SHAMROCK ENTERPRISES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2019

(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company for the three months ended August 31, 2019 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

SHAMROCK ENTERPRISES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at August 31, 2019 and May 31, 2019
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Notes	**August 31, 2019**	May 31, 2019
		$	**$**
ASSETS			
Current assets			
Cash		**9,043**	16,276
Prepaid expenses		**48,917**	1,000
Goods and services tax receivable		**7,205**	5,878
		65,165	23,154
Long term asset			
Exploration and evaluation asset	4, 7	**249,719**	246,485
TOTAL ASSETS		**314,884**	269,639
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**215,739**	248,722
Loans payable	5	**72,723**	71,117
Due to related parties	7	**177,484**	174,406
		465,946	494,245
SHAREHOLDERS' DEFICIT			
Share capital	6	**3,364,975**	3,271,225
Reserves	6	**454,074**	430,324
Accumulated deficit		**(3,970,111)**	(3,926,155)
		(151,062)	(224,606)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**314,884**	269,639

Nature and continuance of operations (Note 1)
Commitments (Notes 4, 5 and 6)
Subsequent event (Notes 4)

The accompanying notes are an integral part of these condensed interim financial statements.

Approved on behalf of the Board of Directors

/s/ "Bob Faris"
Director

/s/ "Scott Ansell"
Director

SHAMROCK ENTERPRISES INC.
CONDENSED INTERIM STATEMENTS OF INCOME (LOSS AND COMPREHENSIVE LOSS)
For the three months ended August 31, 2019 and 2018
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Notes	For the three months ended August 31 2019	2018
		$	$
EXPENSES			
Advertising		**2,083**	-
Loan interest	5	**1,606**	1,203
Office and general		**633**	836
Professional fees		**43,250**	47,035
Regulatory and filing		**4,303**	3,864
Share-based compensation	6,7	**-**	19,584
Impairment of exploration and evaluation assets		**22,081**	-
		73,956	72,522
Loss before other item		**(73,956)**	(72,522)
OTHER ITEM			
Gain on debt settlement	6	**30,000**	-
Net loss and comprehensive loss for the period		**(43,956)**	(72,522)
Basic and diluted loss per common share		**(0.00)**	(0.00)
Weighted average number of shares outstanding		**47,606,571**	37,964,892

The accompanying notes are an integral part of these condensed interim financial statements.

SHAMROCK ENTERPRISES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the three months ended August 31, 2019 and 2018
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share Capital		Reserves			
	Number of Shares	Amount	Equity settled benefits	Warrants	Accumulated deficit	Total
	#	$	$	$	$	$
Balance, May 31, 2018	37,729,609	3,020,039	292,415	95,947	(3,508,906)	(100,505)
Cash						
Private Placement	989,000	58,450	-	-	-	58,450
Flow-through premium	-	(9,000)	-	-	-	(9,000)
Property option extensions	500,000	23,000	-	-	-	23,000
Share-based compensation	-	-	19,584	-	-	19,584
Loss for the period	-	-	-	-	(72,522)	(72,522)
Balance, August 31, 2018	39,218,609	3,092,489	311,999	95,947	(3,581,428)	(62,993)
Balance, May 31, 2019	45,364,723	3,271,225	333,540	96,784	(3,926,155)	(224,606)
Cash						
Private placements	4,750,000	71,250	-	23,750	-	95,000
Debt settlement	1,500,000	22,500	-	-	-	22,500
Loss for the period	-	-	-	-	(43,956)	(43,956)
Balance, August 31, 2019	**51,641,723**	**3,364,975**	**333,540**	**120,534**	**(3,970,111)**	**(151,062)**

The accompanying notes are an integral part of these condensed interim financial statements.

SHAMROCK ENTERPRISES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended August 31, 2019 and 2018
(expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the three months ended August 31	
	2019	2018
	$	$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	**(43,956)**	(72,522)
Items not involving cash:		
Accrued interest	**1,606**	1,204
Share-based compensation	**-**	19,584
Gain on debt settlement	**(30,000)**	-
Impairment on exploration and evaluation assets	**22,081**	-
Changes in non-cash working capital items:		
Goods and services tax receivable	**(1,327)**	(4,010)
Prepaid expenses	**(47,917)**	-
Accounts payable and accrued liabilities	**24,463**	57,932
Due to related parties	**(2,505)**	13,363
Net cash provided by (used in) operating activities	**(77,555)**	15,551
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation expenditures	**(24,678)**	(33,171)
Net cash used in investing activities	**(24,678)**	(33,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayments	**-**	(10,000)
Private placement proceeds	**95,000**	58,450
Net cash provided by financing activities	**95,000**	48,450
Change in cash	**(7,233)**	30,830
Cash, beginning of the period	**16,276**	1,640
Cash, end of the period	**9,043**	32,470
Supplemental information:		
Interest paid	**-**	-
Income taxes paid	**-**	-

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these condensed interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Shamrock Enterprises Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on April 17, 2008 and has been a reporting issuer in British Columbia, Alberta and Ontario, and whose shares have traded on the Canadian Securities Exchange since November 10, 2010 under stock symbol SRS. The Company's registered and records office and corporate office address is address is Suite 1100 – 1111 Melville Street, Vancouver, BC, Canada V6E 3V6.

The Company is pursuing the acquisition, exploration and evaluation of mineral properties. At August 31, 2019, it had options to acquire a 100% interest in three mineral properties, as described in Note 4. The Company is in the process of exploring those mineral properties and has not yet determined whether the properties contains reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral properties in accordance with industry practice, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. Since these condensed interim financial statements do not include all disclosure required by IFRS for annual financial statements, they should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2019.

The financial statements were authorized for issue by the Board of Directors on October 29, 2019.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared, except for cash flow information, using the accrual basis of accounting. Unless otherwise noted, these financial statements are presented in Canadian dollars, the functional currency of the Company.

Going Concern

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation in 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 was not expected to continue operations for the foreseeable future. At August 31, 2019, the Company has not yet achieved profitable operations, has accumulated losses of $3,970,111 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. BASIS OF PRESENTATION (Continued)

Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Going Concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as May 31, 2019. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2019:

Accounting Standards and Amendments Adopted on June 1, 2019

The Company has adopted IFRS 16 *Leases* ("IFRS 16") which is effective for annual periods beginning on or after January 1, 2019. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The adoption of IFRS 16 did not have an impact on the Company's condensed interim financial statements.

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

For the three months ended August 31, 2019

	Topley-Richfield	Portland	Stellar	Buckley	Milly	Total
Balance, beginning of period	$ -	$ -	$ 182,110	$ 45,000	$ 19,375	$ 246,485
Cash - payment	-	-	-	20,000	-	20,000
	-	-	182,110	65,000	19,375	266,485
Exploration expenditures	-	-	2,609	-	2,706	5,315
	-	-	184,719	65,000	22,081	271,800
Impairment	-	-	-	-	(22,081)	(22,081)
Balance, end of period	$ -	$ -	$ 184,719	$ 65,000	$ -	$ 249,719

For the year ended May 31, 2019

	Topley-Richfield	Portland	Stellar	Buckley	Milly	Total
Balance, beginning of year	$ 41,944	$ 54,828	$ 108,509	$ -	$ -	$ 205,281
Cash - payment	-	30,000	-	-	-	30,000
Shares issued	11,000	27,000	-	45,000	6,000	89,000
	52,944	111,828	108,509	45,000	6,000	324,281
Exploration expenditures	1,183	36,020	73,601	-	13,375	124,179
	54,127	147,848	182,110	45,000	19,375	448,460
Impairment	(54,127)	(147,848)	-	-	-	(201,975)
Balance, end of year	$ -	$ -	$ 182,110	$ 45,000	$ 19,375	$ 246,485

Topley-Richfield Project

On August 18, 2017, the Company entered into an option agreement to acquire a 100% interest in seven contiguous mineral claims covering an area of 2,313 hectares, known as the Topley-Richfield gold/copper/silver/lead/zinc project, located in the Bulkley Valley, 100 km southeast of Smithers, British Columbia. The Company can acquire a 100% interest in the project for total consideration of 1,000,000 shares, $200,000 in cash payments and a $200,000 work commitment over four years. The project vendors retain a 3% net smelter royalty, which the Company can buy-out at a rate of $1 million for each 1%. An advanced royalty payment of $20,000 per year begins on the 5th anniversary.

The cash payments totalling $200,000 are due as follows:

On execution of the option agreement	$10,000	(Paid)
Within 6 months after the date of the agreement	$10,000	(Paid)
Within the first anniversary date of the agreement	$30,000	
Within the second anniversary date of the agreement	$50,000	
Within the third anniversary date of the agreement	$50,000	
Within the fourth anniversary date of the agreement	$50,000	

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Topley-Richfield Project (Continued)

The 1,000,000 shares are required to be issued in accordance with the following schedule:

On execution of the option agreement	100,000	(Issued)
Within 6 months after the date of the agreement	100,000	(Issued)
Within the first anniversary date of the agreement	200,000	(Issued)
Within the second anniversary date of the agreement	200,000	
Within the third anniversary date of the agreement	200,000	
Within the fourth anniversary date of the agreement	200,000	

Work expenditures of $200,000 are required to be incurred in accordance with the following schedule:

Within the first anniversary date of the agreement	$50,000
Within the second anniversary date of the agreement	$50,000
Within the third anniversary date of the agreement	$50,000
Within the fourth anniversary date of the agreement	$50,000

The Company incurred $8,024 in exploration and evaluation costs prior to finalization of the option agreement, to assist in its decision to enter into the agreement. That amount was expensed in 2018. The Company paid $20,000 and issued a total of 200,000 shares with a then-current market value of $11,000 towards the acquisition and retention of the option during the current year. Those amounts were capitalized. The Company incurred $1,183 exploration and evaluation costs. That amount included $593 in costs from a company controlled by a director.

On April 4, 2019, after discussions with the vendors of the Topley-Richfield property option and due consideration by the Company's management, Shamrock provided written notice to discontinue the option agreement. The parties agreed in writing that Shamrock is not responsible for any outstanding or further work commitments, share issuances or property payments. All related costs, totalling $54,127, comprised of property acquisition ($39,500) and exploration and evaluation expenditures ($14,627) were written-off to the statement of loss.

Portland Project

On October 25, 2017, the Company entered into an Option Agreement to acquire from a private vendor a 100% interest in 16 mineral claims located near Stewart, British Columbia. The properties include the Portland Project, 22 km northeast of Stewart, consisting of 14 contiguous mineral claims covering an area of 2,416 hectares (over 24 sq. km) and two additional separate mineral claims, the American Creek and Kimball Lake claims, 37 km and 42 km northeast of Stewart, covering a combined area of 359 hectares. The Company can acquire 100% interest in the properties for total consideration of 2,300,000 shares, $150,000 in cash payments of which $30,000 was paid in May 31, 2018 and a $300,000 work commitment over 3 years. The Vendor retains a 3% net smelter royalty with the Company having an option to buyout up to 2% for $2 million.

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Portland Project (Continued)

The 2,300,000 shares are required to be issued in accordance with the following schedule:

On approval date	500,000	(Issued)
On or before August 15, 2018	300,000	(Issued)
Within the first anniversary of the approval date (October 25, 2018)	500,000	(Issued)
Within the second anniversary of the approval date (October 25, 2019)	500,000	
Within the third anniversary of the approval date (October 25, 2020)	500,000	

Under the terms of an amending agreement dated July 19, 2018:

1. The remaining cash amount due of $120,000 is to be paid as follows:

   i. $10,000 on or before August 15, 2018 (Paid)
   ii. $10,000 on or before October 25, 2018 (Paid)
   iii. $10,000 on or before March 1, 2019 (Paid)
   iv. $45,000 on or before October 25, 2019
   v. $45,000 on or before October 25, 2020

2. Minimum annual expenditures to be incurred on the property were defined as follows:

   i. sufficient Expenditures to maintain the Property in good standing until at least December 1, 2020 will be incurred, filed, and approved by the Mineral titles Office by no later than August 10, 2018, and the balance of Expenditures required to equal total Expenditures of at least One Hundred thousand Dollars ($100,000) will be incurred by the Optionee no later than October 25, 2019; and
   ii. further annual Expenditures of at least an additional One Hundred Thousand Dollars ($100,000) by October 25, 2019 and October 25, 2020 each, respectively;

   for a minimum aggregate total of Three Hundred Thousand Dollars ($300,000) in Expenditures, provided that any amount incurred in excess of the minimum annual Expenditures due by October 25, 2019 will not be credited towards the annual minimum Expenditures requirement due by October 25, 2020.

During the year ended May 31, 2019, the Company paid the project vendor $30,000 and issued 800,000 shares at a then-current market value of $27,000 towards the acquisition of the option. Those amounts were capitalized. The Company incurred $36,020 in exploration and evaluation costs in the current year, which were also capitalized. That amount included $34,347 in costs from a company controlled by a director.

As a result of the upcoming cash commitments on the Portland Option Agreement, the Company is currently re-evaluating its options. As a result of the current financial position, the Company in accordance with IFRS 6, recorded an impairment totalling $147,848, comprised of property acquisition ($107,000) and exploration and evaluation expenditures ($40,848) at May 31, 2019.

(expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Stellar Project

On February 9, 2018, the Company entered into an Option Agreement to acquire a 100% interest in 4 mineral claims located in north central British Columbia, comprising 2,343.58 hectares. The Company can acquire the 100% interest in the properties for total consideration of 2,000,000 shares and $20,000 in cash payments. The vendor retains a 2% net smelter royalty, with the Company having an option to buy out one-half of that royalty for $1 million.

The cash payments totalling $20,000 are due as follows:

Within 5 business days after closing	$10,000	(Paid May 31, 2018)
Within 45 business days after closing	$10,000	(Paid May 31, 2018)

The 2,000,000 shares are required to be issued in accordance with the following schedule:

Within 45 business days after closing	1,000,000	(Issued May 31, 2018)
Within 90 business days after closing	1,000,000	(Issued May 31, 2018)

During the three months ended August 31, 2019, the Company incurred $2,609 (May 31, 2019 - $73,601) in exploration and evaluation costs, which were also capitalized. That amount included $2,609 (May 31, 2019 - $12,495) in costs from a company controlled by a director.

Buckley Project

On June 18, 2018, the Company entered into an Option to Purchase Agreement with an arm's-length private vendor to acquire a 100% interest in the Buckley Project mineral claims, in British Columbia, approximately 25 kms southwest of Houston B.C. The Buckley Project consists of 24 mineral claims covering 15,317.5 hectares and is contiguous with Shamrock's Stellar claims. The Buckley and Stellar properties lie along the north-western margin of the Nechako Plateau in west-central British Columbia, bordering the east side of the Coast Mountains.

The Company can acquire a 100% working interest in return for a $20,000 cash payment (subject to the company raising a minimum $200,000 non-flow-through funds) (paid August 1, 2019) and 1.5 million shares of its common stock (issued on April 4, 2019) fair valued at $45,000. The vendor will retain a 2% Net Smelter Royalty ("NSR") on the property, with Shamrock having the right to purchase 1% of the NSR for $1 million.

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Milly Project

On December 10, 2018, the Company signed an Option to Purchase Agreement ("Option Agreement") with one non-arm's-length and three arms-length private vendors ("Optionors") to acquire a 100% interest in the Milly Project mineral claims in central British Columbia, approximately 50 kms southwest of Mackenzie B.C. At that time, the Milly Project consisted of 4 mineral claims covering an area of 6,013.2 hectares. Shamrock can acquire a 100% working interest in the Milly Project from the vendors under the following terms and conditions:

$150,000 in cash payments as follows:
i) $10,000 on or before 45 days from signing of formal agreement;
ii) $10,000 on or before December 10, 2019;
iii) $10,000 on or before December 10, 2020;
iv) $20,000 on or before December 10, 2021; and
v) $100,000 on or before December 10, 2022.

Delivery of 2,000,000 million shares of the Company common stock over 4 years,
i) 240,000 common shares on signing of formal agreement (issued);
ii) 240,000 common shares on or before December 10, 2019;
iii) 240,000 common shares on or before December 10, 2020;
iv) 280,000 common shares on or before December 10, 2021; and
v) 1,000,000 common shares on or before December 10, 2022.

A 2.0% Net Smelter Return ("NSR") on the property. The Company has retained the right to purchase 1.0% of the NSR for $1.6 million.

On February 27, 2019, the Company announced that the Optionor had acquired an additional 1,003.3 hectares of prospective mineral rights adjoining the original Milly property claims. The newly staked claim became part of the original Option to Purchase Agreement. The Milly Project then consisted of 5 mineral claims covering an area of 7,016.5 hectares.

During the three months ended August 31, 2019, the Company incurred $2,706 in exploration and evaluation costs, which were capitalized. Those costs were from a company controlled by a director.

On March 27, 2019, the Company announced that the Optionor had staked an additional 2,360.3 hectares of claims to the west and south of its Milly property. The newly-staked claims become part of the original Option to Purchase Agreement and the project now consists of seven tenures covering 9,376.8 hectares.

On October 29, 2019, the Company announced that it has terminate the Milly Option Agreement, accordingly all related costs, totalling $22,081, comprised of property acquisition ($6,000) and exploration and evaluation expenditures ($16,081) were written-off to the statement of loss as at August 31, 2019.

5. LOANS PAYABLE

At August 31, 2019, the Company had the following loans payable:

1. From a non-related party, a series of unsecured loans totaling $12,700 (May 31, 2019: $12,700), with interest accruing at 12% per annum from the date of issue and no specific terms of repayment. During the three months ended August 31, 2019, $384 (2018: $568) of interest was accrued on the loan amounts. Total accrued interest at August 31, 2019 was $6,653 (May 31, 2019: $6,269).

2. From a second non-related party, the estate of a former director, $21,000 (May 31, 2019: $21,000), unsecured, with interest at 12% per annum from June 1, 2015 and no specific terms of repayment. During the three months ended August 31, 2019, $635 (2018: $635) of interest was accrued on the loan. Total accrued interest at August 31, 2019 was $10,715 (May 31, 2019: $10,080).

3. From a third non-related party, $10,000 (May 31, 2019: $10,000), with interest accruing at 12% per annum from September 11, 2018 and no specific terms of repayment. During the three months ended August 31, 2019, $302 (2018: $Nil) of interest was accrued on the loan. Total accrued interest at August 31, 2019 was $1,167 (May 31, 2019: $865).

4. From a spouse of a director of the Company, $9,400 (May 31, 2019: $9,400), with interest accruing at 12% per annum from September 27, 2018 and no specific terms of repayment. During the three months ended August 31, 2019, $284 (2018: $Nil) of interest was accrued on the loan. Total accrued interest at August 31, 2019 was $1,087 (May 31, 2019: $803).

6. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of commons shares without par value. At August 31, 2019, 51,614,723 (May 31, 2019: 45,364,723) common shares were issued and outstanding.

No shares were held in escrow at August 31, 2019 and May 31, 2019.

Issued

For the three months ended August 31, 2019

On July 29 2019, the Company issued 1,500,000 shares valued at $22,500 to settle outstanding debt of $52,500 resulting in a gain on settlement of debt of $30,000.

On July 29, 2019, the Company completed a private placement comprised of 4,750,000 non-flow-through units at $0.02 per unit for total gross proceeds of $95,000. Each unit consisted of common share and one share purchase warrant. One purchase warrant is exercisable to acquire one common share at $0.04 for two years from the date of issuance. The Company uses the residual method of valuing its warrants and have allocated $23,750.

6. SHARE CAPITAL (Continued)

Issued (Continued)

For the year ended May 31, 2019

On August 15, 2018, the Company issued 300,000 shares of its common stock towards acquiring the Portland property option (See Note 4). The shares were valued at $12,000 based on the then-current market price.

On August 16, 2018, the Company issued 200,000 shares of its common stock towards acquiring the Topley-Richfield property option (See Note 4). The shares were valued at $11,000 based on the then-current market price.

On August 17, 2018, the Company completed the first tranche of a private placement, comprised of 450,000 flow-through units at $0.07 per unit and 539,000 non-flow-through units at $0.05 per unit for total gross proceeds of $58,450. Each flow-through unit consisted of one flow-through common share and one half-share purchase warrant. One whole purchase warrant is exercisable to acquire one common share at $0.09 for two years from the date of issuance. Each non-flow-through unit consisted of one common share and one half-share purchase warrant, with one whole purchase warrant being exercisable to acquire one common share at $0.07 for two years from the date of issuance. A value of $9,000 was attributed to the flow-through premium liability in connection with the flow-through financing.

On October 24, 2018, the Company completed the second tranche of a private placement, comprised of 142,857 flow-through units at $0.07 per unit for total proceeds of $10,000. Each flow-through unit consisted of one flow-through common share and one half-share purchase warrant. One whole purchase warrant is exercisable to acquire one common share at $0.09 for two years from the date of issuance. A value of $2,857 was attributed to the flow-through premium liability in connection with the flow-through financing.

On October 31, 2018, the Company issued 500,000 shares of its common stock towards acquiring the Portland property option (See Note 4). The shares were valued at $15,000 based on the then-current market price.

October 31, 2018, the Company issued 100,000 shares of its common stock in lieu of cash, in payment for consulting services provided by an outside party. The shares were valued at $3,000, based on the then-current market price. That amount was included in stock-based compensation expense.

On December 28, 2018 the Company closed the first tranche of a private placement, issuing 1,770,000 non-flow through units at a price of $0.03 per unit and 650,000 flow through shares at a price of $0.05 per share, for gross aggregate proceeds of $85,600. Each non-flow through unit consists of one common share in the Company and one half of a share purchase warrant. Each full warrant is exercisable to purchase one common share at $0.05 for two years from the date of closing. The Company paid finder's fees totaling $2,805 in cash, $1,367 in legal fees and 93,500 finder's warrants, with the warrants having the same terms as described above. The finder's warrants were valued at $329 using the Black-Scholes option pricing model which assumed a risk-free rate of 1.86%; estimated life of 2 years; volatility of 97.02%; and dividend yield of 0%. A value of $13,000 was attributed to the flow-through premium liability in connection with the flow-through financing.

6. SHARE CAPITAL (Continued)

Issued (Continued)

For the year ended May 31, 2019 (Continued)

On February 25, 2019 the Company completed the second tranche of the private placement, issuing 1,243,257 non-flow through units at a price of $0.03 per unit for gross proceeds of $37,298. Each non-flow through unit consists of one common share in the Company and one half of a share purchase warrant. Each full warrant is exercisable to purchase one common share at $0.05 for two years from the date of closing. The Company paid finder's fees totaling $1,275 in cash, $1,021 in legal fees and 42,500 finder's warrants, with the warrants having the same terms as described above. The finder's warrants were valued at $508 using the Black-Scholes option pricing model which assumed a risk-free rate of 1.77%; estimated life of 2 years; volatility of 98.57%; and dividend yield of 0%.

On April 4, 2019, the Company issued 240,000 shares of its common stock towards acquiring the Milly property option (See Note 4). The shares were valued at $6,000 based on the then-current market price.

On April 22, 2019, the Company issued 1,500,000 shares of its common stock towards acquiring the Buckley property option (See Note 4). The shares were valued at $45,000 based on the then-current market price.

Commitments

Stock Options

Stock-Option Plan

The Company has a stock option plan in place. Under the stock option plan the Company can issue up to 10% of the issued and outstanding Shares as incentive stock options to directors, officers, insiders, employees and other service providers to the Company. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued Shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued Shares of the Company. The options granted under the Stock Option Plan are normally subject to the vesting schedule wherein 25% of the options will vest on the day which is 3 months from the day of grant and 25% of the options will vest every 3 months thereafter for a period of 12 months after the day of grant.

There were no stock options granted during the three months ended August 31, 2019.

For the year ended May 31, 2019

On August 15, 2018, the Company granted a consultant 750,000 options with an exercise price of $0.05 and valid for two years. One-third of the options vested immediately; one third vested three months from grant date; and the final third vested five months from grant date. The options were valued at $10,915 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free rate of 2.09%, estimated life of 2-1.58 years, volatility of 82.62% and dividend yield of 0%. That value was expensed in the current period. (These were terminated 30 days after notice which was sent on March 3, 2019)

As a result of amortization of the value attributed to various options issued by the Company, a stock-based compensation expense totaling $41,125 was incurred during the year ended May 31, 2019.

(expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)

Commitments (Continued)

Stock Options (Continued)

Summary of stock option activity:

	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
	#	$	
Balance, May 31, 2018	3,050,000	0.05	3.78
Granted	750,000	0.05	
Forfeited/Cancelled	(900,000)	0.05	
Balance, May 31, 2019	2,900,000	0.05	2.92
Balance, August 31, 2019	**2,900,000**	**0.05**	**2.67**

Summary of options outstanding and exercisable at August 31, 2019:

Outstanding Options				Exercisable Options	
Exercise Price	Number of Options	Remaining Life (Years): By Grant and Weighted Average - Total	Expiry Date	Number of Vested Options	Weighted Average Exercise Price
$0.05	550,000	0.70	May 11, 2020	550,000	
$0.05	450,000	1.81	June 21, 2021	450,000	
$0.05	250,000	2.71	May 16, 2022	250,000	
$0.06	900,000	3.47	Feb 16, 2023	900,000	
$0.05	750,000	3.67	May 3, 2023	750,000	
	2,900,000	**2.67**		**2,900,000**	**$0.05**

Agent's Warrants

Summary of agent's warrant activity:

	Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
	#	$	
Balance, May 31, 2018	32,000	0.06	1.61
Issued	136,000	0.05	
Balance, May 31, 2019	168,000	0.05	1.44
Balance, August 31, 2019	**168,000**	**0.05**	**1.18**

(expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)

Commitments (Continued)

Agent's Warrants (Continued)

Summary of agent's warrants outstanding at August 31, 2019:

Warrants	Exercise Price	Expiry Date
32,000	$0.06	January 9, 2020
93,500	$0.05	December 28, 2020
42,500	$0.05	February 25, 2021
168,000		

Share Purchase Warrants

Summary of share purchase warrant activity:

	Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
	#	$	
Balance, May 31, 2018	14,005,722	0.07	0.68
Expired	(7,817,500)	(0.08)	
Issued	2,072,558	0.06	
Balance, May 31, 2019	8,260,780	0.06	0.59
Expired	(4,199,999)	(0.07)	
Issued	4,750,000	0.04	
Balance, August 31, 2019	**8,810,781**	**0.05**	**1.41**

Summary of share purchase warrants outstanding at August 31, 2019:

Warrants	Exercise Price	Expiry Date
982,667	$0.06	December 12, 2019
755,556	$0.06	January 9, 2020
250,000	$0.06	January 22, 2020
225,000	$0.09	August 17, 2020
269,500	$0.07	August 17, 2020
71,429	$0.09	October 24, 2020
885,000	$0.05	December 28, 2020
621,629	$0.05	February 25, 2021
4,750,000	$0.04	July 29, 2021
8,810,781		

(expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate values of transactions relating to key management personnel were as follows:

		2019	2018
Consulting fees paid or accrued to a company controlled by a director	$	**22,500**	22,500
Exploration expense paid or accrued to a company controlled by a director		**5,316**	31,498
Consulting fees paid or accrued to a company controlled by a current corporate officer		**1,250**	1,700
Stock-based compensation – directors and officers		**-**	12,731
Total fees and other short-term benefits	$	**29,066**	68,429

Included in due to related parties at August 31, 2019, $190,221 (May 31, 2019 - $174,406) was owing to key management personnel or to a company controlled by a director or by key management personnel. The amounts are non-interest bearing, unsecured, and have no specific terms of repayment.

At August 31, 2019, $21,000 loan (May 31, 2019: $21,000) was due to the estate of a former director, together with accrued interest totaling $7,560 (May 31, 2019: $7,560) and $9,400 (May 31, 2019 - $9,400) was due to the spouse of a director of the Company, together with accrued interest total $1,087 (May 31, 2019: $803). (See Note 5)

8. FINANCIAL INSTRUMENTS

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

(expressed in Canadian dollars)

8. Financial Instruments (Continued)

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

	Level 1	**Level 2**	**Total**
	$	**$**	**$**
August 31, 2019			
Cash	9,043	-	9,043
Loans payable	-	72,723	72,723
Due to related parties	-	177,484	177,484
	9,043	250,207	259,250
May 31, 2019			
Cash	16,276	-	16,276
Loans payable	-	71,117	71,117
Due to related parties	-	174,406	174,406
	16,276	245,523	261,799

Cash is measured using level 1 fair value inputs. As at August 31, 2019, the Company believes the carrying values of accounts payable and accrued liabilities, loans payable and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations. The loans payable bear interest at 12% per annum and is due on demand.

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

(expressed in Canadian dollars)

8. Financial Instruments (Continued)

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk the Company will realize such as a loss is limited because the convertible debentures bear interest at a fixed rate.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

9. CAPITAL MANAGEMENT

The Company's primary source of funds comes from the issuance of share capital. The Company defines its capital as all components of shareholders equity. Capital requirements are driven by the Company's planned exploration and evaluation activities and general and administrative expenses. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities. Although the Company has been successful at raising funds in the past through the issuance of share capital, there can be no assurance that it will continue to be able to do so in the future. There were no changes in the Company's approach to capital management during the three months ended August 31, 2019. The Company is not subject to externally imposed capital requirements.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The following significant non-cash transactions have been excluded from the statements of cash flows:

For the three months ended August 31, 2019

Included in accounts payable and accrued liabilities is $4,945 in exploration and evaluation assets expenditures.

Included in due to related parties is $5,583 in exploration and evaluation assets expenditures.

For the three months ended August 31, 2018

The Company issued shares as follows, in connection with acquiring its mineral claim interests (See Notes 4 and 6).

Property	Shares issued	Value at issue date
Topley-Richfield	200,000	$11,000
Portland	800,000	$27,000
Milly	240,000	$6,000
Buckley	1,500,000	$45,000
Total	2,740,000	$89,000