

INTERNATIONAL CORONA CAPITAL CORP.

Unaudited Condensed Interim Financial Statements

For three and six months ended June 30, 2019 and 2018

Expressed in Canadian Dollars

These condensed interim financial statements and the notes thereto have not been reviewed by the Company's external auditors.

International Corona Capital Corp.
Condensed Interim Statements of Financial Position

Unaudited, Expressed in CAD Dollars

	June 30, 2019	December 31, 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,772	\$ 45,184
Amounts receivable	16,489	3,057
Prepaid expenses	8,375	35,610
Total current assets	37,636	83,851
Exploration and evaluation assets (note 3)	2	2
Total Assets	\$ 37,638	\$ 83,853
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 172,976	\$ 11,101
Total Liabilities	172,976	11,101
Shareholders' (Deficit) Equity		
Share capital	5,626,779	5,626,779
Contributed surplus	613,208	613,208
Accumulated deficit	(6,375,326)	(6,167,235)
Total Shareholders' (Deficit) Equity	(135,338)	72,752
Total Liabilities and Shareholders' (Deficit) Equity	\$ 37,638	\$ 83,853

Nature of Operations of Going Concern (note 1)

The accompanying notes are integral to these condensed interim financial statements.

International Corona Capital Corp.
Condensed Interim Statements of Operations and Comprehensive Loss
Unaudited, Expressed in CAD Dollars

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Revenue				
Operating expenses				
Exploration and evaluation expenses	6,354	-	12,834	-
Management fees (note 4)	15,000	30,000	20,000	60,000
Consulting fees	16,673	-	16,673	-
Professional fees	65,084	9,342	125,313	10,413
Transfer agent and filing fees	29,516	9,476	32,347	13,214
General and administrative expenses	727	233	924	3,382
Total operating expenses	133,354	49,051	208,091	87,009
Income (loss) before other income	(133,354)	(49,051)	(208,091)	(87,009)
Net loss and comprehensive loss for the period	(133,354)	(49,051)	(208,091)	(87,009)
Loss per share, basic and diluted	(0.001)	(0.001)	(0.003)	(0.001)
Weighted average shares outstanding	68,504,461	68,504,461	68,504,461	68,504,461

The accompanying notes are integral to these condensed interim financial statements.

International Corona Capital Corp.
Condensed Interim Statements of Cash Flows
Unaudited, Expressed in CAD Dollars

	Six Months Ended	Six Months Ended
	June 30,	June 30,
	2019	2018
Cash flows used in operating activities		
Net loss and comprehensive loss for the period	(208,091)	(87,009)
Change in non-cash working capital:		
Amounts receivable	(13,432)	1,076
Prepaid expenses	27,235	-
Accounts payable and accrued liabilities	161,876	74,343
Net cash used in operating activities	(32,412)	(11,590)
Decrease in cash and cash equivalents	(32,412)	(11,590)
Cash and cash equivalents - beginning of period	45,184	109,304
Cash and cash equivalents - end of period	12,772	97,714

The accompanying notes are integral to these condensed interim financial statements.

International Corona Capital Corp.
Condensed Interim Statements of Changes in Shareholders' (Deficit) Equity
Unaudited, Expressed in CAD Dollars

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' (Deficit) Equity
	#	\$	\$	\$	\$
Balance, December 31, 2017	68,504,461	5,626,779	613,208	(6,250,987)	(11,000)
Net loss for the period	-	-	-	(87,009)	(87,009)
Balance, June 30, 2018	68,504,461	5,626,779	613,208	(6,337,996)	(98,009)
Net loss for the period	-	-	-	170,761	170,761
Balance, December 31, 2018	68,504,461	5,626,779	613,208	(6,167,235)	72,752
Net loss for the period	-	-	-	(208,091)	(208,091)
Balance, June 30, 2019	68,504,461	5,626,779	613,208	(6,375,326)	(135,338)

The accompanying notes are integral to these condensed interim financial statements.

International Corona Capital Corp.
Notes to the Unaudited Condensed Interim Financial Statements
For three and six months ended June 30, 2019 and 2018

1. Nature of Operations and Going Concern

International Corona Capital Corp. (the “Company”) is incorporated under the British Columbia Business Corporations Act and has a fiscal year-end of December 31. The Company’s registered office is at 7934 Government Road, Burnaby, BC, V5A 2E2.

The Company's principal business is the acquisition, exploration and development of mineral resources. The Company does not generate any revenue from mining operations or pay dividends and is unlikely to do so in the immediate or foreseeable future.

On December 20, 2018, the Company entered into a Share Purchase Agreement and into two Debenture Purchase Agreements. Upon completion of these transactions, the Company intends to complete a change of business whereby it will acquire and operate a subscription research business and receive revenues from holding a portfolio of debentures (see note 10).

Going Concern Assumption

The accompanying condensed interim financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As of June 30, 2019, the Company had an accumulated deficit of \$6,375,326 (December 31, 2018: \$6,167,235), has experienced recurring net losses and has negative operating cash flows. As such, conditions exist that may raise substantial doubt regarding the Company's ability to continue as a going concern.

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

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

2. Significant Accounting Policies

Statement of compliance with IFRS

These condensed interim financial statements have been prepared in accordance and comply with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) using accounting principles consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). The accounting policies adopted are consistent with those of the previous financial year with the exception of the adoption of IFRS 16 effective January 1, 2019.

Certain information and footnote disclosure normally included in the annual financial statements prepared in accordance with IFRS have been omitted or are condensed. These unaudited condensed interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2018.

Basis of measurement

These condensed interim financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

International Corona Capital Corp.
Notes to the Unaudited Condensed Interim Financial Statements
For three and six months ended June 30, 2019 and 2018

2. Significant Accounting Policies (continued)

Significant accounting estimates, judgments and assumptions

To prepare condensed interim financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

The impacts of such estimates are pervasive throughout the condensed interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

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

Going concern: The preparation of the condensed interim financial statements requires management to make judgments regarding the ability to continue as a going concern.

Exploration and Evaluation Assets

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be impairment in value. The amounts shown for exploration and evaluation assets represent costs, net of impairment write-offs.

Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred.

Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any 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 determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. If the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount through an impairment charge to the statement of operations and comprehensive income (loss).

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset in prior periods. A reversal of impairment is recognized as a gain in the statement of operations and comprehensive income (loss).

Financial instruments

Management determines the classification of financial assets and financial liabilities at initial recognition and, except in very limited circumstances, the classification is not changed subsequent to initial recognition. The classification depends on the purpose for which the financial instruments were acquired, their characteristics and/or management's intent. Transaction costs with respect to instruments not classified as fair value through profit or loss are recognized as an adjustment to the cost of the underlying instruments and amortized using the effective interest method.

2. Significant Accounting Policies (continued)

The Company's financial instruments were classified in the following categories:

Financial assets

Financial assets, measured at fair value through profit or loss:

- Cash equivalents

An instrument is classified as fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. A financial asset is classified as fair value through profit or loss if acquired principally for the purpose of selling in the short term or if so, designated by management. Financial instruments included in this category are initially recognized at fair value and transaction costs are taken directly to earnings along with gains and losses arising from changes in fair value.

Derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as normal purchase and sale. All changes in their fair value are recorded through profit or loss.

Loans and receivables, measured at amortized cost:

- Cash on hand and balances at bank

Cash on hand and balances at bank and advances and loans receivable are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost. Interest revenue on advances and loans receivable are recognized using the effective interest method.

Financial liabilities

Other financial liabilities, measured at amortized cost:

- Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are initially recognized at fair value net of transaction costs and are subsequently measured at amortized cost using the effective interest method.

Derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as normal purchase and sale. All changes in their fair value are recorded through profit or loss.

The financial instrument measurement hierarchy, for financial assets and liabilities measured at fair value through profit and loss at each reporting date, is as follows:

All financial instruments are required to be measured at fair value on initial recognition. For those financial assets or liabilities measured at fair value through profit and loss at each reporting date, financial instruments and liquidity risk disclosures require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. These levels are defined below:

- Level 1: Determined by reference to unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date; or
- Level 2: Valuations using inputs other than the quoted prices for which all significant inputs are based on observable market data, either directly or indirectly; or
- Level 3: Valuations using inputs that are not based on observable market data.

Both the binomial and Black Scholes valuation techniques are permitted under IFRS.

2. Significant Accounting Policies (continued)

The impairment of financial assets, carried at amortized costs, is as follows:

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired if there is objective evidence that the estimated future cash flows of the financial asset or the group of financial assets have been negatively impacted. Evidence of impairment may include indications that debtors are experiencing financial difficulty, default or delinquency in interest or principal payments, or other observable data which indicates that there is a measurable decrease in the estimated future cash flows.

If an impairment loss has occurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognized in financing expense. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of financing income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If an impairment is later recovered, the recovery is credited to financing income.

The derecognition of financial assets and liabilities is as follows:

A financial asset is derecognized when its contractual rights to the cash flows that compose the financial asset expire or substantially all the risks and rewards of the asset are transferred.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Gains and losses on derecognition are recognized within financing income and financing expense, respectively.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations and comprehensive income (loss).

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income (loss) or equity is recognized in other comprehensive income (loss) or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Significant Accounting Policies (continued)

Deferred Income Tax

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of operations.

Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based payments expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in the share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in the share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Accounting standards adopted

The following accounting standards have been adopted for the annual period beginning on January 1, 2019:

In January 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). IFRS 16 eliminates the current dual model for leasees, which distinguishes between on-statement of financial position finance leases and off-statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. IFRS 16 is effective for periods beginning on or after January 1, 2019. The Company adopted IFRS 16 as at January 1, 2019, there was no impact on the condensed interim financial statements as the Company does not hold any leases.

International Corona Capital Corp.
Notes to the Unaudited Condensed Interim Financial Statements
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3. Exploration and Evaluation Assets

	Retty Lake \$	Schefferville \$	Total \$
Balance, December 31, 2016	280,856	150,000	430,856
Impairment of exploration and evaluation assets	(280,855)	(149,999)	(430,854)
Balance, December 31, 2017 and 2018	1	1	2
Balance, June 30, 2019	1	1	2

Retty Lake Property

On June 30, 2008, the Company entered into an option agreement to earn a 100% interest in the Retty Lake copper-nickel-PGM exploration property, which is located near Schefferville, Quebec. On February 12, 2013, the Company completed the earn-in by issuing 3,600,000 common shares and by incurring exploration expenditures on the property totaling \$1,855,000. The optionor of the property retains a 3% Net Smelter Royalty (“NSR”) which the Company has first right to purchase for \$3,000,000 at any time. During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1. There were no changes in valuation of exploration and evaluation assets during the three and six months ended June 30, 2019 and 2018.

Schefferville Property

On September 29, 2010, the Company entered into an option agreement to earn a 55% interest in the Schefferville gold exploration property, which is located near Schefferville, Quebec. Upon earning the 55% interest, the company formed a joint venture with vendor, whereby the Company could increase its interest through additional expenditures. As of December 31, 2016, the Company had increased its interest to 64% by completing cash payments totaling \$60,000, issuing 600,000 common shares and by incurring exploration expenditures on the property totaling \$1,175,973. The optionor of the property retains a 36% interest. Subject to certain provisions and the delivery of a bankable feasibility study, if the optionor is diluted below a 10% interest, their interest will be automatically converted into a 2% NSR of which 1% can be purchased by the Company for \$1,000,000 at any time. During the year ended December 31, 2017, the Company elected to write-down the carried value of the property to \$1. There were no changes in valuation of exploration and evaluation assets during the three and six months ended June 30, 2019 and 2018.

4. Related Party Transactions

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Balances and transactions between the Company and its wholly-owned subsidiaries, which are related parties of the Company, have been eliminated and are not disclosed in this note.

Related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

The following key management personnel related party transactions occurred during the three and six months ended June 30, 2019 and 2018:

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Management fees	\$ 15,000	\$ 30,000	\$ 20,000	\$ 60,000
Total	15,000	30,000	20,000	60,000

International Corona Capital Corp.
Notes to the Unaudited Condensed Interim Financial Statements
For three and six months ended June 30, 2019 and 2018

4. Related Party Transactions (continued)

The following key management related party balances existed as of June 30, 2019 and December 31, 2018:

	As at June 30, 2019	As at December 31, 2018
Accounts payable due to directors and officers of the Company	\$ 20,000	\$ -

5. Share Capital

The Company's common shares have no par value and the authorized share capital is composed of an unlimited number of common shares. As of June 30, 2019, the Company had 68,504,461 common shares issued and outstanding (December 31, 2018: 68,504,461).

There were no share issuances during the three and six months ended June 30, 2019 and June 30, 2018.

6. Warrants

As at June 30, 2019 and December 31, 2018, there were no common share purchase warrants outstanding.

7. Stock Options

The Company's stock option plan is restricted to a maximum of 10% of the issued and outstanding common shares. Under the stock option plan, the Company may grant stock options to directors, officers, employees and consultants. The Board of Directors administers the plan and determines the vesting and terms of each grant.

The Black-Scholes option valuation model is used by the Company to determine the fair value of stock option grants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each stock option entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of June 30, 2019, the Company had 300,000 stock options issued and outstanding with a weighted average expiration of 0.1 years, which are exercisable into 300,000 common shares at a weighted average exercise price of \$0.06. All stock options that are currently outstanding vested on the grant date.

The following is a schedule of the outstanding stock options for the period ended June 30, 2019:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding December 31, 2018	Options Granted (Expired or Cancelled)	Options Exercised	Balance Outstanding June 30, 2019
August 11, 2014	August 11, 2019	\$0.06	300,000	-	-	300,000
Total Outstanding			300,000	-	-	300,000

The following is a continuity schedule of the Company's outstanding common stock purchase options:

	Weighted-Average Exercise Price \$	Number of Stock Options #
Outstanding as of December 31, 2017	\$0.06	300,000
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding as of December 31, 2018	\$0.06	300,000
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding as of June 30, 2019	\$0.06	300,000

International Corona Capital Corp.
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8. Financial Instruments and Risks

The following disclosures are to enable users of the condensed interim financial statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting period:

Credit risk

The Company does not currently have commercial customers and therefore does not have any credit risk related to amounts receivables. The Company has credit risk arising from the potential from counterparty default on cash and cash equivalents held on deposit with financial institutions. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Company's financial obligations and in the management of its assets, liabilities and capital structure. The Company manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner.

The main factors that affect liquidity include working capital requirements, capital-expenditure requirements and equity capital market conditions. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets.

As at June 30, 2019, the Company had a cash and cash equivalents balance of \$12,772 (December 31, 2018: \$45,184) to settle current liabilities of \$172,977 (December 31, 2018: \$11,101). As a result, the Company is currently exposed to liquidity risk.

As at June 30, 2019, considering the Company's financial position, the Company expects to access public equity capital markets for financing over the next 12 months. While the Company has been successful in obtaining required funding in the past, there is no assurance that future financings will be available.

Based on management's assessment of its past ability to obtain required funding, the Company believes that it will be able to satisfy its current and long-term obligations as they come due.

Market risks

Market risk is the potential for financial loss from adverse changes in underlying market factors, including foreign exchange rates, commodity prices and interest rates.

- Interest rate risk, is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that are subject to variable interest rates.
- Commodity price risks, is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by monitoring mineral prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Currency risk: The Company is currently not exposed to foreign exchange risk.

9. Capital Management

As at June 30, 2019, the Company had a working capital deficit of \$135,341 (December 31, 2018: surplus of \$72,750).

There were no changes in the Company's approach to capital management during the period ended June 30, 2019.

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

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

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

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

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

The Company is not subject to any externally imposed capital requirements.

10. Change of Business Transaction

The Board of Directors of the Company have approved a Change of Business ("COB") transaction (as described in the Management Information Circular) whereby the Company intends to acquire and operate a subscription research business and will acquire and earn revenues from a portfolio of debentures. Upon completion of COB, the Company will continue to operate the mineral exploration division.

In connection with the change of business, the company also intends to complete a consolidation of its issued and outstanding common shares on the basis of one post-consolidation share for two pre-consolidation shares and to raise up to \$1-million pursuant to a non-brokered private placement of post-consolidation common shares.

On December 20, 2018, the Company entered into a share purchase agreement, whereby the Company will acquire the single issued and outstanding share of Murenbeeld & Co., a subscription business which provides services for the gold industry. The purchase price of \$400,000 will be satisfied by the issuance of common shares in the capital of the Company.

On December 20, 2018, the Company entered into debenture purchase agreements to purchase the debentures of the Stone Investment Group Ltd. in the aggregate principal amount of \$2,097,000. The Company has agreed to pay consideration for the debentures in a combination of cash and shares. The Company estimates that approximately \$345,000 will be paid in cash consideration and the balance in common shares, however, the allocation between the cash and share portion agreement may vary. The Company will also acquire a license and pay for certain transaction costs through the issuance of common shares.

The purchase agreements (the "Agreements") may be terminated by either party upon written agreement. Company shareholders approved the COB at the most recent annual and special meeting of shareholders. The COB is subject to regulatory and stock exchange approval.

11. Subsequent event

On August 11, 2019, the 300,000 outstanding stock options expired unexercised.