SLAVE LAKE ZINC CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

SLAVE LAKE ZINC CORP.
INDEX TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

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

Vancouver, B.C.
August 16, 2019

SLAVE LAKE ZINC CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2019

(unaudited - expressed in Canadian dollars)

	June 30, 2019	September 30, 2018
	$	$
ASSETS		
CURRENT		
Cash	281,003	545,305
Total current assets	281,003	545,305
Exploration and evaluation assets (Note 5)	222,071	175,313
TOTAL ASSETS	**503,074**	**720,618**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	10,102	36,945
Due to related parties (Note 7)	30,113	11,711
TOTAL LIABILITIES	**40,215**	**48,656**
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	1,167,300	600,500
Special warrants (Note 9)	-	566,800
Contributed surplus	343,910	-
Deficit	(1,048,351)	(495,338)
TOTAL SHAREHOLDERS' EQUITY	**462,859**	**671,962**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**503,074**	**720,618**

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
GOING CONCERN UNCERTAINTY (Note 2)

Approved on behalf of the Board:

"Ritchie Wigham"
Ritchie John Wigham, CEO

"Peter Cummings"
Peter Cummings, CFO

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

SLAVE LAKE ZINC CORP.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(unaudited - expressed in Canadian dollars)

	Three months ended June 30, 2019	**Three months ended June 30, 2018**	**Nine months ended June 30, 2019**	**Nine months ended June 30, 2018**
EXPENSES				
Finder's fee	**$ -**	$ 45,000	**$ -**	$ 45,000
Management fees (Note 7)	**41,000**	21,500	**124,000**	67,500
Filing fees	**1,465**	-	**20,432**	-
Legal fees	**-**	85	**4,536**	16,198
Consulting fees	**14,123**	-	**14,123**	-
Office	**1,222**	384	**9,413**	1,907
Meals and entertainment	**340**	423	**2,691**	1,282
Accounting and auditing fees	**11,290**	-	**24,544**	8,100
Bank charges	**31**	21	**106**	195
Stock-based compensation	**-**	-	**343,910**	-
Travel	**96**	-	**9,258**	2,275
NET LOSS AND COMPREHENSIVE LOSS	**$ (69,567)**	$ (67,413)	**$ (553,013)**	$ (142,457)
LOSS PER SHARE, basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.02)**	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**32,894,500**	26,700,000	**32,349,929**	26,685,185

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

SLAVE LAKE ZINC CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

FOR THE NINE MONTH PERIOD ENDED

(unaudited - expressed in Canadian dollars)

	June 30, 2019	June 30, 2018
	$	$
OPERATING ACTIVITIES		
Net loss and comprehensive loss	(553,013)	(142,457)
Item not affecting cash:		
Stock-based compensation	343,910	-
Changes in non-cash working capital items:		
GST receivable	-	(3,322)
Accounts payable and accrued liabilities	(26,843)	(16,784)
Net cash used in operating activities	**(235,946)**	**(162,563)**
INVESTING ACTIVITY		
Exploration and evaluation assets	(46,758)	(57,580)
Net cash used in investing activity	**(46,758)**	**(57,580)**
FINANCING ACTIVITIES		
Due to related parties	18,402	(290,126)
Proceeds from issuance of shares, net of issuance cost	-	10,000
Proceeds from special warrants	-	526,950
Proceeds from subscriptions receivable	-	38,000
Net cash provided by financing activities	**18,402**	**284,824**
Net Change in Cash	**(264,302)**	**64,681**
Cash, Beginning of Period	545,305	423,498
Cash, End of Period	**281,003**	**488,179**

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

SLAVE LAKE ZINC CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2019

(unaudited - expressed in Canadian dollars)

	Share Capital							
	Number of Shares	Amount	Subscriptions Receivable	Shares to be issued	Special Warrants	Contributed surplus	Deficit	Total
		$	$	$	$		$	$
Balance, September 30, 2017	**26,500,000**	**590,500**	**(38,000)**	**-**	-	**-**	**(344,189)**	**208,311**
Shares issued for cash – private placement (Note 8)	200,000	10,000	38,000	35,450	-	-	-	83,450
Special Warrants	-	-	-	-	526,950	-	-	526,950
Net loss for the period	-	-	-	-	-	-	(142,457)	(142,457)
Balance, June 30, 2018	**26,700,000**	**600,500**	**-**	**35,450**	**-**	**-**	**(419,233)**	**676,254**

Balance, September 30 2018	**26,700,000**	**600,500**	**-**	**-**	**566,800**	**-**	**(495,338)**	**671,962**
Shares exchanged for warrants (Note 8)	6,194,500	566,800	-	-	(566,800)	-	-	-
Stock-based compensation	-	-	-	-	-	343,910	-	343,910
Net loss for the period	-	-	-	-	-	-	(553,013)	(553,013)
Balance, June 30, 2019	**32,894,500**	**1,167,300**	**-**	**-**	**-**	**343,910**	**(1,048,351)**	**462,859**

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Slave Lake Zinc Corp. (the "Company") was incorporated on September 14, 2016 under the laws of British Columbia. The head office, principal address, records office, and registered address of the Company is located at 8978 Lindsay PL, Surrey, British Columbia, V3V 6E3.

The Company's principal business activities include the acquisition and exploration of mineral property assets located in North West Territories, Canada.

On November 7, 2018, the Company completed its Initial Public Offering ("IPO") and the Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the trading symbol "SLZ".

2. GOING CONCERN UNCERTAINTY

These unaudited condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. As at June 30, 2019, the Company has an accumulated deficit of $1,036,728, limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these unaudited condensed interim financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the unaudited condensed interim statement of financial position classifications used. Such adjustments could be material. Management intends to finance operating costs over the next twelve months with loans from directors and share private placements.

3. BASIS OF PRESENTATION

Approval of the financial statements

The unaudited condensed interim financial statements of the Company for the nine month period ended June 30, 2019 were reviewed by the Board of Directors and approved and authorized for issue on August 16, 2019 by the Board of Directors of the Company.

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in full compliance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Accordingly, these unaudited condensed interim financial statements follow the same accounting principles and methods of application as the audited annual financial statements for the

3. BASIS OF PRESENTATION *(continued)*

year ended September 30, 2018 but may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS. These unaudited condensed interim financial statements should therefore be read in conjunction with the audited annual financial statements for the year ended September 30, 2018. Results from the period ended June 30, 2019 are not necessarily indicative of future results.

Basis of measurement

The unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. The unaudited condensed interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the unaudited condensed interim financial statements are disclosed in Note 4.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation ("E&E") assets according to the nature of the assed acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to tis recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

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

b) Restoration, rehabilitation, and environmental obligations.

An obligation to incur restoration, rehabilitation and environment costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for an capitalized at the of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no restoration, rehabilitation and environmental obligations as at June 30, 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Cash and cash equivalent

Cash and cash equivalent include bank demand deposit accounts and highly liquid short-term investments with maturities of three months or less when purchased. Cash consists of checking accounts held at financial institutions in Canada and funds held in trust which, at times, balances may exceed insured limits. The Company has not experienced any losses related to these balances, and management believes the credit risk to be minimal.

d) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enactive or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

e) Share capital

Common shares and special warrants are classified as equity. Transaction costs directly attributable to the issue of common shares, share purchase options, and special warrants are recognized as deduction from equity, net of any tax effects. For equity offerings of units consisting of common shares and warrants, when both instruments are classified as equity, the Company does not bifurcate the proceeds between the common share and the other equity instruments.

f) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or have been transferred and the Company has transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Company classifies its financial instruments in the following categories:

- Financial assets at fair value through profit or loss:

  A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also included in this category unless they are designated as hedges.

  Financial instruments in this category are recognized initially at cost, and subsequently at fair value. Transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in fair value are presented in the statement of loss in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current, except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which are classified as long-term. Interest rate swaps and warrants are classified as current.

  As at June 30, 2019 and 2018, the Company had no financial instruments under this classification.

- Available-for-sale investments:

  Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

  Available-for-sale investments are recognized initially at fair value plus transaction costs, and are subsequently carried at fair value. Gains or losses arising from re-measurement are recognized in the other comprehensive income, except for exchange gains and losses on the translation of equity securities, which are recognized in the statement or loss. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from the accumulated other comprehensive income to the statements operations, and are included in “gains (losses) on sale of debt and equity security (net)”. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months.

  Interest on available-for-sale debt instruments, calculated using the effective interest method, is recognized in the statement of operations as part of the interest income. Dividends on available-for-sale equity instruments are recognized in the statement of loss as dividend income, when the Company’s right to receive payment is established.

  As at June 30, 2019 and 2018, the Company had no financial instruments under this classification.

- Loans and receivables:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise cash and cash equivalent. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

- Financial liabilities at amortized cost:

Financial liabilities at amortized include accounts payable and accrued expenses and due to related parties. Accounts payable are initially recognized at the amount required to the paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Due to related parties are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

These are classified as current liabilities if payment id due within twelve months. Otherwise, they are presented as non-current liabilities.

- Financial liabilities at fair value through profit and loss:

Financial liabilities are classified at fair value through profit and loss when they comprise derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with the changes in fair value recognized in the statement of loss and comprehensive loss. As at June 30, 2019 and 2018, the Company had no financial instruments under this classification.

- Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

h) New and revised accounting standards issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have no been early-adopted by the Company.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) New and revised accounting standards issued but not yet effective (continued)

interpretations have been issued, but are not expected to have an impact on the Company's financial statements

IFRS 9 Financial Instruments

Issued by IASB July 2014, effective for a company's annual periods beginning on or after January 1, 2018.

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9. However, for annual periods beginning before January 1, 2018, and entity may elect to apply those earlier versions instead of applying the final version of this new standard if its initial application date is before February 1, 2015.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Classification and measurement of financial assets:

  Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income"

- Classification and measurement of financial liabilities:

  When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- Impairment of financial assets:

  An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

- Hedge accounting:

  Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) New and revised accounting standards issued but not yet effective (continued)

Management has determined that IFRS 9 does not have an impact on the Company's financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 – Leases which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. Management has determined that IFRS 16 does not have a significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue form Contracts with Customers ("IFRS 15") in May 2014, the IASB and the Financial Accounting Standards Board ("FASB") completed its joint project to clarify the principles for recognizing revenue and to develop a common revenue standard for IFRS and US GAAP. As a result of the joint project, the IASB issued IFRS 15, Revenue form Contracts with Customers, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and related interpretations on revenue. IFRS 15 established principles to address the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after January 1, 2018. The Company has not yet commenced revenue-producing operations.

IFRIC Interpretation 22

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22") on December 8, 2016, the IASB issued IFRIC 22, which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The Standard provides guidance on how to determine the date of the transaction for the purpose of determining the spot exchange rate used to translate the asset, expense or income on initial recognition that relates to, and is recognized on the de-recognition of, a non-monetary prepayment asset or a non-monetary deferred income liability. It is effective for periods beginning on or after January 1, 2018. The Company is currently assessing the impact on the adoption of this interpretation.

i) 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 judgements 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Critical accounting estimates and judgements (continued)

The effect of a change in accounting estimates 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 judgements 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
Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 2.

Exploration and evaluation assets
The application of the Company' accounting policy for exploration and evaluation expenditure requires judgement 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 expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Recognition of deferred income tax assets and liabilities
The carrying amount of deferred income tax assets and liabilities 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. Changes in estimates of future taxable profit can materially affect the amount of deferred income tax assets and liabilities recognized from period to period.

5. EXPLORATION AND EVALUATION ASSETS

The Company acquired the Property, a mineral claim ("MWK"), tag # F97540 in the South Slave region of the North West Territories, NTS Map 75E05, pursuant to a mineral property acquisition agreement (the "Acquisition Agreement") date for reference February 7, 2017 among the Company as purchaser, Jaskarn Singh Rai, Ritchie John Wigham, Glen Colin Macdonald and Max Braden as vendors (the "Vendors") and 1089621 B.C. Ltd. as royalty holder (the "Royalty Holder"). Each of the Vendors is a founder and director of the Company and was a director of the Company at the time of entering into the Acquisition Agreement. Pursuant to the Acquisition, the Company acquired a 100% right, title and interest in and to the Property, subject to a 3.5% net smelter returns royalty, by making a cash payment of one dollar ($1.00) to each of the Vendors. The acquisition of the Property by the Company was formalized by the Acquisition Agreement. The Property is subject to a 3.5% net smelter returns royalty (the "Royalty") to the Royalty Holder. The Company has the right to purchase two-seventh ($2/7^{th}$) of the Royalty from the Royalty Holder at any time for one million ($1,000,000) dollars after which the Royalty will be reduced to 2.5% of net smelter returns. After payment of one million ($1,000,000) the Company has the right to purchase two-fifth ($2/5^{th}$) of the remaining Royalty for two million ($2,000,000) dollars at any time after which the Royalty rate will be reduced to 1.5% of net smelter returns. The Property has a ten (10) kilometer area of interest, and any mineral claims or properties interest within this area that any of the Vendors and/or associated parties acquires,

(unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

through staking or otherwise, will become part of the Acquisition Agreement and be subject to the Royalty.

On June 28, 2018, the Company entered into a 21 year lease commencing on August 30, 2016 with the Minister of Department of Indian Affairs and Northern Development. The claim is 188.12 hectares and has an annual rental fee of $470.30 payable to the Minister of Department of Indian Affairs and Northern Development and there is no other capital commitment required to maintain the lease.

As at June 30, 2019 the project is still at an early exploration stage.

The Company has incurred the following exploration expenditures as at June 30, 2019 and September 30, 2018:

		June 30, 2019		September 30, 2018
Opening balance	$	175,313	$	113,377
INAC accumulated fees from the acquisition date		-		-
Geological costs		46,758		53,757
Mobilization costs		-		8,179
	$	**222,071**	**$**	**175,313**

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2019		September 30, 2018
Accounts payable	$	10,102	$	15,345
Accrued liabilities		-		21,600
	$	**10,102**	**$**	**36,945**

(unaudited - expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Related parties or transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures". Related parties may enter into transactions which unrelated parties might not. Transactions between related parties are generally affected on the same terms, conditions and amounts as transactions between unrelated parties.

When considering each possible related party, not only their legal status is taken into account, but also the substance of the relationship between these parties.

Included in the Statements of Loss and Comprehensive Loss for the year nine months ended June 30, 2019 and June 30, 2018, are the following amounts, which arose due to transactions with related parties:

	June 30, 2019	**June 30, 2018**
	$	$
Management fees	124,000	67,500

The Company had the following outstanding as at June 30, 2019 and September 30, 2018 with related parties:

	June 30, 2019	**September 30, 2018**
	$	$
Due to related parties	30,113	11,711

Due to related parties are expenses incurred by the directors of the Company on its behalf. Due to related party is unsecured, without interests and due on demand.

8. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Issued and outstanding

As at June 30, 2019, the issued share capital comprised of 32,894,500 common shares (September 30, 2018: 26,700,000).

(unaudited - expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

b) Issued and outstanding (continued)

Year ended September 30, 2018:

On October 20, 2017, the Company issued 200,000 common shares at a price of $0.05 per share for gross cash proceeds of $10,000.

During the year the Company received cash proceeds of $38,000 on account of subscription receivable from the previous year.

For the nine months ended June 30, 2019:

On October 24, 2018, all 6,194,500 special warrants were exercised and 6,194,500 common shares were issued.

c) Stock Options

On June 21, 2018, the Company adopted an incentive stock option plan (the "Option Plan"). The purpose of the Option Plan is to promote the interests of Employees and the Company by furnishing directors, officers, employees and consultants with an opportunity to invest in the Company in a simple and cost effective manner and better align the interests of directors, officers, employees and consultants with those of the Company and its shareholders through the ownership of common shares of the Company. The maximum number of shares reserved for issuance upon exercise of options granted shall not exceed 15% of the issued and outstanding common shares of the Company. The option period shall not exceed 10 years from the date of grant. Under the Option Plan, the subscription price in respect of any option shall be set in accordance with the applicable policies of the Exchange. The number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares in any twelve month period or any aggregate maximum of 1% if the optionee(s) are engaged in investor relations activities or if the optionee is consultant, no more than 2% per consultant in any twelve month period. The Option Plan contains no vesting requirements.

During the nine month period ended June 30, 2019, the Company granted 4,325,000 (September 30, 2018: Nil) stock options to certain directors, officers and consultants of the Company exercisable for a period of two years, and $343,910 (September 30, 2018: $Nil) of stock-based compensation was recorded in the statement of loss and comprehensive loss.

The following table summarizes information about the stock options outstanding at June 30, 2019:

Expiry Date	Exercise Price	Number Outstanding
October 31, 2020	$ 0.100	4,200,000
February 19, 2021	$ 0.125	125,000

(unaudited - expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

c) Stock Options (continued)

As at June 30, 2019, the weighted average remaining contractual life of stock options outstanding was 1.60 years (September 30, 2018 – nil).

A summary of the changes in stock options for the nine months ended June 30, 2019 and year ended September 30, 2018 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, October 1, 2017	-	$ -
Granted	-	$ -
Expired	-	$ -
Balance, September 30, 2018	-	$ -
Granted	4,325,000	$ 0.10
Balance, June 30, 2019	**4,325,000**	**$ 0.10**
Balance vested, June 30, 2019	4,325,000	$ 0.10

The fair value of stock options granted during the nine months ended June 30, 2019 was calculated using the Black-Scholes model with the following assumptions:

	June 30, 2019	September 30, 2018
Risk-free rate	1.77%-2.28%	-
Expected dividend yield	0%	-
Expected option life (years)	2.00	-
Expected stock price volatility	177%	-
Fair value at grant date	$ 0.08	-

d) Escrowed Securities

During the year ended September 30, 2018 the Company entered into an escrow agreement, whereby 20,650,000 common shares will be held in escrow and are scheduled for release according to the following schedule:

Date	Quantity
On the date of the Company's securities are listed on a Canadian exchange (the listing date)	2,065,000
6 months after the listing date	3,097,500
12 months after the listing date	3,097,500
18 months after the listing date	3,097,500
24 months after the listing date	3,097,500
30 months after the listing date	3,097,500
36 months after the listing date	3,097,500

At June 30, 2019, 15,487,000 common shares were held in escrow.

9. WARRANTS

Year ended September 30, 2018:

During the year ended September 30, 2018, the Company concluded a Special Warrant financing of 6,194,500 warrants at $0.10 for $566,800. The special warrant may be exercised by the holder, in whole or in part, at any time. Any unexercised special warrants will be deemed to be exercised on that day which is the he earlier of:

a) the first (1st) business day following the day on which a receipt for a final prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and in such other jurisdictions as may be determined by the Issuer qualifying the distribution of the securities to be issued upon exercise of the special warrants; and

b) the tenth (10th) anniversary of the date of the special warrant certificate.

For the nine months ended June 30, 2019:

On October 24, 2018, 3,097,250 warrants were issued to purchase shares at $0.30 per share for a period of two years from the date of exercise or deemed exercise of the special warrant.

10. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine month period ended June 30, 2019 was based on the loss attributable to common shareholders of $541,390 (2018: $142,457) and the weighted average number of common shares outstanding of 32,349,929 (2018: 26,685,185).

11. CAPITAL MANAGEMENT

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine month period ended June 30, 2019. The Company is not subject to external restrictions on its capital.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties.

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.

The carrying value of cash, accounts payable and accrued liabilities and due to related parties approximate their fair value.

Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of June 30, 2019 equal $10,102. All of the liabilities presented as accounts payable and accrued liabilities and due to related parties are due on demand. The Company intends to finance its operations over the next twelve months with loans from directors and companies controlled by directors and share private placements.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at June 30, 2019, the Company is not exposed to significant market risk.

13. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has no commitments and contingent liabilities as at June 30, 2019 and September 30, 2018.