Copper Reef Mining Corporation

FINANCIAL STATEMENTS

THREE & SIX MONTH PERIODS ENDED MAY 31, 2019 AND 2018

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed, interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited, condensed interim financial statements of Copper Reef Mining Corp. for the three months ended May 31 2019 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. The accompanying unaudited, condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Copper Reef Mining Corporation
Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	May 31, 2019	November 30, 2018
Assets			
Current assets			
Cash		**8,423**	13,960
Marketable securities	4	**32,635**	202,400
Amounts receivable	5	**9,761**	9,850
Total current assets		**50,819**	226,210
Non-current assets			
Exploration and evaluation assets	6, 10	**9,217,189**	9,057,283
Total Assets		**9,268,008**	9,283,493
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,9	**279,134**	288,546
Non-current liabilities			
Deferred income taxes		**1,050,500**	1,050,500
Total Liabilities		**1,329,634**	1,339,046
Shareholders' equity			
Share capital	8(a)(b)	**14,093,615**	13,875,415
Stock option reserve	8(c)	**275,000**	275,000
Warrant reserve	8(d)	**98,600**	173,400
Deficit		**(6,528,841)**	(6,379,368)
Total Shareholders' Equity		**7,938,374**	7,944,447
Total Liabilities and Shareholders' Equity		**9,268,008**	9,283,493

Going Concern (Note 1)

Commitments and contingencies (Notes 6 and 10)

Subsequent events (Note 14)

Approved on behalf of the Board of Directors

"Stephen L. Masson" ***"Robert Granger"***

Chief Executive Officer & Director **Director**

Copper Reef Mining Corporation
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	3-Months Ended May-31 2019	3-Months Ended May-31 2018	6-Months Ended May-31 2019	6-Months Ended May-31 2018
Expenses					
General and administrative	10	**46,889**	67,141	**113,277**	116,439
Investor relations		**430**	1,587	**2,112**	3,604
Share based compensation	8(c)	**–**	–	**–**	14,000
Generative exploration	6	**(17,785)**	13,862	**27,589**	34,839
Total expenses		**29,534**	82,591	**142,978**	168,883
Other income/(loss)					
Unrealized/ realized gain (loss) on marketable securities	4	**(10,720)**	(23,800)	**(138,095)**	(74,100)
Total other income (loss)	10	**(10,720)**	(23,800)	**(138,095)**	(74,100)
(Loss) before income taxes		**(40,254)**	(106,391)	**(281,073)**	(242,983)
Net (loss) and comprehensive (loss) for the period		**(40,254)**	(106,391)	**(281,073)**	(242,983)
(Loss) per share, basic and diluted		**<0.000**	-0.001	**-0.002**	-0.002
Weighted average shares outstanding, basic and diluted		**158,161,517**	147,002,454	**155,667,811**	148,600,527

Copper Reef Mining Corporation
Statements of Changes in Equity
(Expressed in Canadian Dollars) **May 31, 2019 and 2018**

	Notes	Number of Shares	Amount	Stock Option Reserve	Warrant Reserve	Deficit	Total Shareholders ' Equity
		#	$	$	$	$	$
Balance as at November 30, 2017		**141,881,300**	**13,685,115**	**261,000**	**230,900**	**-6,281,543**	**7,895,472**
Units issued for cash, private placement		8,330,000	257,000	–	–	–	257,000
Value of warrants issued		–	(55,800)	–	55,800	–	–
Broker warrants issued		–	(1,500)	–	1,500	–	–
options issued		–	–	14,000	–	–	14,000
Cash Commissions on issue of shares		–	(9,400)	–	–	–	-9,400
Warrants expired		–	–	–	(105,000)	105,000	–
Net & comprehensive loss for the period		–	–	–	–	(242,983)	(242,983)
Balances as at May 31, 2018		**150,211,300**	**13,875,415**	**275,000**	**183,200**	**(6,419,526)**	**7,914,089**
Fair value of expired warrants	**8**	**–**	**–**	**–**	**-9,800**	**9,800**	**–**
Issuance of options	**8**	**–**	**–**				
Net loss & comprehensive loss for the year		**–**	**–**	**–**	**–**	**30,358**	**30,358**
Balance as at November 30, 2018		**150,211,300**	**13,875,415**	**275,000**	**173,400**	**-6,379,368**	**7,944,447**
Units issued for cash, private placement	**8**	**9,055,000**	**275,000**	**–**	**–**	**–**	**275,000**
Fair value warrants issued	**8**	**–**	**-56,800**	**–**	**56,800**	**–**	**–**
Fair value of expired warrants	**8**	**–**	**–**	**–**	**-131,600**	**131,600**	**–**
Net & comprehensive loss for the period		**–**	**–**	**–**		**(281,073)**	**(281,073)**
Balance as at May 31, 2019		**159,266,300**	**14,093,615**	**275,000**	**98,600**	**(6,528,841)**	**7,938,374**

Copper Reef Mining Corporation
Statements of Cash Flows
(Expressed in Canadian Dollars) **May 31 2019 and 2018**

	Notes	Three months ended May 31		Six months ended May 31	
		2019	**2018**	**2019**	**2018**
		$	$	**$**	$
Cash Flows from Operating Activities					
Items not affecting cash:					
Net loss for the period		**(40,254)**	(106,391)	**(281,073)**	(242,983)
Unrealized (gain)/loss on marketable securities		**10,720**	23,800	**138,095**	74,100
Share based compensation		**0**	0	**0**	14,000
Increase/(decrease) in Prepaids		**10,000**	0	**0**	
(Increase)/decrease in amounts receivable and accrued liabilities	3	**(2,986)**	(5,350)	**89**	(6,402)
Increase/(decrease) in amounts payable		**23,596**	-12,213	**53,356**	12,229
Cash (used in) operating activities		**1,076**	(100,154)	**(89,533)**	(149,055)
Cash Flows from Financing Activities					
Proceeds from share and warrant issuance	8	**143,000**	257,000	**275,000**	257,000
Shares for debt		**(78,000)**	–	**(78,000)**	–
Share issue costs		**–**	(9,400)	**–**	(9,400)
Cash provided from financing activities		**65,000**	247,600	**197,000**	247,600
Cash Flows from Investing Activities					
Exploration, evaluation and expenditures,	1,2	**(119,217)**	(76,555)	**(144,674)**	(94,707)
Gain on sale of sec urities		**23,795**	–	**31,670**	–
MEAP rebates		**–**	6,678	**–**	6,678
Cash provided (used in) from investing activities		**-95,423**	-69,877	**-113,005**	(88,029)
Change in cash		**(29,346)**	77,571	**(5,537)**	10,517
Cash, beginning of period		**37,769**	51,778	**13,960**	118,832
Cash, end of period		**8,423**	129,349	**8,423**	129,349
Supplemental Information					
(1) Change in accrued exploration expenditures		**–**	(8,584)	**–**	(18,269)
(2) Changes in accounts payable from shares for debt		78,000	–	78,000	–

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Copper Reef Mining Corporation (the “Company” or “Copper Reef”) was incorporated under the laws of the Province of Manitoba on March 27, 1973 as "Copper Reef Mines (1973) Limited". The Company’s name was amended to Copper Reef Mining Corporation September 8, 2006. The Company’s Head Office is located at 6 Mitchell Road, Flin Flon, Manitoba R8A 1N1.

The shares of the Company are listed on the Canadian Securities Exchange under the symbol “CZC”. The Company is engaged in the identification, acquisition and exploration of mineral properties in Canada, with present activities concentrated in the provinces of Manitoba and Saskatchewan.

The financial statements of Copper Reef for the 3-months ended May 31 2019, were reviewed by the Audit Committee and approved and authorized by the Board of Directors on July 17, 2019.

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

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory, social and environmental requirements. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These adjustments could be material.

As at May 31, 2019, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. During the 6-months ended May 31, 2019 the Company incurred a net loss of $281,073 (2018 – $242,983) and had an accumulated deficit of $6,528,841 as at May 31, 2019 (2018 - $6,379,368). These conditions indicate the existence of material uncertainties which cast significant doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with funds currently on hand and through the raising of equity, if available.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a. STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The policies set out below were consistently applied to all periods presented unless otherwise noted below. These financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b. ACCOUNTING STANDARDS THAT HAVE COME INTO EFFECT DURING THE PERIOD

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

(Expressed in Canadian Dollars) May 31 2019 and 2018

4. Marketable Securities

As at May 31 2019 the Company held shares in the following public companies.

Jaxon Minerals Inc.	JAX
Rockcliff Metals Corp.	RCLF (1)
Callinex Mines Inc.	CNX

Activity in marketable securities is summarized as follows:

			May 31 2019				November 30, 2018	
Securities issuer	**Number of shares November 30, 2018**	**Acquired/ (Sold) during period**	**Number of shares May 31 2019**	**Value $**	**Unrealized gain/(loss) $**	Number of shares held	Value $	Unrealized gain/(loss) $
JAX	**20,000**	**–**	**20,000**	**1,100**	**-300**	20,000	1,400	(3,700)
RCLF (1)	**533,333**	**(255,166)**	**278,167**	**25,035**	**(75,105)**	1,600,000	192,000	72,000
CNX	**100,000**	**–**	**100,000**	**6,500**	**(2,500)**	100,000	9,000	(21,000)
Total	**–**	**–**	**–**	**32,635**	**(77,905)**	–	202,400	47,300

(1) The shares of Rockcliff Metals Corp. were consolidated 3:1

5. Accounts Receivable

	May 31, 2019 $	November 30, 2018 $
Goods and services tax receivable	**9,761**	9,850
Total amounts receivable	**9,761**	9,850

(Expressed in Canadian Dollars) May 31 2019 and 2018

6. EVALUATION AND EXPLORATION ASSETS

The following is a continuity schedule of the capitalized expenditures allocated to individual major properties and summarized for minor properties:

	Total	Non Capitalised Expenditures	Total Capitalised Expenditures	Gold Rock Group	Alberts Lake Group (*)	Mink Group	Smelter Group	Hanson Lake	Other Properties
Balance, November 30, 2017			**8,916,122**	**1,684,445**	**675,792**	**2,451,771**	**1,604,775**	**1,679,733**	**819,604**
Claim acquisition & holding	*5,119*	*4,937*	547	–	–	130	182	195	40
Assay	*40*	*40*	–	–	–	–	–	–	–
Geological	*16,465*	*0*	16,465	9,090	7,375	–	–	–	–
Field labour costs	*47,407*	*12,294*	34,550	11,500	23,050	–	–	–	–
Other fields costs	*9,529*	*3,705*	6,022	140	5,581	301	–	–	–
Total Q1 2018 expenditures	*78,560*	*20,976*	57,584	20,730	36,006	431	182	195	40
Balance, February 28, 2018			**8,973,706**	**1,705,175**	**711,798**	**2,452,202**	**1,604,957**	**1,679,928**	**819,644**
Claim acquisition & holding	*3,898*	*2,281*	1,252	1,252	–	–	–	–	–
Assay	*11,236*	*1,162*	10,074	0	10,074	–	–	–	–
Geological	*7,348*	*0*	7,348	-517	7,865	–	–	–	–
Field labour costs	*118,843*	*33,981*	85,426	4,313	80,550	563	–	–	–
Other fields costs	*23,224*	*10,603*	12,423	192	12,066	165	–	–	–
Balance of 2018 expenditures	*243,109*	*69,003*	116,523	5,240	110,555	728	–	–	–
MEAP Rebates			(32,946)	(30,097)	(2,849)	–	–	–	–
Balance, November 30, 2018			**9,057,283**	**1,680,317**	**819,504**	–	–	–	–
Claim acquisition & holding	*3,537*	*2,491*	**1,046**	**468**	**–**	**298**	**–**	**–**	**280**
Assay	*1,719*	*308*	**1,410**	**–**	**1,410**	**–**	**–**	**–**	**–**
Geological	*21,177*	*0*	**21,177**	**–**	**21,177**	**–**	**–**	**–**	**–**
Field labour costs	*69,514*	*18,151*	**51,363**	**–**	**51,175**	**–**	**–**	**188**	**–**
Other fields costs	*19,771*	*6,639*	**13,132**	**–**	**13,132**	**–**	**–**	**–**	**–**
Drilling	*71,778*	*0.00*	**71,778**	**–**	**71,778**	**–**	**–**	**–**	**–**
Total YTD expenditures	*187,496*	*27,589*	**159,906**	**468**	**158,673**	**298**	**0**	**188**	**280**
Balance, May 31, 2019			**9,217,189**	**1,680,785**	**978,177**	**2,453,228**	**1,604,957**	**1,680,116**	**819,924**

(*) During the quarter ended May 31, 2019, $28,763 in exploration that was expensed in Q1 was capitalized.

6. EVALUATION AND EXPLORATION ASSETS (CONT'D)

PROPERTIES INCLUDED IN THE PRECEDING TABLE

Gold Rock Group, Manitoba

The Gold Rock Group includes the Gold Rock, North Star and Star mineral properties, the North Star mining lease and the Gold Rock mining lease. The North Star mineral property and mining lease are subject to 2% Net Smelter Returns royalty (NSR).

The Gold Rock Mining Lease is 100% owned by the Company, subject to a 2% NSR. In addition, the NSR holder retains a 25% Net Profits Interest (NPI) in the first 25 feet below surface of vein material as currently documented.

Also included in the Gold Rock Group is the Murr claim, also owned 100% by the Company, subject to a 1% NSR.

Alberts Lake Group, Manitoba

The Alberts Lake Group includes the Alberts Lake, Lew, Amulet, Mike, Mur and Hanna mineral properties. With the exception of the Mike 1 (15% NPI) and Mur 6 (2% NSR), all claims are 100% owned by the Company.

Mink Narrows Group, Manitoba

The Mink Narrows Group includes the Mink Narrows, Mystic and Payuk mineral properties. The claims are 100% owned by the Company.

Smelter Property, Manitoba

The Smelter Property is comprised of three contiguous claims, which are 100% owned by the Company.

Hanson Lake, Saskatchewan

The Hanson Lake Property consists of a single claim located in the Hanson Lake area of Saskatchewan.

OTHER PROPERTIES

Otter/Twin Lakes Group, Manitoba

The Company holds a 100% interest in the Otter Group claims, comprised of the Otter Lake and Twin Lakes mineral claims. The vendor retained a 1% NSR on the Otter Lake claims. The Twin Lakes property is owned 100% by the Company.

Pikoo, Saskatchewan

On January 23, 2014, the Company acquired a 100% interest in two claims located in Saskatchewan from CanAlaska Uranium Ltd. subject to a 2% Net Smelter Returns royalty. All terms and conditions of the purchase have been fulfilled.

The Agreement is subject to a 2.5% Net Smelter Returns Royalty ("NSR") to CanAlaska Uranium Ltd.

(Expressed in Canadian Dollars) May 31 2019 and 2018

6. EVALUATION AND EXPLORATION ASSETS (CONT'D)

Kiss/Kississing

The Kississing/Kiss Group includes the Kississing and Kiss mineral properties. The claims are 100% owned by the Company.

Lucille

The Lucille Lake property includes three, unpatented mineral claims all of which are owned 100% by the Company, with no underlying agreements or royalties.

Fort LaCorme

During the year ended November 30, 2017, the Company abandoned the Ft. LaCorme property for a non-cash loss of $80,000, which consisted solely of the value of the shares issued to the vendor of the property.

Burn, Manitoba

The Burn property is 100% owned by the Company.

Optioned Property – East Big Island

On March 3, 2017, the Company entered into an option agreement ("Agreement) with Callinex Mines Inc. ("Callinex") whereby Callinex has the option to acquire a 100% interest subject to a 1% Net Smelter Returns royalty ("NSR") in favour of the Company's East Big Island property.

During the year ended November 30, 2018, Callinex abandoned the option and the Company retained title to the property.

The carrying value of the East Big Island property was $nil in both 2018 and 2017.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts Payable and Accrued Liabilities

	May 31, 2019	November 30, 2018
Related and Related accrued	**228,466**	240,343
Third party and third party accrued	**50,668**	48,203
Total	**279,134**	288,546

8. SHARE CAPITAL

a) AUTHORIZED SHARE CAPITAL

Unlimited number of common shares without par value

b) ISSUED SHARE CAPITAL

As at May 31 2019, the Company had 159,266,300 issued and fully paid common shares (May 31 2018 – 150,211,300).

i) During the year ended November 30, 2018, the Company completed the following financing:

On April 6, 2018, the Company closed a $257,000 non-brokered private placement previously announced on January 18, 2018.

The financing was comprised of 1,950,000 flow-through units at a price of $0.05 per flow-through unit representing proceeds of $97,500 and 6,380,000 class “A” units at a price of $0.025 per unit, representing proceeds of $159,500 for an aggregate total funds raised of $257,000.

The class A units consisted of, and separated immediately into, one common share of the Issuer and one share-purchase warrant, each entitling the holder to purchase one common share at a purchase price of $0.05 cents per warrant for a period of twelve (12) months following the date of issuance. The flow-through units consist of, and separated immediately upon closing into, one common share, to be issued as a flow-through share within the meaning of the *Income Tax Act* (Canada), and one warrant. Each warrant attached to the flow-through units shall entitle the holder to purchase one common share for a purchase price of $0.05 per Common Share for a period of twenty four (24) months following the date of issuance.

A finder’s fee consisting of a cash payment of $9,400 and the issuance of 240,000 finder’s warrants, was paid to an arm's length group for securing proceeds total proceeds of $117,500 through subscriptions for 1,200,000 flow-through Units and 2,300,000 class A units. Each of the finder’s warrants entitles the holder to purchase one common share at an exercise price of $0.05 for twenty-four (24) months following the date of issuance of the class A units pursuant to this tranche of the private placement.

Directors and officers subscribed to 800,000 non-flow through units and 500,000 flow through units.

ii) During the period ended May 31 2019, the Company completed the following private placements:

December 31, 2018 845,000 flow-through units at a price of $0.05 per flow-through unit representing proceeds of $42,250 and 3,590,000 Class “A” units at a price of $0.025 per unit representing proceeds of $89,750 for an aggregate total raised of $132,000.

A single warrant exercisable at $0.05 per warrant was attached to each share. The flow-through warrants expire after 24 months on December 31, 2020. The non-flow-through warrants expire after 12 months on December 31, 2019.

(Expressed in Canadian Dollars) May 31 2019 and 2018

8 SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

March 20, 2019 1,100,000 flow-through units at a price of $0.05 per flow-through unit representing proceeds of $55,000 and 3,590,000 Class "A" units at a price of $0.025 per unit representing proceeds of $88,000 for an aggregate total raised of $143,000.

A single warrant exercisable at $0.05 per warrant was attached to each share. All flow-through warrants expire after 24 months on March 20, 2021 and all non-flow through warrants expire after 12 months on March 20, 2020.

Included in the March 20, 2019 non-flow-through financing was the issuance of 3,120,000 shares for debt of $78,000 all issued to directors and/or officers.

All class A units consisted of, and separated immediately into, one common share of the Issuer and one share-purchase warrant, each entitling the holder to purchase one common share at a purchase price of $0.05 cents per warrant for a period of twelve (12) months following the date of issuance. The flow-through units consist of, and separated immediately upon closing into, one common share, to be issued as a flow-through share within the meaning of the *Income Tax Act* (Canada), and one warrant. Each warrant attached to the flow-through units shall entitle the holder to purchase one common share for a purchase price of $0.05 per Common Share for a period of twenty four (24) months following the date of issuance.

Directors, management and technical advisors participated in the above private placements for a total of $157,500 including the shares for debt of $78,000 and comprising 945,000 flow through shares and 3,865,000 Class "A" units.

c) INCENTIVE STOCK OPTIONS

Pursuant to the Company's stock option plan (the "Plan"), the Company may grant to its employees, officers, directors and consultants, options to purchase common shares of the Company at a fixed price as determined by the board of directors. The options vest in accordance with the terms of their granting and have a maximum term of five years. The common shares reserved for issuance under the Plan will not exceed, in aggregate, 10% of the Company's common shares issued and outstanding at the time of grant.

During the year ended November 30, 2018, the Company issued 1,000,000 options to a Director. These options expire January 16, 2023. The company has not issued any options in fiscal 2019.

The following table summarizes the Company's stock option transactions for the period and year ended May 31, 2019 and November 30, 2018:

Grant Date	Number of Options	Expiry	Weighted Average Exercise Price $	Remaining Contractual Life - years	Estimated Grant Date Fair Value $
August 2, 2017	13,050,000	August 1, 2022	0.05	3.19	261,000
January 16. 2018	1,000,000	January 16, 2023	0.05	3.65	14,000
Total	14,050,000		0.05	3.22	275,000

(Expressed in Canadian Dollars) May 31 2019 and 2018

8 SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

The grant date fair value of these options was estimated using the Black-Scholes option pricing model with the following assumptions:

	2019 YTD	2018
Expected dividend yield	**0%**	0%
Expected volatility	**117.0%**	117.0%
Risk free interest rate	**2%**	2%
Life	**5-years**	5-years

d) WARRANTS

Outstanding warrants as at May 31 2019 were:

Date of Issue	Total Issued	Price	Expiry date	Estimated Grant Date Fair Value	Years to expiry
Issued April 6, 2018 – B Warrants	240,000	0.05	April 25, 2020	1,500	0.84
Issued April 6, 2018 – Flow through	1,950,000	0.05	April 25, 2020	40,300	0.84
Issued December 31, 2018 – Flow Through	845,000	0.05	Dec. 31, 2020	7,600	1.59
Issued December 31, 2018 – Non Flow Through	3,590,000	0.05	Dec. 31, 2019	21,500	0.59
Issued March 22, 2019 - non-flow through	400,000	0.05	March 21, 2021	2,400	1.81
Issued March 22, 2019 - flow through	1,100,000	0.05	March 21, 2020	6,600	0.81
Issued March 22, 2019 - shares for debt	3,120,000	0.05	March 21, 2020	18,700	0.81
May 31, 2019	**11,245,000**	**0.05**	**–**	**98,600**	**0.8**

The table overleaf summarizes a continuity of outstanding warrants:

(Expressed in Canadian Dollars) May 31 2019 and 2018

8 SHARE CAPITAL – ISSUED SHARE CAPITAL – WARRANTS (CONT'D)

Balance November 30, 2017	**16,572,000**		**0.05**	**230,900**
Expired March 9, 2018	(860,000)	–	–	(19,600)
Expired April 4, 2018	(8,200,000)	–	–	(82,600)
Expired May 11, 2017	(250,000)	–	–	(2,800)
Issued April 6, 2018	1,950,000	April 5, 2020	0.05	40,300
Issued April 6, 2018	6,380,000	April 5, 2019	0.05	15,500
Issued April 6, 2018	240,000	April 5, 2020	0.05	1,500
Expired August 24, 2018	(400,000)	–	–	(9,800)
Balance November 30, 2018	**15,432,000**	**–**	**–**	**173,400**
Issued December 31, 2018, Flow Through	845,000	Dec. 31, 2020	0.05	7,600
Issued December 31, 2018 Non Flow Through	3,590,000	Dec. 31, 2019	0.05	21,500
Balance February 28, 2019	**19,867,000**		**0.05**	**202,500**
Issued March 22, 2019 - non-flow through	400,000	March. 21 2021	0.05	2,400
Issued March 22, 2019 - flow through	1,100,000	March 21 2020	0.05	6,600
Issued March 22, 2019 - shares for debt	3,120,000	March 21 2020	0.05	18,700
Expired April 4, 2019 - Flow through	(900,000)	–	–	(20,700)
Expired April 4, 2019 - Broker Warrants	(400,000)	–	–	(4,100)
Expired April 6, 2019	(6,380,000)	–	–	(15,500)
Expired May 26, 2019	(1,750,000)	–	–	(43,700)
Expired May 26, 2019	(3,500,000)	–	–	(43,700)
Expired May 27, 2019 broker warrants	(312,000)	–	–	(3,900)
Balance May 31, 2019	**11,245,000**	**–**	**0.05**	**98,600**

The weighted average grant date fair value of the warrants issued in 2018 was \$0.011 (2017 – \$0.013), which was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2019 YTD	2018
Expected dividend yield	**0%**	0%
Expected volatility	**117%**	117%
Risk-free interest rate	**2.03%**	2.03%
Life (years)	**2.0**	2.0

(Expressed in Canadian Dollars) May 31 2019 and 2018

9. RELATED PARTY TRANSACTIONS AND BALANCES

a) RELATED PARTY BALANCES

		May 31 2019		November 30, 2018	
Related party	**Purpose**	**Amounts charged during the year $**	**Amounts payable or accrued at year-end $**	Amount Charged during the year $	Amounts payable/ accrued at year end $
Corporation controlled by an officer	Filing fees	**1,168**	**33**	6,185	16,807
Accounting firm of which an officer of the Company is a partner	Professional fees		**952**	8,987	41,587
Corporation controlled by a director and significant shareholder	Management fees, Director	**43,589**	**157,939**	54,805	122,013
	Exploration	**105,681**	**36,851**	197,978	19,359
	Office, rent and general expenses	**55,174**	**32,690**	85,045	40,578
Totals		**205,612**	**228,466**	353,000	240,343

During the period ended May 31 2019, the Company recorded director's fees of $nil (2017 - $nil).

The accounts payable and accrued liabilities to related parties are unsecured and non-interest bearing with no fixed terms of repayment (Note 7).

b) KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration of directors and other members of management were as follows:

	May 31 2019 $	November 30, 2018 $
Short term employee benefits (1)	**43,589**	54,805
Share based compensation	**–**	14,000
Totals	**43,589**	68,805

(1) Includes management expenses of $13,589

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

9 RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

c) SHARE SUBSCRIPTIONS

See Note 8(b) for descriptions of related party share subscriptions.

10. COMMITMENTS AND CONTINGENCIES

a) CONSULTING AGREEMENT

Consulting Agreement

The Company entered into an exploration management services agreement dated December 31, 2010 with M'Ore Exploration Services Ltd. ("M'Ore") and the President and significant shareholder of M'Ore, who is an officer, director and shareholder of the Company. Pursuant to the agreement, M'Ore provides consulting and management services to the Company and incurs various administrative expenses, including administrative salaries and office and vehicle rentals on behalf of the Company. The term of the agreement is for a period of two years ended December 31, 2012 and can be renewed thereafter at the end of every 12 months. This agreement has been extended to December 31, 2019 and has an automatic renewal each year unless either party submits 90 day's notice of termination.

This would result in management fees and salaries incurred by M'Ore being capped at $200,000 per annum. Additional charges to the Company in prior years consisted of a lease with M'Ore whereby the Company would pay $30,000, plus operating expenses, per annum for rental of office and storage space. The lease also specifies rates to be charged for the use of various items of equipment if and when utilized by the Company.

b) CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

c) FLOW-THROUGH EXPENDITURES

During the year ended November 30, 2018, and subsequent period ended December 31, 2018 the Company renounced Canadian exploration expenditures in the aggregate amount of $97,00 (2017 – $132,500) related to proceeds from the issuance of flow-through shares pursuant to the financings described in Note 8 (b)(ii). The Company had incurred $95,819 of these qualifying Canadian exploration expenditures as at November 30, 2018. The remaining $1,681 in expenses were incurred during December 2018. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

During the period ended May 31, 2019, the Company renounced Canadian exploration expenditures in the aggregate amount of $97,250 to be expended by December 31, 2019. As at May 31, 2019, the Company had expended $159,906 in capitalized exploration.

11. Segmented Information

All of the Company's assets, liabilities and operations are domiciled in Canada.

12. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as cash. There were no changes to the Company policy for capital management during the period ended May 31 2019.

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 its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and marketable securities. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations. The Company expects that its current capital resources will be sufficient to fund its present operational commitments and working capital needs for the coming twelve months. However, additional funding will be required to meet any new operational commitments if further drilling programs are to be carried out.

(Expressed in Canadian Dollars) May 31 2019 and 2018

13. FINANCIAL INSTRUMENTS

a) FAIR VALUE

The carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

As at May 31 2019	Loans, receivables and other liabilities $	Assets at fair value through profit & loss $	Total $
Cash	8,423	–	8,423
Marketable securities	–	32,635	32,635
Amounts receivable	9,761	`–	9,761
Accounts payable and accrued liabilities	279,134	–	279,134
As at May 31 2018			
Cash	129,349	–	129,349
Marketable securities	–	81,000	81,000
Amounts receivable	11,484	–	11,484
Accounts payable and accrued liabilities	281,624	–	281,624

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at May 31 2019 and 2018, the financial instruments recorded at fair value on the statement of financial position are marketable securities which are measured using Level 1 of the fair value hierarchy.

b) FINANCIAL RISK MANAGEMENT

Credit Risk

The Company is exposed to credit risk with respect to its cash and amounts receivable. Cash has been placed on deposit with major Canadian financial institutions.

Amounts receivable consist of GST.

13 FINANCIAL INSTRUMENTS (CONT'D)

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash, by purchasing term deposits held at a major Canadian financial institution. Concentration of credit risk exists with respect to the Company's cash as the majority of the amounts are held at a single Canadian financial institution.

The credit risk associated with cash is minimized by ensuring the majority of these financial assets are held with major Canadian financial institutions with strong investment-grade ratings by a primary rating agency.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow for the upcoming year ended November 30, 2018 will be through equity financings.

The Company maintained cash at May 31 2019 in the amount of $8,423 (2018 – $129,349), in order to meet short-term business requirements. At May 31 2019, the Company had accounts payable and accrued liabilities of $279,134 (2018 – $281,624). All accounts payable and accrued liabilities are current.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company also holds a portion of cash in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of May 31 2019.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. A 1% change in interest rates on cash outstanding at May 31 2019 would not have a significant impact on the Company's net loss for the period ended May 31 2019.

Currency risk

The Company is not exposed to any material currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk. The Company is exposed to price risk through its investments in marketable securities.

13. FINANCIAL INSTRUMENTS (CONT'D)

Marketable securities

Risk to the Company from its marketable securities is derived from two factors:

- The ability of the issuer to sustain itself financially; and
- The ability to monetize the securities of the issuer.

The Company's marketable securities are detailed in Note 4.

A 10% price decrease in the quoted market value at May 31 2019 would have resulted in a $3,264, change to the Company's net loss for the period (2018 - $8,100).

Commodity risk

The Company is exposed to price risk with respect to commodity prices, specifically precious and non-precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decision by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in investment patterns and monetary systems and political developments. As the Company does not have production assets, management believes this risk is minimal.

14. SUBSEQUENT EVENTS

On June 6, 2019, the Company announced its plans to raise $500,000 through a non-brokered private placement financing up to a Maximum Offering Amount of $500,000. The first tranche of this raise will be comprised of 6,000,000 Flow-Through Units at a price of $0.05 per Flow-Through Unit representing proceeds of $300,000 and 8,000,000 Class "A" Units at a price of $0.025 per Unit, representing proceeds of $200,000 for an aggregate total raised of $500,000. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals. All securities to be issued under the Offering will be subject to a four-month statutory hold period in Canada.

The Class "A" Units shall consist of, and separate immediately upon closing into, one common share of the Issuer (a "Common Share") and one (1) Warrant, each entitling the holder to purchase one Common Share at a purchase price of $0.05 cents per Warrant for a period of twelve (12) months following the date of issuance. The Flow-Through Units shall consist of, and separate immediately upon closing into, one Common Share, to be issued as a "flow-through share" (the "Flow-Through Shares") within the meaning of the Income Tax Act (Canada), and one Warrant. Each Warrant attached to the Flow-Through Units shall entitle the holder to purchase one Common Share for a purchase price of $0.05 per Common Share for a period of twenty four (24) months following the date of issuance.