



**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE THREE MONTHS ENDED AUGUST 31, 2020 AND
JULY 31, 2019**

(Unaudited, Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW

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 consolidated financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

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

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	August 31, 2020 \$	May 31, 2020 \$
ASSETS			
Current			
Cash		106,777	164,865
Receivables		79,357	63,404
Due from related parties	8(b)	61,026	113,258
Prepaid expenses and deposits		8,632	14,352
		255,792	355,879
Non-current			
Investment in associate	4	476,464	506,571
Exploration and evaluation assets	5	237,557	237,557
		969,813	1,100,007
LIABILITIES			
Current			
Accounts payable and accrued liabilities		44,267	234,442
Due to related parties	8(b)	53,127	116,038
Flow-through share premium liability	6	-	6,608
		97,394	357,088
SHAREHOLDERS' EQUITY			
Share capital	7	6,034,350	5,379,133
Subscriptions received	7(b)	-	149,264
Share-based payment reserve	7(e)	486,523	416,589
Foreign currency translation reserve		(3,586)	(3,586)
Deficit		(5,644,868)	(5,198,481)
		872,419	742,919
		969,813	1,100,007

Approved on behalf of the Board:
Timothy A. Johnson, Director
Michael Rowley, Director

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months August 31, 2020 \$	Three months July 31, 2019 \$
EXPENSES			
Consulting and management fees	8(a)	44,116	140,678
Corporate advisory fees		40,335	39,865
Exploration expenditures	5	257,305	57,184
Investor relations		14,383	20,218
Office and administration		3,746	10,217
Professional fees		9,375	33,407
Share-based payment expense	7(e), 8(a)	48,830	107,859
Transfer agent, regulatory and filing fees		2,447	6,567
Travel and accommodation		2,351	549
		<u>(422,888)</u>	<u>(416,544)</u>
Other Items			
Other income		6,608	-
Share of loss of investment in associate	4	<u>(30,107)</u>	-
NET LOSS AND COMPREHENSIVE LOSS		<u>(446,387)</u>	<u>(416,544)</u>
Basic and diluted loss per share		<u>(0.01)</u>	<u>(0.01)</u>
Weighted average number of shares outstanding		<u>58,870,345</u>	<u>29,901,020</u>

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Note	Common shares number	Share Capital \$	Share-based Payments reserve \$	Subscriptions received \$	Foreign Currency Translation Reserve \$	Deficit \$	Total \$
Balance, July 31, 2019		29,901,025	4,286,390	193,072	-	(3,586)	(4,032,204)	443,672
Private placements, net of issue costs		5,882,345	422,705	73,845	-	-	-	496,550
Flow-through share premium liability	6	-	(14,390)	-	-	-	-	(14,390)
Shares issued for investment in associate	4	10,529,663	684,428	-	-	-	-	684,428
Subscriptions received, net of issue costs	7(b)	-	-	-	149,264	-	-	149,264
Share-based payment expense		-	-	149,672	-	-	-	149,672
Net loss and comprehensive loss		-	-	-	-	-	(1,166,277)	(1,166,277)
Balance, May 31, 2020		46,313,033	5,379,133	416,589	149,264	(3,586)	(5,198,481)	742,919
Private placements, net of issue costs	7(b)	14,200,000	655,217	21,104	(149,264)	-	-	527,057
Share-based payment expense	7(e)	-	-	48,830	-	-	-	48,830
Net loss and comprehensive loss		-	-	-	-	-	(446,387)	(446,387)
		60,513,033	6,034,350	486,523	-	(3,586)	(5,644,868)	872,419

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months August 31, 2020 \$	Three months July 31, 2019 \$
OPERATING ACTIVITIES			
Net loss for the period		(446,387)	(416,544)
Items not involving cash:			
Other income		(6,608)	-
Interest expense		-	(5,790)
Share of loss of investment in associate	4	30,107	-
Share-based payment expense		48,830	107,859
		<u>(374,058)</u>	<u>(314,475)</u>
Net change in non-cash working capital items	10	<u>(211,087)</u>	171,018
Cash used in operating activities		<u>(585,145)</u>	<u>(143,457)</u>
INVESTING ACTIVITY			
Acquisition of exploration and evaluation assets		-	(336)
FINANCING ACTIVITIES			
Proceeds received from private placements	7(b)	559,986	25,000
Share issue costs	7(b)	(32,929)	-
Cash provided by financing activities		<u>516,378</u>	<u>25,000</u>
CHANGE IN CASH		<u>(58,088)</u>	<u>(118,793)</u>
Cash, beginning of period		<u>164,865</u>	<u>227,899</u>
CASH, END OF PERIOD		<u>106,777</u>	<u>109,106</u>
Supplemental cash flow information	10		

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND ABILITY TO CONTINUE AS GOING CONCERN

Granite Creek Copper Ltd. (the "Company") was incorporated on May 10, 2007 under the British Columbia Business Corporations Act. The Company's principal business activities include the acquisition, exploration and development of mineral properties. The address of the Company's corporate office and its principal place of business is Suite 904, 409 Granville Street, Vancouver, BC, V6C 1T2. The Company is a reporting issuer and trades on the TSX Venture Exchange in Canada under the symbol "GCX". On October 18, 2018, the Company changed its name from Granite Creek Gold Ltd. to Granite Creek Copper Ltd.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve profitable operations. The Company has sustained losses from operations and has an ongoing requirement for capital investment to acquire and explore its mineral properties.

The Company incurred a net loss of \$446,387 during the three months ended August 31, 2020, and as of that date, had an accumulated deficit of \$5,644,868 (May 31, 2020: \$5,198,481) and working capital of \$158,398 (May 31, 2020: working capital deficiency of \$1,209). Accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing.

Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations. The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern. Subsequent to August 31, 2020 the Company closed a private placement (Note 13).

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

On June 11, 2020, the Company's Board of Directors approved a resolution to change the Company's year end from July 31 to May 31. Accordingly, these condensed interim consolidated financial statements are prepared as at August 31, 2020 and May 31, 2020 and for the three months ended August 31, 2020 and the three months ended July 31, 2019.

Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2020, which have been prepared in accordance with IFRS.

The Board of Directors approved these condensed interim consolidated financial statements on October 30, 2020.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Granite Creek (Barbados) Limited and Granite Creek (Mali) Sarl. As of, and for the three months ended August 31, 2020 and the three months ended July 31, 2019 the wholly-owned subsidiaries were inactive.

GRANITE CREEK COPPER LTD.

Condensed Interim Consolidated Statements of Cash Flows For the Three Months Ended August 31, 2020 and July 31, 2019 (Unaudited - Expressed in Canadian Dollars)

A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investee. All intercompany balances and transactions have been eliminated upon consolidation.

3. USE OF ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the ten months ended May 31, 2020.

4. INVESTMENT IN ASSOCIATE

On December 5, 2019, the Company acquired 26,146,233 common shares of Copper North Mining Corp., ("Copper North") in exchange for 10,529,663 common shares of the Company. As at August 31, 2020 the Company owns 30% of the issued and outstanding common shares of Copper North.

The Company's investment in associate as at August 31, 2020 and the changes for the three months then ended are as follows:

	\$
Initial recognition	684,428
Share of loss in equity accounted investee	<u>(177,857)</u>
May 31, 2020	506,571
Share of loss in equity accounted investee	<u>(30,107)</u>
August 31, 2020	<u>476,464</u>

The following is a summary of Copper North's financial information on a 100% basis as at August 31, 2020. Copper North's consolidated financial statements are prepared in accordance with IFRS.

	August 31, 2020
	\$
Total current assets	43,160
Total non-current assets	17,233,627
Total current liabilities	(1,460,825)
Total non-current liabilities	<u>(880,957)</u>
Net asset value	<u>14,935,005</u>
Net Loss from June 1, 2020 to August 31, 2020	<u>(98,912)</u>
Proportionate share of net loss (30% ownership)	<u>(30,107)</u>

On August 31, 2020, the Company entered into a definitive arrangement agreement (the "Arrangement") with Copper North pursuant to which the Company will acquire all of the outstanding Copper North common shares not already owned by the Company.

Under the terms of the Arrangement, Copper North shareholders will receive one common share of the Company for every two and one-half Copper North Shares. All outstanding warrants and options of Copper North will be exchanged (or deemed to be exchanged) for warrants and options, respectively, of the Company at the Exchange Ratio, with appropriate adjustments to the exercise price, but shall not otherwise be amended, including with respect to vesting and expiry. The Arrangement is still subject to TSX-V and Copper North shareholder approval.

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Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

In January 2019, the Company acquired an undivided 100% interest in the Stu Copper Property in Yukon Territory, Canada, (the "Stu Property") from arms-length vendors (the "Vendors"). In consideration, the Company issued an aggregate of 3,000,000 units (each, a "Transaction Unit") valued at \$225,000 and granted a 3% net smelter return royalty to the Vendors on any future production on the Stu Property (the "Royalty"). The Company has the option to purchase up to two-thirds of the Royalty from the Vendors. The agreement also provides that the Company will make annual advance Royalty payments of \$30,000 to the Vendors beginning in May 2022, and in each subsequent year thereafter, until the commencement of any commercial production on the Stu Property.

Each Transaction Unit was comprised of one common share and one common share purchase warrant, with each warrant exercisable into one additional common share at an exercise price of \$0.15 per share, with an expiry date of January 16, 2022.

The Company incurred exploration expenses on the Stu Property as follows:

	Three months August 31, 2020	Three months July 31, 2019
	\$	\$
Analysis	13,121	-
Camp	38,735	-
Consulting	159,819	-
Equipment and communication	18,337	-
Helicopter and fuel	25,920	18,597
Other	1,373	4,292
Salaries and benefits	-	34,295
	<u>257,305</u>	<u>57,184</u>

6. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	\$
Balance, July 31, 2019	-
Flow-through share premium on the issuance of flow-through common shares (Note 8)	14,390
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(7,782)</u>
Balance, May 31, 2020	6,608
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(6,608)</u>
Balance, August 31, 2020	<u>-</u>

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7. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Share issuance details

Three months ended August 31, 2020

The Company closed a private placement which consisted of a total of 14,200,000 units at a price of \$0.05 per unit for gross proceeds of \$710,000. Each unit was comprised of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.075 for a period of 36 months. The Company had received subscriptions of \$149,264, net of issue costs at May 31, 2020.

In connection with the private placement, the Company paid a finder's fee of \$27,720 and issued 554,400 brokers warrants. The value of \$21,104 attributed to the brokers warrants issued was estimated using the Black-Scholes pricing model with the following weighted average assumptions: share price - \$0.070; exercise price - \$0.075; risk-free rate - 0.32%; expected life - 3.0 years; expected volatility - 89%; and expected dividends - nil.

Three Months Ended July 31, 2019

On January 16, 2019, the Company completed a non-brokered private placement by issuing 24,000,000 units at a price of \$0.075 per unit for gross proceeds of \$1,800,000. At April 30, 2019, \$76,994 of the private placement proceeds had not been received and were recorded as share subscriptions receivable on the condensed consolidated interim statement of financial position. During the three months ended July 31, 2019 the Company received 25,000 of the outstanding proceeds.

c) Stock options

The Company has a fixed Long-Term Performance Incentive Plan whereby the Board can grant, subject to regulatory terms and approval, various awards including stock options, to its Officers, Directors, employees and service providers. The Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of 8,000,000 common shares. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price \$
Balance, July 31, 2019	3,650,000	0.15
Balance, May 31, 2020	3,650,000	0.15
Granted	3,150,000	0.10
Balance, August 31, 2020	6,800,000	0.13
Exercisable, August 31, 2020	3,400,000	0.15

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The following stock options were outstanding as at August 31, 2020:

Outstanding	Exercisable	Weighted average exercise price	Expiry date	Weighted average remaining life (in years)
		\$		
2,900,000	2,900,000	0.15	February 1, 2024	3.42
750,000	500,000	0.15	May 15, 2024	2.47
3,150,000	-	0.10	June 19, 2025	4.80
6,800,000	3,400,000	0.13		4.09

d) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		\$
Balance, July 31, 2019	27,000,000	0.19
Issued	2,941,175	0.20
Balance, May 31, 2020	29,941,175	0.19
Issued	7,654,400	0.075
Balance, August 31, 2020	37,595,575	0.17

The following share purchase warrants were outstanding as at August 31, 2020:

Outstanding	Weighted average Exercise price	Expiry date	Weighted average remaining life (in years)
			\$
24,000,000	0.20	January 16, 2022	1.38
3,000,000	0.15	January 16, 2022	1.38
2,941,175	0.20	August 21, 2022	1.97
4,099,800	0.075	June 5, 2023	2.76
3,554,600	0.075	June 18, 2023	2.80
37,595,575	0.17		1.71

e) Share-based payment expense and reserve

The share-based payments expense for the stock options that vested during the three months ended August 31, 2020 was \$48,830 and for the three months ended July 31, 2019 was \$107,859.

The Company granted 3,150,000 incentive stock options to Directors, Officers and consultants of the Company. The fair value of the stock options granted during the three months ended August 31, 2020 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk free interest rate	0.33%
Expected life in years	5.0
Expected volatility	82%
Expected dividends	Nil

Expected volatility is based on historical price volatility to the extent of the expected life of the option.

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Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

8. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties. These transactions are in the normal course of operations and are measured at their exchange amount.

In addition to key management personnel, the Company transacted with the following related parties during the three months ended August 31, 2020 and the three months ended July 31, 2019:

- TruePoint Exploration Inc. ("TruePoint") is a privately held exploration service company that provides exploration and administrative services to the Company and several other exploration companies in the industry. Timothy Johnson, President and CEO of the Company, and another director of the Company, are minority shareholders of TruePoint, which makes it a related party. Charges from TruePoint are for exploration, management and office administration expenses.
- 1111040 BC Ltd., a private company controlled by the President and CEO of the Company.
- MVR Consulting Inc. ("MVR Consulting"), a private company controlled by Michael Rowley, Director.
- Foran Mining Corporation ("Foran"), a public company whose CFO, Tim Thiessen, was the CFO of the Company. Effective March 31, 2020, Tim Thiessen resigned from the Company.

Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Related Party Transactions

The Company's related party transactions for the periods were as follows:

	Three months August 31, 2020	Three months July 31, 2019
	\$	\$
Consulting and management fees ⁽¹⁾	28,672	103,363
Share-based payments ⁽²⁾	14,715	36,863
Exploration and administrative support costs ⁽³⁾	302,514	124,533
	345,901	264,759

1 Consulting and management fees consisted of CEO, CFO and Corporate Secretary fees.

2 Share-based payments expense was a non-cash item that consisted exclusively of the fair value of stock options that were granted to key management personnel.

3 Exploration and administrative support costs were charged by TruePoint and consisted of mineral exploration and evaluation costs, consulting fees, corporate advisory fees and office and administration costs.

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For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

b) Related Party Balances

The Company's related party receivable/payable balances consisted of the following:

	August 31, 2020	May 31, 2020
	\$	\$
Current assets – Due from related party		
TruePoint, net ⁽¹⁾	61,026	112,504
Tim Johnson	-	754
	61,026	113,258
Current liabilities – Due to related parties		
Tim Johnson	562	-
1111040 BC Ltd	47,000	88,600
Tim Thiessen	-	24,150
A. Milne Consulting Corp.	5,565	787
Metallic Minerals	-	2,501
	53,127	116,038

1 This amount was net of cash advances made to TruePoint, partially offset by charges from TruePoint for exploration, management, accounting and office and administration.

Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

c) Insider Participation in Private Placements

There was no insider participation in the Company's private placements for the three months ended August 31, 2020.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash, accounts receivable, accounts payable and accrued liabilities and due to related parties are classified as amortized cost.

As at August 31, 2020 the Company believes the carrying values of cash, receivables, accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. There have been no changes in any risk management policies since May 31, 2020.

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Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended August 31, 2020 and July 31, 2019
(Unaudited - Expressed in Canadian Dollars)

10. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the period consisted of the following:

	Three months August 31, 2020	Three months July 31, 2019
	\$	\$
Receivable	(15,953)	(12,150)
Due to / from related parties	(10,679)	
Prepaid expenses	5,720	(226,375)
GST payable	-	3,492
Accounts payable and accrued liabilities	(190,175)	(1,472)
	(211,087)	(236,505)

11. COMMITMENT

In July 2020, in recognition of the impacts of COVID-19, the Canadian government announced proposed temporary relief measures to flow-through regulations including allowing companies an additional twelve months-period to incur eligible expenditures. Once enacted into law, this relief measure is expected to reduce the Company's short-term flow-through commitment substantially by extending the deadline for incurring expenses to December 31, 2021.

As a result of the issuance of FT shares on August 8, 2019, the Company had an original commitment to incur \$500,000 on qualifying Canadian exploration expenditures on or before December 31, 2021. At August 31, 2020, the Company had incurred the full \$500,000 and none of the commitment was remaining.

12. CORONA VIRUS (COVID 19) PANDEMIC

Outbreak of the corona virus and the worldwide COVID-19 pandemic may result in impacts to the Company's on-going exploration plans and activities in 2020. The Company is focused on the health and well-being of its workers and the communities in which we work and has implemented preventative measures accordingly. The Company will continue to monitor advice and regulations from the World Health Organization, governments and local communities, and adjust measures as appropriate.

The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected that are difficult to quantify. Regional disease outbreaks represent a threat to hiring and maintaining skilled workers, and could be a major health-care challenge for its workforce. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and ultimately that the Company could see its workforce productivity reduced or incur increased medical costs as a result of these health risks.

In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital.

There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity, thereby limiting access to additional capital.

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13. SUBSEQUENT EVENTS

The Company closed a private placement by issuing a total of 6,278,587 flow-through units, 2,289,382 non-flow-through units and 2,050,833 flow-through shares for aggregate gross proceeds of \$1,988,221. Each non-flow-through unit and each flow-through unit consist of one common share of the Company and one-half of one share purchase warrant. Each whole warrant will entitle the holder to acquire one common non-flow-through share of the Company at an exercise price of \$0.25 for a period of 24 months following the closing date.