



ALTO VENTURES LTD.
(An Exploration Stage Company)

FINANCIAL STATEMENTS

For the years ended June 30, 2019 and 2018

Canadian Funds

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Alto Ventures Ltd.

Opinion

We have audited the accompanying financial statements of Alto Ventures Ltd. (the "Company"), which comprise the statements of financial position as at June 30, 2019 and 2018 and the statements of operations and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of \$564,515 during the year ended June 30, 2019 and, as of that date, the Company's total deficit was \$21,332,288. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on 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 obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, 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, 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Peter Maloff.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

October 18, 2019

Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Financial Position

Canadian Funds

As at	Note	June 30, 2019	June 30, 2018
		\$	\$
ASSETS			
Current assets			
Cash		789,245	1,372,471
Receivables	5	18,324	21,420
Marketable securities	6	302,784	246,531
Prepays and deposits		9,904	7,783
		<u>1,120,257</u>	<u>1,648,203</u>
Non-current assets			
Exploration and evaluation assets	7	2,156,161	2,156,161
		<u>3,276,418</u>	<u>3,804,366</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	21,318	47,899
Due to related parties	10	94,216	75,352
		<u>115,534</u>	<u>123,251</u>
SHAREHOLDERS' EQUITY			
Share capital	9	21,893,673	21,893,673
Contributed surplus - options	9	1,542,434	1,498,150
Contributed surplus - warrants	9	1,057,065	1,057,065
Accumulated other comprehensive loss		-	34,450
Deficit		(21,332,288)	(20,802,223)
		<u>3,160,884</u>	<u>3,681,115</u>
		<u>3,276,418</u>	<u>3,804,366</u>

Going concern and nature of operations (Note 1)

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

"Richard Mazur", Director

"Gary Zak", Director

The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.

(An Exploration Stage Company)

Statements of Operations and Comprehensive Loss

Canadian Funds

		For the years ended	
		June 30,	
		2019	2018
	Note	\$	\$
General and administrative expenses			
Exploration and evaluation expenditures	7	292,723	477,410
Interest expense		1,141	866
Investor and shareholder relations		8,711	26,091
Legal, accounting and management		172,876	177,122
Office administration		69,307	59,511
Consulting and wages		33,750	88,334
Share-based compensation	9	44,284	-
Transfer agent and filing fees		11,303	20,901
Travel and promotion		11,673	17,774
		645,768	868,009
Loss before the following			
Recovery of exploration & evaluation assets	7	(149,000)	-
Loss on sale of marketable securities		-	159,218
Unrealized loss on marketable securities		67,747	-
Write off of exploration and evaluation assets	8	-	36,900
		(81,253)	196,118
		564,515	1,064,127
Net loss for the year before income taxes			
Flow-through share premium recovery		-	(44,125)
		564,515	1,020,002
Loss for the year			
		-	(6,718)
		564,515	1,013,283
Comprehensive loss for the year			
Loss per share		\$	\$
- Basic		0.01	0.02
- Diluted		0.01	0.02
Weighted average number of common shares outstanding			
		#	#
- Basic		56,373,295	51,795,361
- Diluted		56,373,295	51,847,582

The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.

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Statements of Cash Flows

Canadian Funds

	For the years ended	
	June 30,	
	2019	2018
	\$	\$
Cash resources used in		
Operating activities		
Loss for the year	(564,515)	(1,020,002)
Items not affecting cash:		
Future income tax recovery	-	(44,125)
Loss on sale of marketable securities	-	159,218
Recovery of exploration & evaluation assets	(124,000)	-
Share-based compensation	44,284	-
Unrealized gain on marketable securities	67,747	-
Write off of exploration and evaluation assets	-	36,900
Changes in non-cash working capital		
Decrease (increase) in accounts receivables	3,096	(4,044)
Decrease (increase) in prepaids and deposits	(2,121)	45,341
(Decrease) increase in accounts payable and accrued liabilities	(26,581)	(2,075)
(Decrease) increase in amounts due to related parties	18,864	17,334
Cash used in operating activities	(583,226)	(811,453)
Investing activities		
Acquisition of exploration and evaluation assets	-	(5,510)
Sale of marketable securities	-	335,783
Cash provided by investing activities	-	330,273
Financing activities		
Loan	-	-
Proceeds from private placements	-	931,900
Funds receive on shares allotted but not issued	-	34,650
Share issuance costs	-	(63,941)
Cash provided by financing activities	-	902,609
Net increase in cash	(583,226)	421,428
Cash - Beginning of year	1,372,471	951,043
Cash - End of year	789,245	1,372,471
Supplementary Disclosure		
Fair value gain on marketable securities	-	(6,718)
Fair value of warrants issued from private placement	-	40,440
Fair value of warrants exercised	-	(42,514)

The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.

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Statements of Shareholders' Equity

For the Years Ended June 30, 2019 and 2018

Canadian Funds

	Note	Share Capital		Contributed Surplus		Accumulated Other Comprehensive	Deficit (\$)	Total (\$)
		Number (#)	Amount (\$)	Options (\$)	Warrants (\$)	Loss (\$)		
June 30, 2017		43,087,081	21,033,116	1,498,150	1,059,138	27,732	(19,782,221)	3,835,915
Shares issued for cash		13,286,214	966,550	-	-	-	-	966,550
Share issuance costs		-	(63,941)	-	-	-	-	(63,941)
Warrants exercised		-	42,513	-	(42,513)	-	-	-
Warrants issued on financing		-	(40,440)	-	40,440	-	-	-
Flow-through premium		-	(44,125)	-	-	-	-	(44,125)
Other comprehensive loss - unrealized gain (loss) on marketable securities		-	-	-	-	6,718	-	6,718
Loss for the year		-	-	-	-	-	(1,020,002)	(1,020,002)
June 30, 2018		56,373,295	21,893,673	1,498,150	1,057,065	34,450	(20,802,223)	3,681,115
Share-based compensation		-	-	44,284	-	-	-	44,284
Reclassification on the adoption of IFRS 9	2	-	-	-	-	(34,450)	34,450	-
Loss for the year		-	-	-	-	-	(564,515)	(564,515)
June 30, 2019		56,373,295	21,893,673	1,542,434	1,057,065	-	(21,332,288)	3,160,884

The accompanying notes are an integral part of these financial statements

1. Going concern and nature of operations

Alto Ventures Ltd. (“the Company”) is engaged in the acquisition, exploration and evaluation of Canadian gold projects. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

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 acquisition costs incurred to date, less amounts written down or written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon raising financing, the sale or joint venturing of the exploration and evaluation assets, and/or the attainment of profitable operations.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation projects. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete the exploration of its mineral interests by the issuance of share capital or through 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. During the year ended June 30, 2019, the Company incurred a loss of \$564,515, and at June 30, 2019 had working capital of \$1,004,723, and an accumulated deficit of \$21,332,288.

Management plans to continue to seek the necessary financing through a combination of issuance of new equity instruments, entering into joint venture or debt financing 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.

2. Basis of preparation

Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements.

Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- a) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on the planned exploration budgets and drill results of exploration programs.
- b) The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
- c) The valuations of shares issued in non-cash transactions using the quoted share price as the fair value based measurement on the date the shares are issued for the transaction.
- d) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

2. Significant accounting policies

- a) Exploration and evaluation assets

All costs related to the acquisition of mineral resource interests are capitalized by project. These costs will be amortized against revenue from future production or written off if the interest is deemed impaired, abandoned or sold. All costs related to the exploration of mineral resource interests are expensed as incurred.

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

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Ownership in exploration and evaluation assets involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets.

b) Impairment

The Company's assets are reviewed for indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit, exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized on the statement of operations.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

c) Share-based compensation

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

Share-based compensation arrangements with non-employees in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

d) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

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Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

- e) Quebec exploration tax credit receivable
The Company may be entitled to refundable mining tax credits on certain mining exploration expenditures incurred in Quebec. The Company recognizes amounts as a receivable and reduces the carrying value of exploration and evaluation assets when the amount to be received can be reasonably estimated and collection is reasonable assured.
- f) Flow-through shares
Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through share and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company renounces the expenditures, at which point the liability is reversed and recorded as other income on the statement of operations. The Company records a deferred tax liability when the Company makes the expenditures. At the time of recognition of the deferred tax liability, an offsetting entry is made to tax expense.
- g) Provision for environmental rehabilitation
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and property and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

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

h) (Earnings) loss per share

Basic (earnings) loss per share is calculated by dividing the (earnings) loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the (earnings) loss attributable to common shareholders equals the reported (earnings) loss attributable to owners of the Company. In calculating the diluted (earnings) loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

i) Financial instruments

The Company adopted new accounting standard IFRS 9 – Financial Instruments, effective July 1, 2018. The new standard sets out requirements for classifying, recognizing and measuring financial assets and financial liabilities. This standard replaces IAS 39 – Financial Instruments: Recognition and Measurement.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. IFRS 9 allows for an exemption from restating prior periods in respect of the standard's classification and measurement requirements. The Company has chosen to apply this exemption upon initial adoption, although it was determined that the adoption of IFRS 9 had no significant impact on the comparative year's financial statements.

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the instrument. For financial liabilities, the new standard retains most of the requirements of IAS 39, except that fair value changes due to changes in an entity's own credit risk are recorded in other comprehensive Income rather than in net earnings.

Upon adoption of IFRS 9, the Company has changed its accounting policy for financial instruments as follows:

Classification

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income (loss) ("FVOCI"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. A financial liability is classified as measured at amortized cost or FVTPL.

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 assets to collect contractual cash flows; and

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- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company completed an assessment of its financial assets and liabilities as at June 30, 2019. The adoption of IFRS 9 has no significant quantitative impact on the Company's financial instruments as at June 30, 2019.

However, it has an impact on the classification of the Company's financial instruments compared to the old standard IAS 39 as follows:

Asset or Liability	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Marketable securities	FVOCI	FVTPL
Prepays and deposits	Loans and receivables	Amortized cost
Due to related parties	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

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Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, the Company applies the expected credit loss impairment model. On adoption of the expected credit loss model there was no material adjustment.

j) Adoption of new IFRS pronouncements

The adoption of the following IFRS standards and amendments to existing standards effective July 1, 2018 did not have an effect on the Company's financial statements:

- i) IFRS 2, "Share-based Payments" is effective for annual periods beginning on or after January 1, 2018.
- ii) IFRS 7, "Financial Instruments: Disclosure" is effective for annual periods beginning on or after January 1, 2018.
- iii) IFRS 15, "Revenue from Contracts with Customer" is effective for annual periods beginning on or after January 1, 2018.

New accounting standards not yet adopted

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

The Company has initially assessed that there will be no material impact on the statements of financial position or results of operations as a result of adopting the new standards above; however, enhanced disclosure requirements are expected.

3. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a

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flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

4. Management of financial risk

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

Interest rate risk

The Company has no material exposure at June 30, 2019 to interest rate risk through its financial instruments.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period. Sensitivity to a plus or minus 1% change in cash interest rates would affect net loss by \$7,892 annually. The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

Currency risk

As at June 30, 2019, all of the Company's cash was held in Canadian dollars, the Company's reporting currency. The Company has no operations in foreign jurisdictions at this time and as such has no currency risk associated with its operations.

Credit risk

The Company has some cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote.

Receivables consist of goods and services tax ("GST") due from the Federal Government of Canada and sales taxes ("QST") due from the Government of Québec.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at June 30, 2019, the Company had a cash balance of \$789,245 (June 30, 2018: \$1,372,471) to settle current liabilities of \$115,534 (June 30, 2018: \$123,251).

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5. Receivables

Current accounts receivable balance includes \$18,248 (June 30, 2018: \$20,343) in GST due from the Federal Government, \$76 (June 30, 2018: \$1,077) in QST from the Government of Québec.

6. Marketable securities

June 30, 2019			
Company	Shares (#)	Cost (\$)	Market Value (\$)
Trakopolis IOT Corp. (TRAK: TSX-V)	7,500	41,000	900
Canoe Mining Ventures Corp. (CLV:CNX)	1,342,700	1,304,961	40,281
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	10,675
New Age Metals Inc. (NAM: TSX-V)	16,667	33,875	1,000
Razore Rock Resources Inc. (RZR:CNX)	40,000	21,000	2,400
Osisko Mining Inc. (OSK: TSE) ⁽¹⁾	24,100	110,000	79,528
Sanatana Resources Inc. (STA: TSX-V)	4,200,000	164,000	168,000
	5,935,967	1,936,836	302,784

⁽¹⁾ On October 22, 2018, the shares of Beaufield Resources Inc ("Beaufield") were acquired by Osisko Mining Inc. ("Osisko"), such that for every share of Beaufield the Company received 0.0482 share of Osisko (OSK).

During the year ended June 30, 2019, the Company received, in connection with the Empress project, a total of 3,200,000 shares valued in total at \$124,000. The Company also received warrants allowing for the purchase of up to, in the aggregate, 1,000,000 shares in the capital of Sanatana Resources Inc. at \$0.10 per share until June 25, 2022. The warrants were received at a nominal value.

June 30, 2018			
Company	Shares (#)	Cost (\$)	Market Value (\$)
Trakopolis IOT Corp. (TRAK: TSX-V)	7,500	41,000	6,374
Canoe Mining Ventures Corp. (CLV:TSX-V)	1,342,700	1,304,961	127,557
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	21,350
New Age Metals Inc. (NAM: TSX-V)	16,667	33,875	1,250
Razore Rock Resources Inc. (RZR:CNX) ⁽¹⁾	40,000	21,000	10,000
Beaufield Resources Inc. (BFD: TSX-V)	500,000	110,000	35,000
Sanatana Resources Inc. (STA: TSX-V)	1,000,000	40,000	45,000
		1,812,836	246,531

⁽¹⁾ On December 12, 2017, the shares of Razore Rock Resources Inc. ("Razore") were consolidated as to 5 old shares of Razore for 1 new share of Razore.

The shares owned by the Company represent minor ownership in each of the companies in the above schedules.

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7. Exploration and evaluation assets

The Company has investigated ownership of its mineral interests as at June 30, 2019 and, to the best of its knowledge, ownership of its interests is in good standing.

The following table shows the activity by property for the years ended June 30, 2019 and 2018:

	June 30, 2017 (\$)	Acquisition costs (\$)	Disposition costs (\$)	June 30, 2018 (\$)	June 30, 2019 (\$)
Quebec					
Destiny	809,100	-	-	809,100	809,100
Ontario					
Greenoaks	450,000	-	-	450,000	450,000
Miner Lake	7,868	1,700	-	9,568	9,568
Mud Lake	40,163	-	-	40,163	40,163
Three Towers	36,900	-	(36,900)	-	-
Brookbank East	-	3,810	-	3,810	3,810
Manitoba					
Oxford	843,520	-	-	843,520	843,520
Total exploration and evaluation	2,187,551	5,510	(36,900)	2,156,161	2,156,161

The following tables show the property acquisition and exploration activity during the years ended June 30, 2019 and 2018:

	Year Ended June 30, 2019										Year Ended June 30, 2018
	Quebec	Ontario					Manitoba	General	Total	Total	
	Destiny (\$)	Empress (\$)	Greenoaks (\$)	Miner Lake (\$)	Mud Lake (\$)	Three Towers (\$)	Brookbank East (\$)	Oxford (\$)	General (\$)	Total (\$)	Total (\$)
Opening balance	809,100	-	450,000	9,568	40,163	-	3,810	843,520	-	2,156,161	2,187,551
Acquisition costs											
Expenditures	-	-	-	-	-	-	-	-	-	-	5,510
Disposition/Written off	-	-	-	-	-	-	-	-	-	-	(36,900)
Net acquisition costs	809,100	-	450,000	9,568	40,163	-	3,810	843,520	-	2,156,161	2,156,161
Exploration expenditures											
Assays	10,800	-	-	-	-	-	-	-	-	10,800	14,722
Mapping	2,723	-	-	29,575	34,498	-	19,163	-	16,390	102,349	366,741
Computer/Digitization	32,930	50	-	13,620	-	-	2,230	-	-	48,830	2,810
Drilling	2,820	-	-	193,473	-	-	-	-	987	197,280	7,920
Report Filing	-	-	-	3,300	1,320	-	-	-	-	4,620	8,580
Management	660	660	1,320	4,620	-	-	-	9,900	-	17,160	55,278
License/Permit/Claims	78	-	1,747	-	7,150	50	-	-	618	9,643	3,273
Prospecting	-	-	-	-	-	-	-	-	-	-	-
Geophysics	-	-	-	250	-	-	-	-	-	250	14,000
Travel	-	-	-	-	-	-	-	-	-	-	4,086
Line Cutting	-	-	-	-	-	-	-	-	-	-	-
Stripping/washing	-	-	-	-	-	-	-	-	-	-	-
Deficiency Deposits	-	-	-	-	-	-	-	-	-	-	-
Exploration expenditures reimbursed	-	-	-	-	-	-	-	-	-	-	-
Government Rebates	-	-	-	-	-	-	-	(98,210)	-	(98,210)	-
	50,011	710	3,067	244,838	42,968	50	21,393	(88,310)	17,996	292,723	477,410
Exploration expenditures expensed	(50,011)	(710)	(3,067)	(244,838)	(42,968)	(50)	(21,393)	88,310	(17,996)	(292,723)	(477,410)
Ending balance	809,100	-	450,000	9,568	40,163	-	3,810	843,520	-	2,156,161	2,156,161

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The following reflects the Company's ownership of or interest in its exploration and evaluation assets, and any additional terms or underlying Net Smelter Return Royalties ("NSR"), as at June 30, 2019:

Property	Claims (#)	Cell Claim		Ownership (%)
		Units ⁽¹⁾ (#)		
Quebec				
Destiny	127	-	100	subject to underlying NSR
Ontario				
Empress	-	58	100	subject to underlying NSR; under option to Sanatana Resources Inc.
Greenoaks	-	15	100	subject to underlying NSR
Miner Lake	-	226	100	subject to underlying NSR
Mud Lake	-	182	100	subject to underlying NSR
Three Towers	-	66	100	subject to underlying NSR
Brookbank East	-	63	100	Nil
Manitoba				
Oxford Lake	17	-	100	subject to underlying NSR
Oxford Lake MELs	3	-	100	Nil

⁽¹⁾ On April 30, 2018, the Government of Ontario amended its method for claims acquisitions from ground staking to an electronic lands management system, pursuant to which the historical claims were converted to cell claim units.

a) **Destiny**

The Company owns a 100% interest in the project, subject to underlying royalties on certain claims. On May 15, 2018, the Company entered into an agreement ("Hinterland Agreement") with Hinterland Metals Inc. ("Hinterland") pursuant to which Hinterland could earn up to a 75% interest in the Company's Destiny property (the "Destiny Property"), by making the following cash and share payments to the Company, and incur exploration expenditures on the Destiny:

			Cash (\$)	Shares of Hinterland (#)	Minimum exploration expenditures (\$)
Fist Option	To earn an initial 50% interest ⁽¹⁾ :	On Hinterland Private Financing date	10,000	100,000	-
		On or before May 14, 2019	15,000	500,000	1,500,000
		On or before May 14, 2020	25,000	1,000,000	2,250,000
		On or before May 14, 2021	100,000	2,400,000	4,250,000
			150,000	4,000,000	8,000,000
Second Option	To earn an additional 25% interest ("Additional 25%"): On or before May 14, 2022	On or before May 14, 2022	100,000	2,000,000	4,000,000
			100,000	2,000,000	4,000,000
			200,000	4,000,000	8,000,000
Total			350,000	8,000,000	16,000,000

⁽¹⁾ To maintain the agreement in good standing, Hinterland is required to close a minimum financing of \$750,000 on or before June 30, 2018 (the "Hinterland Private Financing").

Should Hinterland elect not to earn the Additional 25% Interest or fail to complete the Second Option, Hinterland and the Company would form a joint venture with initial respective participating interests of 50% each. In either case, the joint venture would be funded by each partner according to their respective interest subject to the terms and conditions of a joint venture agreement. Hinterland was unable to complete the Hinterland Private Financing, pursuant to which the Hinterland Agreement terminated during the year ended June 30, 2018.

b) **Empress**

The Company has a 100% interest in the Empress property. On February 3, 2017, the Company entered into an agreement (the "Sanatana Agreement") to option 100% of its interest in the

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Empress project to Sanatana Resources Inc. ("Sanatana"), pursuant to which Sanatana is required to make certain cash and share payments to the Company, and incur exploration expenditures on the Empress Property. The Payment Terms of the Sanatana Agreement, as amended follow:

	Cash (\$)	Shares of Sanatana (#)	Warrants to acquire shares of Sanatana at \$0.10 per share for 3 years from date of issue (full warrant) (#)	Minimum exploration expenditures (\$)
Effective date (June 21, 2017)	50,000 ⁽¹⁾	1,000,000 ⁽¹⁾	-	-
Effective date (June 21, 2017)	-	-	-	20,000 ⁽¹⁾
On or before June 10, 2019	25,000 ⁽⁴⁾	-	-	-
On or before June 21, 2018	-	2,000,000 ⁽²⁾	-	-
On or before June 30, 2019	-	1,000,000 ⁽⁵⁾	1,000,000 ⁽⁶⁾	-
On or before June 30, 2019	-	200,000 ^{(3) (5)}	-	-
On or before December 21, 2018	-	-	-	50,000 ⁽⁷⁾
On or before June 21, 2019	-	-	-	100,000 ⁽⁷⁾
Total	75,000	4,200,000	1,000,000	170,000

⁽¹⁾ Received June 21, 2017

⁽²⁾ Received August 10, 2018; the shares were valued at \$70,000

⁽³⁾ Received in consideration for the extension of the cash payment due June 21, 2018; the shares were valued at \$9,000

⁽⁴⁾ Received June 4, 2019

⁽⁵⁾ Received June 25, 2019; the shares were valued at \$45,000

⁽⁶⁾ Received June 25, 2019; the warrants allow for the acquisition of 1,000,000 shares of Sanatana at \$0.10 per share until June 25, 2022; the warrants were valued at \$nil

⁽⁷⁾ On July 11, 2019, the Company advised Sanatana that should Sanatana complete the work programs totaling \$150,000 on or before December 31, 2019, Sanatana will be in compliance with the terms and conditions of the Sanatana Agreement.

The value of the Sanatana securities and cash received is presented as a recovery on the Statement of Operations and Comprehensive Loss.

- c) **Three Towers**
 During the year ended June 30, 2018, the Company determined that the Three Towers property was impaired due to lack of activity, pursuant to which all acquisition and holding costs on the property were written off prior to June 30, 2018.
- d) **Brookbank East**
 In April 2018, the Company staked 63 claims comprising the 1,300 hectare Brookbank East property, located in the Beardmore-Geraldton gold belt.
- e) **Oxford Lake**
 The Company owns a 100% interest in the Oxford Lake property, subject to certain underlying royalties on some of the claims. In December 2017 the Company was informed by the Government of Manitoba that its work permit application is being delayed due to challenges by the Bunibonibee Cree Nation in respect of the consultation process. In December 2018, the Company received a work permit to carry out exploration programs consisting of line cutting, ground geophysics and

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3,000 m of diamond drilling on its Oxford Lake project in Manitoba. The work permit was issued with certain conditions including a requirement that a heritage resource impact assessment (satisfactory to the Historic Resource Branch of Manitoba Sport, Culture and Heritage) be completed before work begins. In September 2018, the Company received \$98,210 pursuant to the Manitoba government's Manitoba Exploration Assistance Program (MEAP), in respect of exploration conducted at Oxford Lake during 2017.

8. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities consist of \$5,318 (June 30, 2018: \$32,899) in accounts payable and \$16,000 (June 30, 2018: \$15,000) in accrued liabilities.

9. Share capital and contributed surplus

Authorized share capital: Unlimited Common shares without par value

a) Securities issued:

Year ended June 30, 2019:

- The Company issued no common shares during the year ended June 30, 2019.

Year ended June 30, 2018:

- The Company closed private placements ("Private Placements") pursuant to which it issued flow-through common shares ("FT Shares"), common shares ("NFT shares"), warrants ("Warrants"), and paid finders' fees in cash and warrants ("Finders' Warrants") as follows:

	July 18, 2017	Private Placement Announced		December 27, 2017	Total
		October 2, 2017			
		Tranche #1	Tranche #2		
Closing Date	July 31, 2017	October 19, 2017	December 4, 2017	December 27, 2017	
Gross Proceeds	\$200,000	\$248,500	\$280,400	\$203,000	\$931,900
FT Shares Issued	2,500,000	-	-	2,537,500	5,037,500
NFT Shares Issued	-	3,550,000	4,005,714	-	7,555,714
Warrants Issued	-	1,775,000	2,002,857	1,268,750	5,046,607
Warrant Exercise Price	-	\$0.12	\$0.12	\$0.12	
Warrant Expiry Date	-	April 19, 2020	June 4, 2020	June 27, 2020	
Finders' Fees					
Cash	\$13,000	\$15,680	\$12,282	\$14,210	\$55,172
Finders' Warrants	166,250	224,000	175,450	177,625	743,325
Exercise Price	\$0.08	\$0.12	\$0.12	\$0.08	
Expiry Date	July 31, 2018	April 19, 2020	June 4, 2020	December 27, 2018	

The Finders' Warrants issued were valued, in total, at \$40,440, which fair value was recorded as share issuance costs based on the Black-Scholes pricing model using the following assumptions:

Expected dividend yield (%)	0
Expected stock price volatility (%)	151.07 to 175.45
Risk free rate (%)	0.5
Expected life of warrants (years)	1 to 2.5

Certain of the FT Shares were issued at a premium valued in total at \$44,125, which amount was recognized in income during the year.

- The Company issued a total of 693,000 shares on the exercise of warrants for total gross proceeds of \$34,650.

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b) Warrants:

The following is a summary of the Company's warrants outstanding as at June 30, 2019, which outstanding warrants have a weighted average life of 0.90 years at June 30, 2019:

Warrants	Grant Date	Warrants Issued (#)	Price per Share (\$)	Expiry Date
Warrants	October 19, 2017	1,775,000	0.12	April 19, 2020
Warrants	December 4, 2017	2,002,857	0.12	June 4, 2020
Warrants	December 27, 2017	1,268,750	0.12	June 27, 2020
Finders' fees warrants	October 19, 2017	224,000	0.12	April 19, 2020
Finders' fees warrants	December 4, 2017	175,450	0.12	June 4, 2020
		5,446,057		

For the years ended June 30, 2019 and 2018, warrant transactions were as follows:

	Number of warrants (#)	Weighted Average Exercise Price (\$)
Balance – June 30, 2017	11,222,200	0.10
Exercised	(693,000)	0.05
Expired	(5,000,000)	0.10
Issued	5,789,932	0.12
Balance – June 30, 2018	11,319,132	0.11
Expired	(5,873,075)	0.11
Balance – June 30, 2019	5,446,057	0.12

c) Stock options:

The Company has established a share purchase option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the TSX-Venture Exchange (the "Exchange") on the last trading day preceding the grant date. The options vest immediately, except for investor relations employees which vest quarterly over a one-year period, and share-based compensation is expensed based upon the relative fair values and vesting conditions of the options granted. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

On September 19, 2018, the Company issued incentive options allowing for the purchase of up to, in the aggregate, 2,000,000 common shares at \$0.05 per share until September 19, 2023, pursuant to which the Company recorded \$44,284 as share-based compensation expense based upon the relative fair values and vesting conditions of the options granted. The estimated fair value of the stock options granted during the year ended June 30, 2019 was determined using a Black-Scholes option pricing model with the following assumptions:

Expected dividend yield	0%
Expected stock price volatility	154.12%
Risk free rate	1.50%
Expected life of options	5 years

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The following is a summary of the Company's options outstanding as at June 30, 2019, which outstanding options have a weighted average life of 3.59 years at June 30, 2019:

Date of Grant	Options Issued (#)	Price per Share (\$)	Expiry Date	Options Exercisable (#)
December 10, 2015	325,000	0.05	December 10, 2020	325,000
March 27, 2017	700,000	0.10	March 27, 2022	700,000
September 19, 2018	2,000,000	0.05	September 19, 2023	2,000,000
	3,025,000			3,025,000

Stock option transactions were as follows:

	Number of options (#)	Weighted Average Exercise Price (\$)
Balance – June 30, 2017	3,390,000	0.080
Expired	(1,365,000)	0.090
Balance – June 30, 2018	2,025,000	0.080
Expired	(1,000,000)	0.072
Granted	2,000,000	0.050
Balance – June 30, 2019	3,025,000	0.062

10. Related party transactions

- a) During the years ended June 30, 2019 and 2018, the Company incurred the following net charges, all recorded based on fair value, in respect of services received from related parties:

	Years ended June 30,	
	2019 (\$)	2018 (\$)
Mike Koziol - services (Officer and company with Director in common)	156,000	156,000
Mirador Management – management fees (company with an officer in common)	42,000	42,000
J Collins Consulting - Corporate Secretary services	39,000	36,000
Venturex Consulting - CFO services	42,000	42,000
McMillan LLP – legal fees (Legal firm with a partner and Company Director in common)	14,495	30,710
Gary Zak - consulting services (Director and Former Officer in common)	-	1,000
Total	293,495	307,710

In respect of services provided to and expenses incurred on behalf of the Company, the Company owed various related parties the following at June 30, 2019 and 2018:

	June 30, 2019 (\$)	June 30, 2018 (\$)
In respect of services provided to the Company		
owed to Companies with directors and officers in common	5,794	21,665
owed to a Director and Officer	72,000	36,000
In respect of expenses incurred on behalf of the Company		
owed to Directors and Officers	16,422	17,687
	94,216	75,352

In addition, pursuant to an agreement with an officer, a severance payment of \$156,000 will be due to him in the event of termination without cause.

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- b) Compensation of key management personnel
During the years ended June 30, 2019 and 2018, the Company incurred the following fees from key management personnel:

	Years ended June 30,	
	2019	2018
	(\$)	(\$)
Management fees, directors and audit committee fees	293,495	307,710
Share-based compensation	44,284	-
	337,779	307,710

11. Segmented information

(a) Operating Segment

The Company's operations are primarily directed towards the acquisition and exploration of resource properties in Canada and consequently there is only one operating segment.

(b) Geographic information

All interest income is earned in Canada and all assets are held in Canada.

12. Income taxes

The income taxes shown in the statement of operations and loss and comprehensive loss and deficit differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	June 30, 2019	June 30, 2018
	(\$)	(\$)
Gain (loss) for the year	(564,515)	(1,020,002)
Statutory tax rate	27%	26%
Expected tax recovery	(152,000)	(275,000)
Change in statutory, foreign tax and foreign exchange rates	138,000	(461,000)
Permanent difference	21,000	31,000
Other and adjustment to previous provision	15,000	-
Impact of flow-through shares	-	109,000
Expiry of non-capital losses	-	172,000
Share issue costs	-	(17,000)
Change in unrecognized deductible temporary difference	(22,000)	441,000
Total tax recovery	-	-

The significant components of the Company's deferred tax assets and liabilities that have not been included on the statement of financial position are as follows:

	June 30, 2019	June 30, 2018
	(\$)	(\$)
<i>Deferred tax assets (liabilities)</i>		
Exploration and evaluation assets	457,000	478,000
Property, plant and equipment	7,000	7,000
Share issuance costs	15,000	21,000
Allowable capital losses	254,000	254,000
Non-capital losses available for future periods	1,513,000	1,421,000
Marketable securities	204,000	291,000
Unrecognized deferred tax assets	2,450,000	2,472,000

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The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	June 30, 2019	June 30, 2018
	(\$)	(\$)
Exploration and evaluation assets	1,694,000	1,746,000
Property, plant and equipment	24,000	24,000
Share issuance costs	57,000	78,000
Allowable capital losses	939,000	942,000
Non-capital losses available for future periods	5,602,000	5,264,000
Marketable securities	1,510,000	2,158,000
Unrecognized deferred tax assets	9,826,000	10,212,000

Tax attributes are subject to review and potential adjustment by tax authorities.