Consolidated Statements of Loss and Comprehensive Loss.

The estimated useful lives and depreciation method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of leasehold improvements are estimated as follows:

- The Company completed leasehold improvements at its new principal office space, which is depreciated on a straight-line basis over the term of the lease of seven (7) years.

The carrying values of leasehold improvements are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

(p) Software Licenses

Software licenses exceeding one year are stated at cost less accumulated amortization. Amortization is charged so as to write off the cost of the software licenses over their estimated useful live, using the straightline method. Amortization beings when the software licenses are acquired. Amortization is charged to the Consolidated Statements of Loss and Comprehensive Loss.

The estimated useful lives and amortization method are reviewed at each reporting period, with the effect of any changes in estimated accounted for on a prospective basis. The estimated useful lives of software licenses are estimated as follows:

- The Company has acquired perpetual software licenses for exploration software packages that are amortized on a straight-line basis over an estimated useful life of five (3) years and the amortization is reported in Exploration Expenditures on the Consolidated Statements of Loss and Comprehensive Loss.

The carrying values of software licenses are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

2. Significant Accounting Policies (Continued)

(q) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes income for the amount of tax reduction renounced to the shareholders. The premium is deferred and recognized as other income as the expenditure incurs, and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(r) Standards issued but not yet effective

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off- statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. The Company will adopt this standard on August 1, 2019. The Company will recognize a right of use asset and a lease liability relating to its operating leases.

3. Amounts Receivable

	Year ended July 31, 2019 $	Year ended July 31, 2018 $
Related Party Receivable (Note 6)	716,645	200,994
HST Receivable	48,266	71,612
Other Receivable	38,648	22,509
	803,559	295,115

4. Equipment, Software and Leasehold Improvements

The following table sets out the changes to the carrying value of vehicular, exploration and office equipment:

	Vehicular Equipment $	Exploration Equipment $	Office Equipment $	All Equipment $
Balance – July 31, 2017	**68,321**	**111,755**	**18,451**	**198,527**
Acquisitions	35,218	2,401	982	38,601
Depreciation	(35,796)	(48,429)	(2,943)	(87,168)
Balance – July 31, 2018	**67,743**	**65,727**	**16,490**	**149,960**
Depreciation	(41,014)	(45,135)	(2,979)	(89,128)
Balance – July 31, 2019	**26,729**	**20,592**	**13,511**	**60,832**

The following table sets out the changes to the carrying value of software licenses and leasehold improvements:

	Software Licenses $	Leasehold Improvements $
Balance – July 31, 2017	**34,404**	**124,650**
Amortization	(8,100)	(19,176)
Balance – July 31, 2018	**26,304**	**105,474**
Amortization	(8,100)	(19,177)
Balance –July 31, 2019	**18,204**	**86,297**

Depreciation and amortization of $108,305 has been charged to the consolidated statements of loss and comprehensive loss for the year ended July 31, 2019 (July 31, 2018: $106,344). Amortization of $8,100 has been charged to exploration expenditures on the consolidated statements of loss and comprehensive loss for the year ended July 31, 2019 (July 31, 2018: $8,100).

5. Mineral Properties

The Company has ownership interests in the several exploration projects. The Wawa Gold Project is the primary focus of exploration.

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred on its mineral properties. The Wawa Gold property expenditures includes all amounts incurred by the joint-venture prior to any prorated recovery from the joint-venture partners.

	Wawa Gold Project $	Cayenne Property $	Other Properties $	Total Properties $
Balance – July 31, 2017	**29,526,490**	**6,137,686**	**8,436,096**	**44,100,272**
Property Acquisition Costs	637,909	-	6,000	643,909
Exploration Expenditures	5,394,034	-	40,078	5,434,112
Balance - July 31, 2018	**35,558,433**	**6,137,686**	**8,482,174**	**50,178,293**
Property Acquisition Costs	298,228	-	-	298,228
Exploration Expenditures	4,544,325	-	-	4,544,325
Balance – July 31, 2019	**40,400,986**	**6,137,686**	**8,482,174**	**55,020,846**

During the year ended July 31, 2019:

a) The Company incurred total acquisition, exploration and evaluation expenditures of $4,544,325 on the Wawa Gold property (2018: $5,394,034)
b) The following table represent the amounts invoiced to the Wawa Gold joint-venture partners for their prorated share of the exploration program costs incurred during the year-ended July 31, 2019 ended, which includes exploration and evaluation expenditures, joint expenditures and any project management fees. The amounts for Augustine are those that were invoiced and recovered prior to the acquisition of Augustine, which was completed on February 3, 2017.

5. Mineral Properties (Continued)

	Citabar $	Augustine $	All JV Partners $
Balance – July 31, 2017	**2,629,978**	**715,613**	**3,345,591**
Recovery of JV Expenditures	2,978,768	-	2,978,768
Balance – July 31, 2018	**5,608,746**	**715,613**	**6,324,359**
Recovery of JV Expenditures	1,131,634	-	1,131,634
Balance – July 31, 2019	**6,740,380**	**715,613**	**7,455,993**

During the year ended July 31, 2019 the Company recorded an expected credit loss against the receivable from Citabar LP ("Citabar") for the full carrying amount of the receivable of $630,981. The write off was recorded net of recovery of exploration expenditures on the consolidated statements of loss and comprehensive loss.

5. Mineral Properties (Continued)

Wawa Gold Project

As at July 31, 2019, the Wawa Gold property consisted of 34 unpatented and mining claims and 164 patented and leased mining claims totaling 5,582 contiguous hectares and hosts several past producing mines. The project area is located approximately 2 kilometres east of the Town of Wawa in northern Ontario.

On August 7, 2015, the Company met the conditions to earn its initial 30% interest in the underlying joint venture (the "Wawa Gold JV"), which was owned 30% by Augustine and 40% by Citabar, whereby the Company became the operating manager of the JV. In the fall of 2015, all 34 unpatented mining claims were transferred to a 30/30/40 shared holding to reflect the satisfied earn in agreement. As operating manager:

a) The Company is entitled to receive project management fees from the JV partners.
b) The Company shall be reimbursed periodically by the JV partners on a pro rata basis for all exploration expenditures incurred for the benefit of the joint-venture, which are recognized as a reduction of exploration expenditures when invoiced to the JV partners.

On February 3, 2017, the Company completed a plan of arrangement whereby Augustine became a wholly-owned subsidiary resulting in an increase in the ownership to 60% of the Wawa Gold Property.

Cayenne Property

The Cayenne property consists of 2 unpatented claims (2 claim units) and 1 lease (62.67 ha) in Genoa Township located approximately 110 kilometers southwest of Timmins, Ontario. The Company owns 100% of the property.

Algoma-Talisman Property

The Company has a 100% interest in an MRO patented land package covering approximately 65 square kilometers of fee simple patented mineral rights in Coppell and Newton Townships of the Porcupine Mining Division of Northern Ontario located approximately 110 km southwest of Timmins, Ontario.

Mortimer Property

The Company has a 100% interest in a block of 12 contiguous unpatented mining claims covering approximately 2.3 square kilometers in the Dore Township approximately 110 km southwest of Timmins, Ontario. The previous owners retain NSRs ranging between 0.2% and 2% on certain claims and the Company has the option to purchase a portion of these NSRs for various cash payments as specified in the original purchase agreements.

Mount Logano Property

The Company holds a 100% interest in 1 unpatented mining claim (3 claim units) located approximately 11 km east of the Dome mine in Timmins, Ontario. The claim is subject to a 3% NSR for gold and a 2% NSR for other minerals mined in the Mt. Logano Property. The Company has the right at any time to buy back 50% of the NSR (or 1.50% NSR for gold and 1.00% NSR for all other minerals) for the sum of $3,000,000.

Moffatt Property

The Company has a 100% interest in 4 unpatented mining claims covering 704 hectares located approximately 10 km northwest of Atikokan, Ontario.

Net Smelter Royalties

The Company retains a 1.5% Net Smelter Return ("NSR") on approximately 75 square kilometers of claims 20 km east of Goldcorp's Borden Gold project near Chapleau, Ontario. The underlying property package was sold to Probe Mines Ltd. in November 2012.

6. Related Party Transactions and Balances

Related parties as defined by IAS 24 *Related Party Disclosures* include the members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company.

Key management personnel for the Company consists of the CEO, CFO, VP Exploration and Executive Director of Mining.

Year Ended July 31, 2019		
	2019	2018
	$	$
Short-term benefits(1)	293,875	331,894
Share-based payments(2)	236,554	16,489
Total	**530,429**	348,383

(1) Includes salary and professional fees.

(2) Represents the expense of stock options vested during the year

As of July 31, 2019, the following related party balances were outstanding:

Included in amounts receivable is an amount of $716,645 (July 31, 2018: $200,994) related to exploration, rent and general & administrative charges from companies under common management. This amount was repaid in full subsequent to year-end. Included in related party receivable of $716,645 is a $200,000 promissory note due on demand by a company under common management. The note bears interest at 5% per annum. Former directors of wholly-owned subsidiary Augustine Ventures Inc., owe the Company $16,863 (July 31, 2018: $16,863), which has been included in amounts receivable.

7. Trade Payable and Accrued Liabilities

	July 31, 2019	**July 31, 2018**
	$	$
Trade Payables	324,289	286,898
Accrued Liabilities	30,210	44,480
HST Payable	-	43,820
	354,499	375,198

8. Deferred Premium on Flow-Through Shares

The Company completes flow-through ("F/T") share financings that involve a commitment to incur Canadian exploration expenditures ("CEEs") prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. Flow-through shares and exploration expenditures qualifying as CEEs are defined in the Income Tax Act of Canada.

The fair value of the tax deduction renounced to the flow-through subscribers is recognized as a deferred premium obligation on the Consolidated Statements of Financial Position until the qualifying CEEs are incurred. As the qualifying CEE's are incurred, the deferred premium is reduced through profit and loss.

The following table sets out the changes to the deferred premium balances:

Financing Series	**2017 F/T Series $**	**2017 F/T Series $**	**2018 F/T Series $**	**Total Deferred Premium $**
Balance - July 31 2017	**137,934**	**-**	**-**	**137,934**
Recognition of Deferred Premium	-	113,500	-	113,500
Decrease of Deferred Premium	(121,403)	-	-	(121,403)
Balance – July 31, 2018	**16,531**	**113,500**	**-**	**130,031**
			-	
Recognition of Deferred Premium			277,900	277,900
Decrease of Deferred Premium	(16,531)	(113,500)	(277,900)	(407,931)
Balance – July 31, 2019	-	-	-	-

9. Provision for Flow-Through Shares

During the year ended July 31, 2015, the Company recorded a contingent provision of $200,000 to recognize the obligation to flow-through subscribers of the 2011 series, which was calculated using a 35% combined rate applied against the estimated CEE shortfall.

Based on the results of a CRA audit completed in March 2016 of qualified CEEs incurred during the years ended December 31, 2011 and 2012, it was determined there was a shortfall of $227,592 and $526,743 for the 2011 and 2012 F/T series, respectively. As a result, the total provisions for the obligations to flow-through subscribers were increased by $64,000 during the year ended July 31, 2016.

The following table sets out the changes to the provision for the obligation to flow-through subscribers:

Financing Series	**2010 F/T Series with CEE Commitments to the Calendar Year Ending December 31, 2011 $**	**2011 F/T Series with CEE Commitments to the Calendar Year Ending December 31, 2012 $**	**Total Provision $**
Balance – July 31, 2017	**79,500**	**184,500**	**264,000**
Settlements	(37,071)	(116,053)	(153,124)
Balance – July 31, 2018	**42,429**	**68,447**	**110,876**
Settlements	-	-	-
Balance – July 31, 2019	**42,429**	**68,447**	**110,876**

During the year ended July 31, 2019, no settlements occurred. The following settlement transactions occurred during the year ended July 31, 2018:

- During the year ended July 31, 2018, the Company completed settlement transactions whereby the Company agreed to settle certain obligations (the "Debt") to subscribers of its flow-through shares for financings that were completed in 2010 and 2011 through cash settlements. Pursuant to the settlement transactions, the Company paid $137,041 in cash to settle total indebtedness of $137,041.

- On October 23, 2017, the Company completed a shares-for-debt transaction whereby the Company agreed to settle certain obligations (the "Debt") to subscribers of its flow-through shares for financings that were completed in 2010 and 2011 through the issuance of common shares of the Company (the "Common Shares"). Pursuant to the settlement transaction, the Company issued a total of 146,209 common shares (the "Shares") at a deemed price of $0.11 per Share to settle total indebtedness of $16,083.

10. Leasehold Inducements

On November 4, 2013, the Company extended its office space lease agreement at 141 Adelaide Street West for five years from August 15, 2014 to August 14, 2019 with monthly lease payments of $17,599. As part of the renewal terms of the operating lease, the Company received leasehold inducements for the period from August 15, 2014 to May 15, 2015. The lease inducement valued at $66,343 is being amortized on a straight-line basis over the remaining term of the lease at a rate of $15,922 per year.

The following is continuity schedule for the leasehold inducement:

	Current Portion $	Long-Term Portion $	Lease Inducement Balance $
Balance – July 31, 2017	**15,922**	**15,923**	**31,845**
Lease Inducement Amortization	-	(15,923)	(15,923)
Balance – July 31, 2018	**15,922**	**-**	**15,922**
Lease Inducement Amortization	(15,922)	-	(15,922)
Balance – July 31, 2019	**-**	**-**	**-**

11. Share Capital

a) Common Shares

The authorized share capital consists of an unlimited number of common shares. The common shares have no par value. As at July 31, 2019 the Company had 369,230,322 issued and outstanding common shares (July 31, 2018: 294,209,655). All issued and outstanding common shares are fully paid.

During the year ended July 31, 2019:

- The Company issued a total of 190,668 common shares upon the exercise of 190,668 common share purchase warrants at an average exercise price of $0.059 for gross proceeds of $11,200.
- During February 2019, the Company completed a private placement financing for gross proceeds of $50,000. The Company issued 1,000,000 non-flow-through units ("Units") of the Company, each priced at $0.05. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company, which is exercisable to acquire on additional common share for a period of 24 months from the issuance thereof at a price of $0.075 per share. A total of 500,000 common share purchase warrant were issued with an estimated fair value of $10,794 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 1.79%, dividend yield 0%, expected stock volatility of 103%, and an expected life of 2 years.
- During December 2018, the Company completed a private placement financing for gross proceeds of $3,691,500. The Company issued 37,380,000 non-flow-through units ("Units") and 36,450,000 flow-through shares ("FT shares") of the Company, each priced at $0.05. Each FT share was issued on a "flow-through" basis, as defined in the Income Tax Act (Canada). The flow through premium associated with this financing was $277,900. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant of the Company, which is exercisable to acquire on additional common share for a period of 24 months from the issuance thereof at a price of $0.075 per share. A total of 18,690,000 common share purchase warrant were issued with an estimated fair value of $345,302 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.21%, dividend yield 0%, expected stock volatility of 97%, and an expected life of 2 years. As part of the financing the Company paid Finders a cash commission of $ 64,400 and issued 1,288,000 non-transferrable broker warrants ("Broker Warrants"), with each Broker Warrant being exercisable into one Common Share of the Company at a price of $0.05 for a period of 24 months from the date of closing of the Offering. The Broker Warrants have an estimated fair value of $24,118 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.21%, dividend yield 0%, expected stock volatility of 97%, and an expected life of 2 years.

During the year ended July 31, 2018:

- During the year the Company issued a total of 2,388,105 common shares upon the exercise of 2,388,105 common share purchase warrants at an average exercise price of $0.09 for gross proceeds of $226,247.
- On April 6, 2018, the Company completed a private placement financing for gross proceeds of $1,000,000. The Company issued 10,526,315 common share units at a price of $0.095 per unit. Each common share unit consisted of one common share and one common share purchase warrant exercisable for a period of three years at an exercise price of $0.15 per purchase warrant. As part of the financing the Company paid $70,000 cash commission which is included in the total cost of issue of $81,796 and issued 736,842 non-transferable compensation warrants exercisable for a period of three years at an exercise price of $0.095 per compensation warrant.
- On December 29, 2017, the Company has completed a private placement financing for gross proceeds of $1,865,300. The Company issued 12,360,000 common share units at a price of $0.105 per unit and 4,540,000 flow-through common shares at a price of $0.125 per share. Each FT share was issued on a "flow-through" basis, as defined in the Income Tax Act (Canada). Each common share unit consisted of one common share and one common share purchase warrant exercisable for a period of three years at an exercise price of $0.15 per purchase warrant. As part of the financing the Company paid $111,918 cash commission which is included in the total cost of if issue of $220,656 and issued 1,014,000 non-transferable compensation warrants exercisable for a period of three years at an exercise price of $0.105 per compensation warrant. The flow through premium associated with the financing was $113,500.

11. Share Capital (Continued)

- On October 23, 2017, the Company completed a shares-for-debt transaction whereby the Company agreed to settle certain obligations (the "Debt") to subscribers of its flow-through shares for financings that were completed in 2010 and 2011 through the issuance of common shares of the Company (the "Common Shares"). Pursuant to the settlement transaction, the Company issued a total of 146,209 common shares (the "Shares") at a deemed price of $0.11 per Share to settle total indebtedness of $16,083.
- On August 3, 2017, the Company completed the acquisition of net smelter royalties ("NSR") on the Wawa Gold Project whereby the Company paid $25,000 in cash and issued 100,000 common shares. valued at $10,000.

(b) Stock Options

The Company has a stock option plan (the "Plan") pursuant to which the Company's Board of Directors may grant incentive stock options to directors, officers, employees and consultants at the discretion of the Board of Directors. The exercise price and vesting period of any option is fixed by the Board of Directors on the date of grant, in accordance with applicable stock exchange or other regulatory requirements, if applicable. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares.

All outstanding stock options vested immediately.

The following is a continuity schedule of the stock options series outstanding from July 31, 2018 to July 31, 2019:

Expiry Date	Exercise Price	Outstanding July 31, 2018	Granted	Exercised	Expired or Cancelled	Outstanding July 31, 2019
December 18, 2018	$ 0.500	490,000	-	-	(490,000)	-
February 25, 2020	$ 0.500	1,080,000	-	-	-	1,080,000
August 27, 2020	$ 0.055	1,875,000	-	-		1,875,000
April 5, 2021	$ 0.080	450,000	-	-	(300,000)	150,000
April 6, 2022	$ 0.120	2,725,000	-	-	(250,000)	2,475,000
April 11, 2022	$ 0.120	3,420,000	-	-	-	3,420,000
February 9, 2021[b]	$ 0.070	300,000		-	-	300,000
August 10, 2023[a]	$ 0.060	-	2,650,000	-	-	2,650,000
June 20, 2022[a]	$ 0.060	-	6,312,500	-	-	6,312,500
Total	**$ 0.11**	**10,340,000**	**8,962,500**	**-**	**1,040,000**	**18,262,500**

a) During the year ended July 31, 2019, 8,962,500 stock options were granted to directors, officers and consultants. On June 20, 2019, 6,312,500 stock options were granted to directors, officers and consultants with an estimated fair value of $228,537 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 1.45%, dividend yield 0%, expected stock volatility of 107% , and an expected life of 3 years. The stock options vested immediately. On August 10, 2018, 2,650,000 stock options were granted to directors, officers and consultants with an estimated fair value of $156,350 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.25%, dividend yield 0%, expected stock volatility of 211.72% , and an expected life of 5 years. The stock options vested immediately

11. Share Capital (Continued)

The following is a continuity schedule of the stock options series outstanding from July 31, 2017 to July 31, 2018:

Expiry Date	Exercise Price	Outstanding July 31, 2017	Granted	Exercised	Expired or Cancelled	Outstanding July 31, 2018
July 11, 2018	$ 0.500	260,000	-	-	(260,000)	-
December 18, 2018	$ 0.500	685,000	-	-	(195,000)	490,000
February 25, 2020	$ 0.500	1,360,000	-	-	(280,000)	1,080,000
August 27, 2020	$ 0.055	1,925,000	-	-	(50,000)	1,875,000
April 5, 2021	$ 0.080	750,000	-	-	(300,000)	450,000
April 6, 2022	$ 0.120	3,027,000	-	-	(302,000)	2,725,000
April 11, 2022	$ 0.120	8,284,000	-	-	(4,864,000)	3,420,000
February 9, 2021[(b)]	$0.070	-	300,000	-	-	$300,000
Total	**$ 0.16**	**16,291,000**	**300,000**	**-**	**(6,251,000)**	**10,340,000**

b) The fair value of the 300,000 stock options granted on Feb 9, 2018 was estimated at $16,489 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 1.89%; dividend yield 0%, expected stock volatility 141%, and an expected life of 3 years. The stock options vested immediately.

(c) Warrants

As at July 31, 2019, the Company had 70,409,933 share purchase warrants outstanding (July 31, 2018: 106,062,136) with exercise prices ranging from $0.05 to $0.17 per warrant.

11. Share Capital (Continued)

The following is a continuity schedule for the warrants outstanding from July 31, 2018 to July 31, 2019

Expiry Date	Exercise Price	Outstanding July 31, 2018	Issued	Exercised	Expired or Cancelled	Outstanding July 31, 2019	Fair Value July 31, 2019
August 13, 2018	$ 0.050	162,000	-	(84,000)	(78,000)	-	$ -
August 13, 2018	$ 0.100	2,208,186	-	-	(2,208,186)	-	$ -
August 20, 2018	$ 0.050	165,000	-	-	(165,000)	-	$ -
August 20, 2018	$ 0.100	1,375,000	-	-	(1,375,000)	-	$ -
August 28, 2018	$ 0.100	200,000	-	-	(200,000)	-	$ -
September 2, 2018	$ 0.099	2,033,333	-	-	(2,033,333)	-	$ -
September 2, 2018	$ 0.099	5,065,909	-	-	(5,065,909)	-	$ -
February 9, 2019	$ 0.066	2,888,000	-	-	(2,888,000)	-	$ -
February 9, 2019	$ 0.066	1,994,544	-	(106,667)	(1,887,877)	-	$ -
February 9, 2019	$ 0.132	5,327,165	-	-	(5,327,165)	-	$ -
February 17, 2019	$ 0.250	20,000	-	-	(20,000)	-	$ -
February 24, 2019	$ 0.135	3,412,889	-	-	(3,412,889)	-	$ -
February 25, 2019	$ 0.066	520,177	-	-	(520,177)	-	$ -
February 25, 2019	$ 0.066	3,847,521	-	-	(3,847,521)	-	$ -
April 7, 2019	$ 0.105	1,789,456	-	-	(1,789,456)	-	$ -
April 8, 2019	$ 0.105	16,695,601	-	-	(16,695,601)	-	$ -
May 5, 2019	$ 0.105	2,144,121	-	-	(2,144,121)	-	$ -
June 3, 2019	$ 0.100	5,343,800	-	-	(5,343,800)	-	$ -
June 24, 2019	$ 0.105	937,500	-	-	(937,500)	-	$ -
September 2, 2019	$ 0.066	121,600	-	-	-	121,600	$ 15,793
December 13, 2019	$ 0.170	3,800,000	-	-	-	3,800,000	$ 478,985
February 24, 2020	$ 0.170	21,168,666	-	-	-	21,168,666	$ 908,531
April 7, 2020	$ 0.072	198,429	-	-	-	198,429	$ 26,318
May 3, 2020	$ 0.072	6,080	-	-	-	6,080	$ 808
December 29,2020	$ 0.150	12,360,000	-	-	-	12,360,000	$ 891,156
December 29,2020	$ 0.105	1,014,000	-	-	-	1,014,000	$ 77,020
April 6, 2020	$ 0.095	736,842	-	-	-	736,842	$37,165
April 6, 2020	$ 0.150	10,526,316	-	-	-	10,526,316	$ 489,955
December 19, 2020	$ 0.075	-	2,380,000	-	-	2,380,000	$ 45,843
December 20, 2020	$ 0.075	-	6,170,000	-	-	6,170,000	$ 124,050
December 21, 2020	$ 0.075	-	5,200,000	-	-	5,200,000	$104,547
December 28, 2020	$ 0.075	-	4,940,000	-	-	4,940,000	$ 70,861
February 11, 2021	$ 0.075	-	500,000	-	-	500,000	$ 10,796
December 12, 2020	$0.050	-	105,000	-	-	105,000	$ 1,942
December 12, 2020	$0.050	-	910,000	-	-	910,000	$ 16,835
December 19, 2020	$0.050	-	7,000	-	-	7,000	$181
December 19, 2020	$0.050	-	32,200	-	-	32,200	$ 834
December 7, 2020	$0.050	-	163,800	-	-	163,800	$3,030
December 12, 2020	$0.050	-	70,000	-	-	70,000	$ 1,295
Total	**$0.13**	**106,062,136**	**20,478,000**	**(190,667)**	**(55,939,535)**	**70,409,933**	**$ 3,305,945**

11. Share Capital (Continued)

During the year ended July 31, 2019, 55,939,536 share purchase warrants expired with a fair market value of $5,891,593 and 190,668 share purchase warrants were exercised for gross proceeds of $11,200 and a fair market value of 17,552. As part of the February 2019 private placement a total of 500,000 common share purchase warrant were issued with an estimated fair value of $10,796 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 1.79%, dividend yield 0%, expected stock volatility of 103%, and an expected life of 2 years. As part of the December 2018 private placement a total of 18,690,000 common share purchase warrant were issued with an estimated fair value of $345,301 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.21%, dividend yield 0%, expected stock volatility of 97%, and an expected life of 2 years. In addition, the Company paid $64,400 cash, and issued 1,288,000 non-transferrable broker warrants ("Broker Warrants"), with each Broker Warrant being exercisable into one Common Share of the Company at a price of $0.05 for a period of 24 months from the date of closing of the Offering. The Broker Warrants have an estimated fair value of $24,117 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.21%, dividend yield 0%, expected stock volatility of 97%, and an expected life of 2 years.

The following is a continuity schedule for the warrants outstanding from July 31, 2017 to July 31, 2018:

Expiry Date	Exercise Price	Outstanding July 31, 2017	Issued	Exercised	Expired or Cancelled	Outstanding July 31, 2018	Fair Value July 31, 2018
December 18, 2017	$ 0.250	6,400,000	-	-	(6,400,000)	-	$ -
December 18, 2017	$ 0.250	640,000	-	-	(640,000)	-	$ -
June 3, 2018	$ 0.080	1,777,132	-	-	(1,777,132)	-	$ -
June 24, 2018	$ 0.105	450,625	-	-	(450,625)	-	$ -
July 30, 2018	$ 0.050	155,965	-	(155,965)	-	-	$ -
July 30, 2018	$ 0.100	1,499,708	-	-	(1,499,708)	-	$ -
August 13, 2018	$ 0.050	270,982	-	(108,982)	-	162,000	$ 10,041
August 13, 2018	$ 0.100	2,208,186	-	-	-	2,208,186	$ 61,449
August 20, 2018	$ 0.050	336,158	-	(171,158)	-	165,000	$ 8,184
August 20, 2018	$ 0.100	1,375,000	-	-	-	1,375,000	$ 36,750
August 28, 2018	$ 0.100	200,000	-	-	-	200,000	$ 5,298
September 2, 2018	$ 0.099	2,533,333	-	(500,000)	-	2,033,333	$ 242,118
September 2, 2018	$ 0.099	5,065,909	-	-	-	5,065,909	$ 586,039
February 9, 2019	$ 0.066	2,888,000	-	-	-	2,888,000	$ 368,500
February 9, 2019	$ 0.066	1,994,544	-	-	-	1,994,544	$ 250,294
February 9, 2019	$ 0.132	5,327,165	-	-	-	5,327,165	$ 633,935
February 17, 2019	$ 0.250	20,000	-	-	-	20,000	$ 6,090
February 24, 2019	$ 0.135	3,412,889	-	-	-	3,412,889	$ 404,427
February 25, 2019	$ 0.066	520,177	-	-	-	520,177	$ 66,553
February 25, 2019	$ 0.066	3,847,521	-	-	-	3,847,521	$ 484,397
April 7, 2019	$ 0.105	1,789,456	-	-	-	1,789,457	$ 220,282
April 8, 2019	$ 0.105	16,695,601	-	-	-	16,695,601	$ 2,055,731
May 5, 2019	$ 0.105	2,144,121	-	-	-	2,144,121	$ 265,704
June 3, 2019	$ 0.100	5,343,800	-	-	-	5,343,800	$ 164,274
June 24, 2019	$ 0.105	2,437,500	-	(1,500,000)	-	937,500	$ 41,086
September 2, 2019	$ 0.066	121,600	-	-	-	121,600	$ 15,793
December 13, 2019	$ 0.170	3,800,000	-	-	-	3,800,000	$ 478,985
February 24, 2020	$ 0.170	21,168,666	-	-	-	21,168,666	$ 906,523
April 7, 2020	$ 0.072	198,429	-	-	-	198,429	$ 26,318
May 3, 2020	$ 0.072	6,080	-	-	-	6,080	$ 808
December 29,2020	$ 0.150	-	12,360,000	-	-	12,360,000	$ 891,156
December 29,2020	$ 0.105	-	1,014,000	-	-	1,014,000	$ 77,020
April 6, 2020	$ 0.150	-	10,526,316	-	-	10,526,316	$ 489,955
April 6, 2020	$ 0.095	-	736,842	-	-	736,842	$ 37,165
Total	**$0.08**	**94,628,548**	**24,637,158**	**(2,436,105)**	**(10,767,465)**	**106,062,136**	**$ 8,832,870**

During the year ended July 31, 2018, 10,767,465 share purchase warrants expired with a fair market value of $8,832,870 and 2,388,105 purchase warrants were exercised for gross proceeds of $ 226,247 and a fair market value of 135,193. In connection with the April 2018 private placement the Company issued 10,526,315 warrants with a fair value estimated of $489,955 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.03%, dividend yield 0%, expected stock volatility 135%, and an expected life of 3 years. As part of a commission for the financing, the Company issued 736,842 compensation warrants with a fair value estimated of $37,165 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 2.03%, dividend yield 0%, expected stock volatility 135%, and an expected life of 3 years.

11. Share Capital (Continued)

In connection with the December 2017 private placement the Company issued A total of 12,360,000 common share purchase warrant were issued at an exercise price of $0.15 with an estimated fair value of $891,176 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 1.71%, dividend yield 0%, expected stock volatility of 137%, and an expected life of 3 years. As part of a commission for the financing, the Company issued 1,014,000 non-transferable compensation warrants at an exercise price of $0.105 and an estimated fair value of $ $77,020 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 1.71%, dividend yield 0%, expected stock volatility of 137%, and an expected life of 3 years.

12. Commitments and Contingencies

(a) Lease and Sublease Commitments

The Company has an office space lease agreement located at 141 Adelaide Street West from August 15, 2014 to August 14, 2019 and signed a sublease agreement with a third-party tenant whereby the Company shall receive sublease payments for the period from March 1, 2015 to August 14, 2019. The sublease payments are recognized as a reduction of General and Administrative expenses on the Statements of Loss and Comprehensive Loss. A security deposit totalling $17,281 was received from the subtenant and is reported as a long-term liability on the Consolidated Statements of Financial Position. As of April 30, 2019, the Company was committed to annual lease payments for 141 Adelaide Street West of approximately $223,020 and expects to receive annual sublease payments of $223,020.

On December 12, 2016, the Company signed an office space lease agreement for office space located at 145 Wellington Street West for seven (7) years from January 1, 2017 to December 31, 2023. On September 15, 2016, a security deposit totaling $41,579 was remitted to the landlord, which is reported as a long-term asset on the Consolidated Statements of Financial Position. As of July 31, 2019, the Company was committed to annual lease payments for 145 Wellington Street West of approximately $104,544.

Future minimum payments under the Company’s leases, excluding the receipt of any sublease payments, are as follows:

Minimum Lease Payments	July 31, 2019 $	July 31, 2018 $
No later than 1 year	113,837	327,564
Later than 1 year, but no later than 5 years	357,192	427,469
Later than 5 years	-	43,560
Total	471,029	798,593

12. Commitments and Contingencies (Continued)

(b) Flow-Through Expenditure Commitments

The Company completed flow-through ("F/T") share financings that involve a commitment to incur Canadian exploration expenditures ("CEEs") prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. Flow-through shares and exploration expenditures qualifying as CEEs are defined in the Income Tax Act of Canada.

The following tables sets out the flow-through expenditure commitments as of July 31, 2019:

Financing Series	**2017 F/T Series A**	**2017 F/T Series B**	**2018 F/T Series**
Financing Date	February 24, 2017	December 29, 2017	December 7, 12, 28, 2018
Commitment Deadline	December 31, 2018	December 31, 2018	December 31, 2019
Commitment Amount	$ 4,000,101	$ 567,500	$1,822,500
Less: Expenditures Incurred in 2016	-	-	
Less: Expenditures Incurred in 2017	(1,783,384)	-	
Less: Expenditures Incurred in 2018	(2,216,717)	(567,500)	(437,079)
Less: Expenditures Incurred in 2019			(1,385,421)
Estimated F/T Expenditures Remaining	**$ -**	**$ -**	**$ -**

13. Capital Management

As of July 31, 2019, the Company had a working capital surplus of $1,125,990 (July 31, 2018: $2,237,077).

There were no changes in the Company's approach to capital management during the year ended July 31, 2019.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issuance of new shares, assumption of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than flow-through spending commitments.

14. Financial Instrument Risk Factors

The following disclosures are to enable users of the Consolidated Financial Statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting year:

a) Credit risk

The Company's credit risk is the risk of counterparty default on cash and cash equivalents held on deposit with financial institutions. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions.

The amount receivable from the joint venture partner Citabar, totaled $630,981 at July 31, 2019 and is subject to credit risk. The Company's recourse in the event payment is not received is dilution of Citabar's interest in the Wawa Gold property, proportionate to the defaulted payments. The Company does not expect any cash payments from Citabar, and the Company expects Citabar to allow their interest in the Wawa property to be diluted. The Company concluded that this factor indicates that the receivable balance is credit-impaired. During the year ended July 31, 2019 the Company recorded an expected credit loss against the receivable from Citabar for the full carrying amount of the receivable of $630,981. The write off was recorded net of recovery of exploration expenditures on the consolidated statements of loss and comprehensive loss.

The amounts due from related party are subject to counterparty default risk, and total $716,645 as at July 31, 2019 (July 31, 2018: $200,994).

b) Liquidity risk

The Company's liquidity risk is the risk that the Company has insufficient funds to settle its contractual financial liabilities. The Company manages this risk through a budgeting process that ensures sufficient funds are available as contractual cash flows become due.

As at July 31, 2019, the Company had a cash and cash equivalents balance of $695,996 (July 31, 2018: $1,943,300) to settle current liabilities of $465,375 (July 31, 2018: $632,027). As a result, the Company is currently not exposed to liquidity risk.

While the Company has been successful in obtaining required funding in the past, there is no assurance that future financings will be available.

c) Market risks

The Company's market risk arises from changes in interest rates and commodity prices that could have an impact on the consolidated statements of loss and comprehensive loss. This includes:

- Interest rate risk, is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that were subject to variable interest rates.

- Commodity price risks, particularly with respect to gold, is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by continually monitoring base and precious metal prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.

- Marketable securities risk, is the sensitivity of the fair value of marketable securities to supply and demand for marketable securities. The Company manages this risk by continually monitoring the market pricing and trends of its portfolio of securities to determine the appropriate timing to complete any acquisitions or dispositions. The Company has determined the marketable securities risk at year-end is minimal.

- Currency risk, is the sensitivity of the fair value or of the future cash flows of financial instruments to changes in foreign exchange rates. The Company does not have any financial assets or liabilities that were subject to variable foreign exchange rates and as such the Company is not subject to currency risk.

15. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2018 - 26.5%) to the effective tax rate is as follows:

	Year ended July 31, 2019 $	**Year ended July 31, 2018 $**
Net loss for the year before income taxes	(4,980,046)	(3,834,289)
Expected income tax (recovery) expense	(1,319,710)	(1,016,090)
Tax rate changes and other adjustments	(1,085,200)	(7,950)
Share based compensation and non-deductible expenses	(5,230)	(26,770)
Effect of flow-through renunciation	482,960	424,000
Changes in tax benefits not recognized	1,927,180	626,810
Income tax (recovery) expense	-	-

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Year ended July 31, 2019 $	**Year ended July 31, 2018 $**
Non-capital losses	17,400,060	12,822,570
Exploration expenditures	11,824,660	8,684,400
Capital losses carried forward	1,025,360	1,025,360
Share issue costs	838,320	1,149,490
Flow-through provision	110,880	110,880
Leasehold inducements	-	15,920
Investment tax credits	19,550	19,550
Property, plant and equipment	371,630	251,320
	31,590,460	**24,079,490**

15. Income Taxes (Continued)

Non-capital Losses

The Canadian non-capital loss carry forwards expire as noted in the table below. Share issue and financing costs will be fully amortized in 2022. The investment tax credits will be fully expired in 2031. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2025	$ 73,060
2026	389,840
2027	574,180
2028	705,220
2029	658,810
2030	1,776,870
2031	1,523,950
2032	875,540
2033	591,660
2034	953,460
2035	948,830
2036	3,478,930
2037	1,946,310
2038	1,123,670
2039	1,779,730
	$ 17,400,060