



Northern Superior Resources Inc.

Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the Three Months Ended March 31, 2019 and 2018

Northern Superior Resources Inc.

Notice to Reader:

These condensed interim financial statements of Northern Superior Resources Inc. (the “Company”) have been prepared by management and reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)

Statements of Financial Position

<i>As at</i>	<i>Notes</i>	March 31, 2019	December 31, 2018
		(\$)	(\$)
Assets			
<i>Current assets</i>			
Cash and cash equivalents		1,978,436	2,268,508
Prepays and receivables	3	365,441	87,870
Marketable securities	4	3,000	3,000
		2,346,877	2,359,378
<i>Non-current assets</i>			
Exploration and evaluation assets	5	7,203,885	7,126,110
		9,550,762	9,485,488
Liabilities			
<i>Current liabilities</i>			
Accounts payables and accrued liabilities	6	700,074	443,670
Shareholders' Equity			
Share Capital	7	64,525,038	64,542,840
Reserve - Stock options	7	5,786,103	5,541,816
Reserve - Warrants	7	5,005,493	5,005,493
Accumulated other comprehensive loss		(7,250)	(7,250)
Deficit		(66,458,698)	(66,041,081)
		8,850,686	9,041,818
		9,550,762	9,485,488

Nature of operations and going concern (Note 1)

Subsequent event (Note 12)

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON MAY 22, 2019

"François Perron"

Director

"Andrew Farncomb"

Director

See accompanying notes to financial statements

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Statements of Loss and Comprehensive Loss

	Notes	Three months ended March 31,	
		2019 (\$)	2018 (\$)
Expenses			
Consulting fees	8	21,914	25,900
Legal and accounting	8	20,845	28,818
Office expenses and salaries	8	135,190	116,509
Share-based payments	8	244,287	4,900
Shareholder information		57,769	133,184
Foreign exchange		37	(40)
Taxes		-	7,343
Loss before the undernoted		(480,040)	(316,614)
Interest (expense) income		6,730	(5,486)
Management fees	5	55,693	-
Ontario litigation		-	252,311
Net loss for the period		(417,617)	(69,789)
Other comprehensive loss			
<i>Items that may be classified subsequently to profit or loss</i>			
Change in value of marketable securities		-	(2,000)
Total comprehensive loss		(417,617)	(71,789)
Basic and diluted loss per share		(0.01)	(0.00)
		(#)	(#)
Weighted-average number of common shares outstanding		35,126,689	31,907,863

See accompanying notes to financial statements

Northern Superior Resources Inc.
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Statements of Equity

	Share Capital		Reserves				Equity (\$)
	Number of Shares (#)	Amount (\$)	Stock options (\$)	Warrants (\$)	Accumulated other comprehensive loss (\$)	Deficit (\$)	
Balance, December 31, 2017	31,907,871	63,981,956	5,525,026	4,823,509	(1,250)	(65,160,475)	9,168,766
Share based payments	-	-	4,900	-	-	-	4,900
Unrealized loss on marketable securities	-	-	-	-	(2,000)	-	(2,000)
Net loss	-	-	-	-	-	(69,788)	(69,788)
Balance, March 31, 2018	31,907,871	63,981,956	5,529,926	4,823,509	(3,250)	(65,230,263)	9,101,878
Shares issued for cash	3,030,300	843,116	-	156,883	-	-	999,999
Share issuance costs - cash	-	(78,664)	-	-	-	-	(78,664)
Share issuance costs - shares	60,606	-	-	-	-	-	-
Share issuance costs - warrants	-	(25,101)	-	25,101	-	-	-
Share based payments	-	-	11,890	-	-	-	11,890
Shares issued for Directors' fees	127,912	63,957	-	-	-	-	63,957
Flow-through share premium liability	-	(242,424)	-	-	-	-	(242,424)
Unrealized loss on marketable securities	-	-	-	-	(4,000)	-	(4,000)
Net loss	-	-	-	-	-	(810,818)	(810,818)
Balance, December 31, 2018	35,126,689	64,542,839	5,541,816	5,005,493	(7,250)	(66,041,081)	9,041,818
Share issuance costs - cash	-	(17,802)	-	-	-	-	(17,802)
Share based payments	-	-	244,287	-	-	-	244,287
Net loss	-	-	-	-	-	(417,617)	(417,617)
Balance, March 31, 2019	35,126,689	64,525,038	5,786,103	5,005,493	(7,250)	(66,458,698)	8,850,686

See accompanying notes to financial statements

Northern Superior Resources Inc.
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Statements of Cash Flows

	Three months ended March 31,	
	2019	2018
	(\$)	(\$)
Operating Activities		
Net loss for the period	(417,617)	(69,788)
Items not involving cash:		
Share based payments	244,287	4,900
Change in non-cash operating working capital items:		
Prepays and receivables	(139,062)	(35,731)
Accounts payables and accrued liabilities	60,025	(622,046)
Cash used in operating activities	(252,368)	(722,666)
Investing Activities		
Exploration and evaluation expenditures (net)	(20,401)	(171,947)
Option payment received	498	-
Cash received from (used in) investing activities	(19,902)	(171,947)
Financing Activities		
Share issuance costs	(17,802)	-
Cash provided by financing activities	(17,802)	-
Increase (decrease) in cash during the period	(290,072)	(894,613)
Cash, beginning of year	2,268,508	3,083,897
Cash, end of period	1,978,436	2,189,284

See accompanying notes to financial statements

Northern Superior Resources Inc.
Notes to the Financial Statements
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1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Superior Resources Inc. (“Northern Superior” or the “Company”) is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold properties in Ontario and Québec. The head office, principal address and registered and records office of the Company is 1351C Kelly Lake Road, Unit 7, Sudbury, Ontario, Canada.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent deferred acquisition costs incurred to date, less amounts written off or written down, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon the Company raising capital, the sale or entering into a joint venture of the Company’s exploration and evaluation assets, and/or the attainment of profitable operations.

At March 31, 2019, the Company has working capital of \$1,646,803, which amount includes \$941,631 restricted to flow-through purposes (resulting in an unrestricted working capital of \$705,172), has incurred a loss for the period of \$417,617 and has an accumulated deficit of \$66,458,698. These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the ensuing 12 months. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding will be available to conduct further exploration and development of its mineral properties. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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2. BASIS OF PREPARATION

a) Statement of Compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Except as noted below under Changes in Accounting Policies, these condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended December 31, 2018. These condensed interim financial statements do not contain all disclosures required by International Financial Reporting Standards (“IFRS”) and accordingly should be read in conjunction with the 2018 annual financial statements and the notes thereto.

Unless otherwise indicated, all dollar amounts in these condensed interim financial statements are in Canadian Dollars.

b) Changes in Accounting Policies

The Company adopted the following new standard, along with any consequential amendments, prior to or effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions and did not impact the Company’s condensed interim financial statements.

- IFRS 16, “Leases”: is effective for annual periods beginning on or after January 1, 2019.
- IFRIC 23, “Uncertainty over Income Tax Treatments”: the effective for annual periods beginning on or after January 1, 2019.

3. PREPAIDS AND RECEIVABLES

	March 31, 2019	December 31, 2018
	(\$)	(\$)
Sales tax receivable	137,076	32,122
Prepaid and advances	26,924	55,748
Receivable from JV Partner (note 5)	201,441	
Total Current Prepaids and Receivables	365,441	87,870

The fair value of receivables approximates their carrying value.

4. MARKETABLE SECURITIES

At March 31, 2019 and December 31, 2018, the Company held the following available for sale investments:

	March 31, 2019			December 31, 2018		
	Shares (#)	Cost (\$)	Fair Value (\$)	Shares (#)	Cost (\$)	Fair Value (\$)
Bold Ventures Inc.	200,000	10,250	3,000	200,000	10,250	3,000

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During the period ended March 31, 2019, the Company recorded \$Nil in unrealized loss or gain related to the change in fair value of the marketable securities in other comprehensive loss (year ended December 31, 2018: unrealized loss of \$6,000).

5. EXPLORATION AND EVALUATION PROPERTIES

	Ontario	Quebec			Total (\$)
	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	
Balance, December 31, 2018	2,014,207	4,097,221	784,651	230,030	7,126,110
Acquisition, assessment and maintenance	56,477	1,061	563	878	58,978
Analytical	35,908	-	376	-	36,284
Geophysics	-	-	56,823	-	56,823
Geology	16,539	4,051	1,546	-	22,136
Drilling	1,041,930	-	-	-	1,041,930
Project administration	-	-	629	-	630
Recovery from option agreement	(498)	-	-	-	(498)
Recovery from JV partner	(1,138,508)	-	-	-	(1,138,508)
Net change for the period	11,849	5,112	59,936	878	77,774
Balance, March 31, 2019	2,026,056	4,102,333	844,587	230,907	7,203,885

	Ontario	Quebec			Total (\$)
	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	
Balance, December 31, 2017	2,015,273	3,826,727	749,890	131,252	6,723,142
Acquisition, assessment and maintenance	18,442	1,843	3,006	36,463	59,754
Analytical	183	24,176	-	8,655	33,014
Geophysics	5,100	11,090	-	-	16,190
Geology	104,816	206,815	31,756	53,660	397,046
Research	9,950	-	-	-	9,950
Project administration	9,945	28,997	-	-	38,942
Refundable tax credits and adjustments	-	(2,426)	-	-	(2,426)
Recovery from option agreement	(149,502)	-	-	-	(149,502)
Net change for the year	(1,065)	270,494	34,762	98,778	402,968
Balance, December 31, 2018	2,014,207	4,097,221	784,651	230,030	7,126,110

a) Ti-pa-haa-kaa-ning (“TPK”) property

The Company owns a 100% interest in the TPK property. Under an agreement with Lake Shore Gold Corp. (“Lake Shore”) dated May 27, 2010, the Company granted Lake Shore an assignable 2% Net Smelter Royalty (“NSR”) on all minerals produced from claims associated with the TPK property (subject to a right of first refusal in favour of the Company), with the Company having the right to purchase back 0.5% for \$1.0 million. Regarding the current claim package for TPK, Lake Shore’s NSR provisions only apply to 141 of the current 202 active claims. Upon Tahoe Resources (“Tahoe”) taking over Lake Shore, the royalty resided with Tahoe, until Pan American Silver Corp. (“Pan American”) acquired Tahoe on February 22, 2019, at which time the royalty transferred to Pan American. On 5 of the TPK claims, there is also a 2% NSR on all commodities in favour of Vale S.A., and on 7 of the TPK claims there is a 2% NSR for diamonds only in favour of Vale S.A.

On November 26, 2018, the Company entered into agreement with Yamana Gold Inc. (“Yamana”), pursuant to which Yamana has the option to earn up to a 75% interest in the TPK property (the “Yamana Agreement”).

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Yamana has the option to earn an initial interest of 70% in consideration for the following:

		Cash payments to Northern Superior (\$)	Minimum exploration expenditures at TPK (\$)
Initial Option	On signing of the agreement	150,000 ⁽¹⁾	-
	On or before the 1 year anniversary	150,000	2,000,000 ⁽²⁾
	On or before the 2 year anniversary	100,000	2,000,000
	On or before the 3 year anniversary	150,000	-
	On or before the 4 year anniversary	150,000	6,000,000
	On exercising of the option	300,000	-
	Total	1,000,000	10,000,000

⁽¹⁾ Received

⁽²⁾ Advance of \$1,000,000 received January 15, 2019; advance of \$1,000,000 received April 1, 2019

Yamana can earn an additional 5% interest upon delivery of the NI 43-101 resource to the Company (by the end of year 4) if the defined mineral resource is greater than 500,000 ounces of gold and Yamana pays the Company an additional \$2.00 per ounce for each measured, indicated and inferred ounce included in the resource.

The Company will be the operator for the first 12 months of the agreement, at which time Yamana has the option of assuming operator status for the remainder of the earn-in period. While acting as operator, the Company is entitled to a 5% management fee on all agreed to and related expenses. In addition, once Yamana becomes operator it may request the Company to continue to staff the project, in which case, the Company would continue to be entitled to the 5% management fee.

Upon Yamana successfully completing the earn-in requirements, Yamana and the Company will form a joint venture or similar arrangement, wherein each party will be required to fund their pro-rata share of all future exploration initiatives on the property. Should either joint venture party fail to contribute its pro-rata share of any approved work program, their ownership interest will be diluted accordingly. Should either joint venture partner dilute below a 10% ownership interest, their interest will convert to a royalty interest.

b) Croteau Est project

Croteau Est property: The Company holds a 100% interest in the Croteau Est property, subject to a 1.0% NSR on any commercial production, of which Company has the right to buy back 0.5% for \$1.5 million.

Waconichi property: The Company owns a 100% interest in the Waconichi property, subject to a 1% NSR royalty on a majority of the Waconichi claims. The 1% NSR royalty covers all except 7 claims (comprising approximately 287 hectares) which were already subject to a prior 2% NSR royalty in favor of the prospector who originally staked the claims. The Company has the right to repurchase one half of the 1% NSR royalty (reducing it to a 0.5% NSR royalty) at any time for \$1.0 million. Similarly, the Company has the right to repurchase half of the 2% NSR royalty (reducing it to a 1% NSR royalty) at any time, for \$1.0 million. In either case, should the Company exercise its buy-back right, it will then have a right of first refusal with respect to the remaining NSR royalty.

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c) Option Earn-in Agreement on Lac Surprise property

In April 2014, the Company signed an option agreement (“Option Agreement”) with Bold Ventures Inc. (“Bold”) whereby Bold had the option to earn up to an initial 50% interest in the Company’s 100% owned Lac Surprise property in consideration for issuing a total of 350,000 shares of Bold to the Company in stages (200,000 shares received), and incurring staged minimum exploration expenditures on the property totaling \$2,000,000 (\$1,000,000 incurred). Bold had the option to earn an additional 10% interest in the property subject to delivering a positive feasibility study within five years from the date of execution of the formal option agreement. In June, 2017, Northern Superior terminated the Option Agreement, as Bold was unable to maintain its expenditure requirements on the Property. The Company currently retains 100% interest in this Property.

d) Wapistan property

The Company owns a 100% interest in the Wapistan property.

e) Metson Lake, Rapson Bay and Thorne Lake properties (collectively, the “Properties”)

In 2013, due to the actions of third parties, the Company determined that it had lost the ability to access the Properties and realize the benefits of the value created from its exploration expenditures on the Properties, pursuant to which it filed a civil lawsuit (the “Ontario Litigation”) against the Government of Ontario. In 2016, the Ontario Litigation completed with a ruling against the Company and an order that the Company pay \$440,570 in costs to the Province of Ontario (provision for the full amount made by the Company). In March 2018, the Company and the Ontario Government settled on a reduced costs amount, which was paid in the first quarter of 2018. The Properties are owned 100% by the Company and have been released from an exclusion of time.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	December 31, 2018
	(\$)	(\$)
Trade payables	340,252	127,566
Amounts due to related parties	72,024	41,250
Accrued liabilities - general	45,374	32,430
Flow-through shares premium liability (note 7)	242,424	242,424
	700,074	443,670

The fair values of accounts payable and accrued liabilities approximate their carrying amount. Trade payables relate mainly to the acquisition of materials, supplies and contractor services. These payables do not accrue interest and no guarantees have been granted.

7. SHARE CAPITAL

a) Authorized

Share consolidation

On January 3, 2019, the Company received regulatory approval to consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. Regulatory approval having been received, the common shares of the Company commenced trading on the TSX Venture Exchange (“TSX-V” or the “Exchange”) on a post-consolidated basis on January 7, 2019. There was no change to the Company’s trading

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symbol on the TSX-V or the OTCQB. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in these financial statements have been adjusted retrospectively to reflect the share consolidation.

The authorized capital stock of the Company is comprised of an unlimited number of common shares without par value.

b) Common shares

Period ended March 31, 2019

The Company issued no common shares.

Year ended December 31, 2018

- (i) On August 17, 2018, the Company issued a total of 127,912 shares (valued in the aggregate at \$63,957) in respect of Directors' fees for the period July 1, 2017 to June 30, 2018.
- (ii) On December 28, 2018, the Company closed a non-brokered private placement for gross proceeds of \$999,999 ("Private Placement") through the sale of 3,030,300 Units, with each Unit comprised one flow-through common share and one-half of one non-transferable non-flow-through share purchase warrant ("NFT Warrant") exercisable at a price of \$0.40 per share until one year after the date of closing. The issuance of the 3,030,300 flow-through shares resulted in a flow-through premium liability of \$242,424. Upon the flow-through funds being fully expended, the flow-through premium liability will be extinguished through the Statement of Loss and Comprehensive Loss during the year in which the expenditures occur.

The Private Placement closed as follows:

Closing Date	December 28, 2018
Gross Proceeds	\$999,999
FT Shares Issued	3,030,300
Finders' Fees	
Shares issued	60,606
Cash	\$78,664
NFT Warrants Issued	1,515,150
NFT Warrant Exercise Price	\$0.40
NFT Warrant Expiry Date	December 28, 2019
NFT Broker Warrants Issued	242,424
NFT Warrant Exercise Price	\$0.40
NFT Warrant Expiry Date	December 28, 2019

The NFT Warrants and NFT Broker Warrants were valued in the aggregate at \$181,984, using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	1.75
Expected stock price volatility (%)	142
Expected dividend yield (%)	0
Expected life (years)	1

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c) Stock Options

The Company's stock option plan (the "Plan") is administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount at the time of grant. The terms of all options cannot exceed ten years and the minimum exercise price cannot be less than the closing price of the Company's common shares on the TSX-V on the last trading day preceding the grant of the option. All of the outstanding options of the Company were issued with an expiry date of 5 years from the date of issue. Except as may be prescribed by the Exchange, the Board of Directors determines the vesting terms of the options. Share-based payments reserve is included in shareholders' equity and consists of the estimated fair value of stock options.

Period ended March 31, 2019

On March 29, 2019, the Company granted incentive stock options allowing for the acquisition of up to, in the aggregate, 1,130,000 shares at \$0.22 per share until March 29, 2024. The total amount of share-based payments expense of \$244,287 was recognized during the period ended March 31, 2018.

The fair value for stock options issued during the was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	1.75
Expected stock price volatility (%)	211
Expected dividend yield (%)	0
Expected life (years)	5

Year ended December 31, 2018

During the year ended December 31, 2018 the Company recorded \$16,790 in respect of the vesting of options granted in prior years.

At March 31, 2019, the Company had stock options, with a total weighted average remaining contractual life of 3.76 years (December 31, 2018: 3.11 years) outstanding as follows:

Grant date	Expiry date	Number (#)	Exercise price (\$)	Options exercisable (#)
November 10, 2014	November 10, 2019	130,000 ⁽¹⁾	0.500	130,000
November 5, 2015	November 5, 2020	95,000 ⁽¹⁾	0.500	95,000
August 1, 2016	August 1, 2021	50,000 ⁽²⁾	1.000	50,000
November 21, 2016	November 21, 2021	105,000 ⁽¹⁾	0.500	70,000
April 23, 2017	April 23, 2022	810,000 ⁽³⁾	0.650	810,000
November 30, 2017	November 30, 2022	355,000 ⁽³⁾	0.500	355,000
March 29, 2019	March 29, 2024	1,130,000 ⁽³⁾	0.220	1,130,000
		2,675,000	0.436	2,640,000

⁽¹⁾ Provided to directors, officers, consultants and employees; the options vest as to 1/3 each on the first, second and third anniversary of the grant.

⁽²⁾ Provided to a consulting firm as part of the compensation for providing certain marketing services to the Company; the options vest as to 1/4 each every three months following the date of the grant.

⁽³⁾ Provided to directors, officers, consultants and employees; the options fully vest on date of grant.

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A summary of the changes in the Company's stock options follows:

	Number of options (#)	Weighted average exercise price (\$)
December 31, 2017	2,107,500	0.620
Expired	(100,000)	1.000
Forfeited	(462,500)	0.549
December 31, 2018	1,545,000	0.595
Granted	1,130,000	0.220
March 31, 2019	2,675,000	0.430

d) Share Based Payments

Share based payments recognized in the period are expensed as consulting fees, directors' fees or management and office expense, as appropriate. The following table summarizes the share based payments expense on the vesting of stock option for the period ended March 31, 2019 and the year ended December 31, 2018:

	March 31, 2019 (\$)	December 31, 2018 (\$)
Consulting fees	-	4,900
Management and office	244,287	11,890
	244,287	16,790

e) Warrants

Period ended March 31, 2019

Warrants allowing for the acquisition of up to, in the aggregate, 7,801,000 shares at \$0.75 per share expired, as to 5,820,000 shares on March 2, 2019 and 1,981,000 shares on March 6, 2019.

Year ended December 31, 2018

Pursuant to the Private Placement, the Company issued warrants allowing for the purchase of up to, in the aggregate, 1,757,574 common shares in the capital of the Company at a price of \$0.40 per share until December 28, 2019. The warrants were valued in aggregate at \$181,984.

The fair value for warrants issued during the year ended December 31, 2018 was determined using the Black-Scholes Option Pricing Model and the following assumptions:

	Year ended December 31, 2018
Risk-free interest rate (%)	1.75
Expected stock price volatility (%)	142
Expected dividend yield (%)	0
Expected life (years)	1

At March 31, 2019, the Company had warrants, with a total weighted average remaining contractual life of 0.75 years (December 31, 2018: 0.32 years) outstanding as follows:

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Issue date	Expiry date	Number (#)	Exercise price (\$)
December 28, 2018	December 28, 2019	1,515,150	0.400
December 28, 2018	December 28, 2019	242,424	0.400
		1,757,574	0.400

A summary of the changes in the Company's warrants follows:

	Number of warrants (#)	Weighted average exercise price (\$)
December 31, 2017	9,801,000	0.750
Issued	1,757,574	0.400
Expired	(2,000,000)	0.750
December 31, 2018	9,558,574	0.686
Expired	(7,801,000)	0.750
March 31, 2019	1,757,574	0.400

8. RELATED PARTY TRANSACTIONS

The Company has arrangements pursuant to which parties related to the Company by way of directorship or officership provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations and all of the costs recorded are based on fair value. The Company's related party expenses for the period ended March 31, 2019 and 2018 are as follows:

	March 31, 2019 (\$)	March 31, 2018 (\$)
Management fees	21,000	21,000
Directors' fees	27,500 ⁽¹⁾	32,500 ⁽²⁾
Salaries and wages	56,250	95,250
Share based payments	11,890	4,900
	116,640	153,650

⁽¹⁾ At March 31, 2019, a total of \$68,750 (December 31, 2018: \$41,250) was owed to Directors in respect of Directors' fees, as to \$27,500 (December 31, 2018: \$13,750) payable in cash, and \$41,250 (December 31, 2018: \$27,500) payable in common shares of the Company, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such shares are issuable, but in any event, not less than \$0.50 per share.

⁽²⁾ At March 31, 2018, a total of \$81,250 was owed to Directors in respect of Directors' fees, as to \$32,500 payable in cash, and \$48,750 payable in common shares of the Company, with the number of shares issuable to be determined based on the closing price of the Company's shares on the date such shares are issuable, but in any event, not less than \$0.50 per share.

Included in trade payables at March 31, 2019 is \$3,274 due to related parties (December 31, 2018: \$Nil) in expenses incurred on behalf of the Company.

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9. FINANCIAL INSTRUMENTS

Management of Capital risk

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, equity reserves.

The Company's capital at March 31, 2019 and December 31, 2018 follows:

	March 31, 2019	December 31, 2018
	(\$)	(\$)
Share Capital	64,525,038	64,542,840
Reserves	10,784,346	10,540,059
Deficit	(66,458,698)	(66,041,081)
	8,850,686	9,041,818

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will be using its existing working capital and raise additional amounts 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 year ended December 31, 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

Management of Financial Risks

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

i. Credit Risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. The Company's surplus cash at March 31, 2019 and December 31, 2018, is invested in liquid low risk accounts in A rated Canadian Banks. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote. The Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

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ii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had unrestricted cash and cash equivalents of \$1,036,805 (December 31, 2018: \$1,265,801) to settle trade payables and accrued liabilities totaling \$700,074 (December 31, 2018: \$443,742).

iii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. A 1% change in short term rates would change the interest income and net loss of the Company, assuming that all other variables remained constant, by approximately \$19,784 at March 31, 2019.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency or commodity risk arising from financial instruments.

10. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment being the mineral exploration business in Canada. All exploration properties and equipment are situated in Canada.

11. COMMITMENTS AND CONTINGENCIES

At March 31, 2019, the Company has the following commitments in respect of its operating lease:

	< 1 year	2-5 years	> 5 years	Total
	(\$)	(\$)	(\$)	(\$)
Lease	45,633	106,477	-	152,110

12. SUBSEQUENT EVENT

On April 1, 2019, the Company received, in respect of the Yamana Agreement, an advance of \$1,000,000 for exploration expenditures at the TPK project.