KORE MINING LTD.

Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2019 and 2018

(Unaudited)

KORE MINING

NOTICE OF NO AUDITOR REVIEW

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

The accompanying unaudited condensed interim consolidated 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 financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

KORE MINING LTD.
Condensed Interim Consolidated Statements of Financial Position
(unaudited)
(Expressed in Canadian dollars)

As at	Note		September 30, 2019		December 31, 2018
Current assets					
Cash and cash equivalents		$	**3,980,289**	$	30,620
Amounts receivable			**76,608**		59,568
Advances and prepaid expenses	5		**190,440**		461,555
Total current assets			**4,247,337**		551,743
Non-current assets					
Deposits			**38,823**		10,000
Mineral properties	6		**1,381,674**		1,612,792
Total non-current assets			**1,420,497**		1,622,792
Total assets		$	**5,667,834**	$	2,174,535
Current liabilities					
Accounts payable		$	**345,310**	$	841,766
Due to related parties	8		**79,874**		635,746
Total liabilities			**425,184**		1,477,512
Shareholders' equity					
Share capital	7		**11,087,438**		6,306,463
Warrants			**573,516**		573,516
Reserves			**802,799**		341,739
Deficit			**(7,219,695)**		(6,535,002)
Accumulated other comprehensive income (loss)			**(1,408)**		10,307
Total shareholders' equity			**5,242,650**		697,023
Total shareholders' equity and liabilities		$	**5,667,834**	$	2,174,535

Going concern	2
Subsequent events	11

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

KORE MINING LTD.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(unaudited)
(Expressed in Canadian dollars)

	Note	**For the three months ended September 30, 2019**	For the three months ended September 30, 2018	**For the nine months ended September 30, 2019**	For the nine months ended September 30, 2018
Expenses					
Exploration and evaluation expenses	6	$ 880,404	$ 264,251	$ 966,989	$ 723,906
Management fees, wages and corporate advisory	8	166,667	139,143	463,070	410,143
General and administration		64,095	45,822	137,630	80,611
Marketing, advisory and investor relations		190,095	59,945	491,084	107,623
Professional fees		120,028	23,236	286,113	85,134
Share-based payments	7	302,405	-	461,060	145,422
		(1,723,694)	(532,397)	(2,805,946)	(1,552,839)
Other income/expense					
Interest and finance income (expense)		6,407	(1,035)	6,519	(1,580)
Foreign exchange (gain) loss		(11,038)	19,221	(26,045)	(18,510)
Gain on royalty sale	6	-	-	2,140,779	-
		(4,631)	18,186	2,121,253	(20,090)
Net loss for the period		$ (1,728,325)	$ (514,211)	$ (684,693)	$ (1,572,929)
Item that may be subsequently reclassified to net income					
Cumulative translation adjustment		(12,445)	(32,001)	(11,715)	29,702
Comprehensive loss for the period		$ (1,740,770)	$ (546,212)	$ (696,408)	$ (1,543,227)
Basic and fully diluted loss per common share		$ (0.02)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding		82,876,697	78,441,914	76,306,620	72,948,581

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

KORE MINING LTD.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited)

(Expressed in Canadian dollars)

	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
CASH USED IN OPERATING ACTIVITIES		
Loss for the period	**$ (684,693)**	$ (1,572,929)
Items not involving cash:		
Gain on royalty sale	**(2,140,779)**	-
Share-based payments	**461,060**	145,422
Unrealized foreign exchange losses	**-**	13,770
Changes in non-cash working capital items:		
Amounts receivable	**(17,040)**	19,336
Prepaid expenses and advances	**271,115**	(688,971)
Deposits	**(28,823)**	-
Accounts payable	**(1,052,328)**	1,420,158
	(3,191,488)	(663,214)
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of costs	**4,780,975**	281,745
Proceeds from the exercise of options	**-**	66,012
Proceeds from convertible debenture	**-**	250,000
	4,780,975	597,757
INVESTING ACTIVITIES		
Proceeds from sale of royalty	**2,348,745**	-
	2,348,745	-
Impact of changes in foreign exchange	**11,437**	-
Change in cash	**3,949,669**	(65,457)
Cash at beginning of period	**30,620**	88,694
Cash at end of period	**$ 3,980,289**	$ 23,237

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

KORE MINING LTD.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

(Expressed in Canadian dollars)

	Common Shares						
	Number	Amount $	Warrants $	Reserves $	Deficit $	Accumulated Other Comprehensive Income (Loss) $	Total Equity $
January 1, 2018	17,907,220	2,546,807	-	-	(2,029,880)	(41,174)	475,753
Unit issuance costs	-	(9,922)	-	-	-	-	(9,922)
Shares issued on exercise of options	800,000	503,101	-	(145,422)	-	-	357,679
Share-based payments	-	-	-	145,422	-	-	145,422
Net loss for the period	-	-	-	-	(1,572,929)	-	(1,572,929)
Other comprehensive income (loss)	-	-	-	-	-	29,702	29,702
September 30, 2018	18,707,220	3,039,986	-	-	(3,602,809)	(11,472)	(574,295)
Units issued on private placements	3,900,000	1,365,000	585,000	-	-	-	1,950,000
Units issued on settlement of convertible debt	500,000	175,000	75,000	-	-	-	250,000
Shares issued as finance cost	180,000	63,000	-	-	-	-	63,000
Unit issuance costs	-	(191,875)	(86,484)	33,911	-	-	(244,448)
Share-based payments	-	-	-	307,828	-	-	307,828
Shares issued to shareholders of Eureka	5,301,005	1,855,352	-	-	-	-	1,855,352
Shares issued pursuant to RTO	42,653,689	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(2,932,193)	-	(2,932,193)
Other comprehensive income (loss)	-	-	-	-	-	21,779	21,779
December 31, 2018	71,241,914	6,306,463	573,516	341,739	(6,535,002)	10,307	697,023
Shares issued on private placements	17,600,000	4,900,000	-	-	-	-	4,900,000
Share issuance costs	-	(119,025)	-	-	-	-	(119,025)
Share-based payments	-	-	-	461,060	-	-	461,060
Net loss for the period	-	-	-	-	(684,693)	-	(684,693)
Other comprehensive income (loss)	-	-	-	-	-	(11,715)	(11,715)
September 30, 2019	88,841,914	11,087,438	573,516	802,799	(7,219,695)	(1,408)	5,242,650

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

1. NATURE OF OPERATIONS

KORE Mining Ltd. (the "Company") is an exploration and development stage company that trades on the Toronto Stock Exchange Venture ("TSXV") under the symbol 'KORE' and on the OTCQB under the symbol 'KOREF'. The Company was formed through the amalgamation of Eureka Resources Inc. ("Eureka") and 1184938 BC Ltd (formerly Kore Mining Ltd.) ("Kore") in October 2018. The Company is focused on the development of its California gold projects, Imperial and Long Valley, as well as projects in British Columbia, Canada. The Company's head and registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company is in the process of exploring and evaluating its mineral resource properties and has not yet determined whether these properties contain economically recoverable mineral reserves. The recoverability of the amounts capitalized to exploration and evaluation assets is ultimately dependent upon the existence of economically recoverable ore reserves and resources, securing and maintaining title and/or beneficial interest in the properties, obtaining necessary financing to continue to explore, evaluate and develop the properties, and upon future profitable production or proceeds from disposition of the exploration and evaluation assets. The amounts shown as exploration and evaluation assets represent costs incurred in acquiring the assets, and do not necessarily represent current or future fair values.

2. GOING CONCERN

These consolidated 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 as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

As at September 30, 2019, the Company had working capital of $3,822,153 (December 31, 2018 – working capital deficiency of $925,770) (current assets less current liabilities) and has incurred losses since inception with a deficit of $7,219,695 (December 31, 2018- $6,535,002). For the nine months ended September 30, 2019, the Company had net income of $684,408 (September 30, 2018 – $1,572,929). The Company may exercise discretion in the timing and amount of its expenditures, however, the Company's ability to carry out its planned exploration and development activities for at least the next twelve months is uncertain. These conditions indicate the existence of uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as applicable to interim financial reports, including International Accounting Standard 34, "Interim Financial Reporting". These financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS. Except for the adoption of IFRS 16 on January 1, 2019, as detailed below, these condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

These unaudited condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company on November 28, 2019.

Principles of Consolidation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as listed below. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when we have existing rights that give us the ability to direct the activities that significantly affect the investee's returns. The results and financial position of subsidiaries are included in the consolidated financial statement from the date that control commences until the date that control ceases.

These consolidated financial statements incorporate the accounts of the Company and the following material subsidiaries:

Name of Subsidiary	Incorporation Jurisdiction	Percentage Ownership	Principal Activity
Imperial USA Corp.	Nevada, USA	100%	Mineral Property Exploration & Development
Imperial Gold Corporation**	Nevada, USA	100%	Holding Company
Kore USA Ltd.	Nevada, USA	100%	Mineral Property Exploration & Development
1184938 BC Ltd.	BC, Canada	100%	Holding Company
Eureka Minerals (USA) Inc.	Nevada, USA	100%	Mineral Property Exploration & Development

** Incorporated on March 25, 2019
All intercompany balances and transactions have been eliminated on consolidation.

Basis of measurement
These consolidated financial statements have been prepared on a historical cost basis. The statements are presented in Canadian dollars unless otherwise noted.

Significant judgments, estimates and assumptions
The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Judgments
The preparation of these consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 2.

The Company is also required to make significant judgments on the ongoing feasibility of exploration and evaluation assets, and whether there are indicators that the right to explore the specific area has expired or will be allowed to expire, that further exploration and evaluation plans have changed, or whether development of a specific area is unlikely to recover existing exploration and evaluation costs. If any of these indicators are present, management would need to assess whether the exploration and evaluation property is impaired.

(Expressed in Canadian dollars)

Significant Estimates
The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in Canada and the US and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and the interpretation of the treatment for tax purposes for exploration and development activities. The Company is subject to assessment by Canadian and US tax authorities, which may interpret legislation differently which may affect the final amount or timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

4. ADOPTION OF NEW ACCOUNTING STANDARD

On January 1, 2019, the Company adopted IFRS 16 – Leases, which is a new standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting. Adoption of this standard did not have a significant measurement or disclosure impact on the Company's unaudited condensed interim consolidated statements.

We completed our assessment of the adoption of IFRS 16 and determined that there were no quantitative impacts or any significant disclosure impacts as the Company does not have any significant leases.

5. ADVANCES AND PREPAID EXPENSES

Advances and prepaids consist of amounts advanced or prepaid in anticipation of work to be completed in the future. As at September 30, 2019, advances and prepaids includes, $162,887 related to marketing and conferences, $23,153 related to insurance and $4,400 related to other items.

6. MINERAL PROPERTIES

A summary of the changes to mineral properties for the nine months ended September 30, 2019 are as follows:

	Long Valley USA	Imperial USA	FG Gold Canada	Gold Creek Canada	Total
Balance, December 31, 2018	$ 527,374	$ 216,675	$ 370,607	$ 498,136	$ 1,612,792
Royalty sale	-	(207,966)	-	-	(207,966)
Foreign exchange adjustment	(14,443)	(8,709)	-	-	(23,152)
Balance, September 30, 2019	**$ 512,931**	**$ -**	**$ 370,607**	**$ 498,136**	**$ 1,381,674**

Acquisition of Imperial project
In March 2017, the Company purchased Imperial USA Corp. which owns the Imperial project located in California. In settlement of the purchase price, the Company paid US$150,000. The remaining payments under the agreement comprise US$1,000,000 payable upon the announcement of a revised Preliminary Economic Assessment (PEA) or similar report and US$1,000,000 payable 30 days after the date that gold is poured from ore mined from the related properties. Subsequent to September 30, 2019, the Company amended these terms such that the US$1,000,000 payable upon announcement of a PEA, if completed within the next twelve months, may be settled in common shares of the Company (Note 11).The vendor retains a 1% net smelter return royalty ("NSR") on the property. The vendor has the option to receive shares in the Company in settlement of the remaining payments up to achieving a maximum

4.9% ownership interest in the Company, above which level further share consideration is at the option of the Company.

In addition, under the agreement, the Company has committed to incur US$5 million in exploration and evaluation expenditures on the Imperial Project on or before the March 2022, the fifth anniversary of the date of the Imperial Purchase Agreement, of which US$1,403,978 ($1,825,811) has been incurred as of September 30, 2019. In the event that the Company does not incur these expenditures within this timeframe, the Company must then pay US$1,000,000 to the vendor.

In May 2019, the Company received an investment by Macquarie Bank Ltd and its affiliates (collectively, "Macquarie") of $4,000,000. As part of the investment by Macquarie, Macquarie subscribed for 6,000,000 common shares and acquired a 1% NSR royalty (the "Macquarie Royalty") on the Imperial Project for a total cost of $4,000,000. The agreement provides for certain rights for Macquarie to provide project development financing, rights of refusal and offer on additional royalty issuances and sales, and prescribes the proceeds to be used primarily to advance permitting of the Imperial Project. The Company maintains a right to buy back the Macquarie Royalty on the following terms: i) within 6 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than $0.75 per share, the Company may buy back the Macquarie Royalty for $4,750,000; or ii) within greater than 6 months but less than 12 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than $1.00 per share, the Company may buy back the Macquarie Royalty for $6,750,000.

The Company incurred costs of $151,255 in connection with this royalty sale. The net proceeds of $2,348,745 from the royalty portion of the investment were applied first to amounts capitalized in connection with the Imperial project of $207,966, and the remainder being $2,140,779 was recorded as a gain on sale of royalty interest in profit or loss.

Acquisition of Long Valley project
In March 2017 the Company purchased certain mining claims in the Long Valley area of California with an upfront payment of US$350,000 to the vendor. The remaining payments under the agreement comprise US$500,000 due 30 days after commencement of commercial production and US$500,000 payable on the 12 month anniversary of the commencement of commercial production. A US$25,000 deposit was paid to the vendor prior to execution of the purchase agreement, which will be applied to the final payment, unless forfeited in the event the agreement is terminated. The vendor has the option to receive shares in the Company in settlement of the remaining payments.

The vendor retained a net smelter return royalty on the claims ("the Seller NSR"). The Seller NSR provides for a royalty of 0.5% when the price of gold is under US$1,400/oz, 1.0% when the price of gold is between US$1,401 to US$1,600/oz and 2.0% when the price of gold is above US$1,600/oz. The Company has the option to purchase back 1% of the royalty when the price of gold is above US$1,600/oz for US$2 million if purchased prior to the announcement of a feasibility study or for US$4 million if repurchased prior to commencement of commercial production. In addition, there is a further 1% NSR payable to another third party.

Acquisition of FG Gold project
Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in certain claims comprising the FG Gold project located in the Cariboo Mining Division, British Columbia, Canada. The project is subject to a 3% NSR which becomes payable after the capital required to bring the property into commercial production is recovered from production. The NSR is limited to a maximum of $2,600,000 with an allowance for the change in the Consumer Price Index from September 1989 to the date the royalty becomes payable.

(Expressed in Canadian dollars)

Acquisition of Gold Creek project

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in the Gold Creek project, located in the Cariboo Mining Division, British Columbia, Canada. The project is subject to a 1% NSR of which the Company may purchase 50% (being 0.5%) for $1,000,000.

Acquisition of White Gold project

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in the White Gold Project, located in Yukon, Canada. The property is subject to a certain annual work commitments of $187,500 in each of 2020, 2021 and 2022.

Details of the exploration and evaluation expenses incurred on the Company's projects are as follows:

	For the nine months ended September 30, 2019	For the nine months ended September 30, 2018
Permitting	$ 14,359	$ 426,350
Claim maintenance	716,547	190,642
Community consultation	2,450	13,068
Surveying	-	2,646
Assay and sampling	8,531	-
Engineering, metallurgy and geotechnical	109,977	82,414
Environmental studies	-	-
Geographic information system	12,981	8,786
Drilling	3,200	-
Geophysics	-	-
Property taxes	16,580	-
Travel	82,365	-
	$ 966,989	$ 723,906

7. SHARE CAPITAL

Authorized

Unlimited number of common shares with no par value.

Shares Issued

In May 2019, the Company issued 7,200,000 shares for proceeds of $1,800,000. The Company incurred share issuance costs in connection with this offering of $42,026.

In July 2019, the Company issued 400,000 shares for proceeds of $100,000 pursuant to a private placement.

In August 2019, the Company issued 10,000,000 shares for proceeds of $3,000,000 pursuant to a private placement. The Company incurred share issuance costs in connection with this offering of $76,999.

(Expressed in Canadian dollars)

Stock Options

Pursuant to a stock option plan (the "Plan") for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, with the exercise price to be determined on the date of issuance of the options. The term of options granted under the plan may not exceed five years and such options vest at terms to be determined by the board of directors at the time of the grant, but the exercise price shall not be less than the price determined by the policies of the stock exchange on which the Company's common shares are then listed.

A summary of stock option activity for the nine months ended September 30, 2019:

	Number of options	Weighted average exercise price
Outstanding options, December 31, 2018	1,935,000	$ 0.58
Granted	5,750,000	0.20
Expired	(385,000)	0.88
Outstanding options, September 30, 2019	**7,300,000**	**$ 0.27**

As at September 30, 2019, the following stock options were outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Exerice price
November 1, 2021	300,000	300,000	0.50
November 1, 2023	1,250,000	1,250,000	0.50
January 13, 2024	2,500,000	833,333	0.14
January 13, 2024	500,000	500,000	0.14
May 9, 2024	150,000	150,000	0.25
July 3, 2024	2,600,000	1,500,000	0.27
	7,300,000	**4,533,333**	

Subsequent to September 30, 2019, the Company granted 500,000 stock options with an exercise price of $0.29 and a term of five years (Note 11).

Warrants

A summary of warrant activity for the nine months ended September 30, 2019:

	Number of warrants	Weighted average exercise price
Outstanding warrants, December 31, 2018	2,966,605	$ 0.83
Expired	(337,105)	1.50
Outstanding warrants, September 30, 2019	**2,629,500**	**$ 0.74**

(Expressed in Canadian dollars)

As at September 30, 2019, the following warrants were outstanding:

Expiry date	Number of warrants outstanding	Exerice price
June 10, 2020	121,500	$ 1.25
October 21, 2020	308,000	0.50
October 21, 2020	2,200,000	0.75
	2,629,500	

Share-based compensation

In January 2019, the Company granted 2,500,000 stock options to directors and officers which entitle the holders to purchase one common share per option at an exercise price of $0.14 until January 13, 2024 which vest one-third on grant and one-third annually through January 13, 2021. The fair value of the stock options of $193,083 or $0.08 per option was determined using the Black Scholes option valuation model and $129,633 was recognized as share-based payments expense in relation to the vesting of options for the nine months ended September 30, 2019.

In January 2019, the Company granted 500,000 stock options to an advisor which entitle the holder to purchase one common share per option at an exercise price of $0.14 until January 13, 2024 which were vested on grant. The fair value of the stock options of $34,900 or $0.07 per option was determined using the Black Scholes option valuation model.

In May 2019, the Company granted 150,000 stock options to an officer which entitle the holder to purchase one common share per option at an exercise price of $0.25 until May 9, 2024 which were vested on grant. The fair value of the stock options of $19,410 or $0.13 per option was determined using the Black Scholes option valuation model.

In July 2019, the Company granted 2,600,000 stock options to an officer and director which entitle the holder to purchase one common share per option at an exercise price of $0.27 until July 3, 2024, where 1,500,000 were vested on grant, and the remaining 1,100,000 vest over two years. The fair value of the stock options of $404,535 or $0.16 per option was determined using the Black Scholes option pricing model and $277,117 was recognized as share-based payments expense in relation to the vesting of options for the nine months ended September 30, 2019.

Share-based compensation was determined using the following weighted average assumptions:

	September 30, 2019
Risk free interest rate	1.7%
Expected life	4.0
Annualized volatility	75%
Dividend rate	0%

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

During the nine month period ended September 30, 2019, the related party transactions (excluding key management compensation) were as follows:

a) A company owned by a relative of a director and officer provided marketing consulting services of $28,250 (September 30, 2018- $22,681) for the nine months ending September 30, 2019.

b) Amounts owing to related parties are unsecured, non-interest bearing and due on demand. As at September 30, 2019, $79,874 (December 31, 2018 - $635,746) is due to related parties.

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the Chairman, President & Chief Executive Officer, Chief Financial Officer and Directors. For the six months ended June 30, 2019, total key management compensation included management fees and salaries of $428,500 and share-based compensation of $426,160.

9. FINANCIAL INSTRUMENTS

Financial Risk Management

The Company may be exposed to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below (See Note 2).

a. Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash is held with reputable financial institutions in Canada.

b. Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at September 30, 2019, the Company had working capital of $3,822,153, and it does not have any long term monetary liabilities. The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they fall due. As at September 30, 2019, the Company had cash of $3,980,289 to settle current liabilities of $425,184. The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. See Note 2.

c. Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

d. Foreign currency risk

Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains its cash reserves in Canadian and United States dollars. The portion of the Company's funds held in US dollars are subject to fluctuations in foreign exchange rates.

At September 30, 2019, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase or decrease of $15,000 in the Company's net loss.

Fair Values

The carrying values of cash, deposits and other receivables and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and development of exploration and evaluation properties in the United States and Canada. The following table shows the geographic breakdown of the Company's non-current assets:

	December 31, 2018					
	Canada		USA		Total	
Mineral properties	**$**	**868,743**	**$**	**744,049**	**$**	**1,612,792**

	September 30, 2019					
	Canada		USA		Total	
Mineral properties	**$**	**868,743**	**$**	**512,931**	**$**	**1,381,674**

11. SUBSEQUENT EVENTS

Subsequent to September 30, 2019, the Company

- Appointed a Chief Operating Officer, and accordingly granted 500,000 stock options with an exercise price of $0.29 and a term of five years.
- Executed an amendment ("Amendment") with regards to the Company's obligation to pay US$1,000,000 on announcement of a PEA or similar report on the Imperial project. Pursuant to the Amendment, Newmont Goldcorp Corporation ("Newmont Goldcorp") has elected, under an existing clause in the purchase agreement, to accept common shares of the Company for the US$1,000,000 payment due on announcement of a PEA or similar report. This election by Newmont Goldcorp will expire in November 2020 and all other provisions of the purchase agreement remain in force.