Sulliden Mining Capital Inc.

(An Exploration Stage Mining Company)

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended

April 30, 2019 and 2018

(expressed in Canadian dollars)

SULLIDEN MINING CAPITAL INC.
Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	Notes		April 30, 2019		July 31, 2018
ASSETS					
Current assets					
Cash and cash equivalents		$	101,286	$	428,968
Investments, at fair market value through profit and loss	5		12,512,838		12,371,859
Loans receivable	6		261,375		368,987
Amounts receivable and other			59,879		90,377
Prepaid expenses			322,006		164,160
Total current assets			13,257,384		13,424,351
Non-current assets					
Investment in associates	7		-		22,007,089
Exploration and evaluation assets	8		145,400		141,423
TOTAL ASSETS		$	13,402,784	$	35,572,863
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities		$	370,735	$	1,098,418
Total current liabilities			370,735		1,098,418
SHAREHOLDERS' EQUITY					
Share capital			27,362,833		27,362,833
Share purchase warrant reserve			783,195		783,195
Share-based payment reserve	9		1,190,067		1,083,000
Accumulated other comprehensive loss			(21,512)		(3,401)
Retained (loss) profit			(16,282,534)		5,248,818
Total shareholders' equity			13,032,049		34,474,445
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	13,402,784	$	35,572,863

Commitments and contingencies (Note 15)
Subsequent events (Note 17)

Approved by the Board of Directors:

Signed “Pierre Pettigrew”, Director

Signed “Stan Bharti”, Director

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

SULLIDEN MINING CAPITAL INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive (Loss)/Income

(Expressed in Canadian dollars)

			Three months ended April 30, 2019		Three months ended April 30, 2018		For the nine months ended April 30, 2019		For the nine months ended April 30, 2018
Expenses	Note								
Share-based payments	9	$	(67,822)	$	239,023	$	13,953	$	824,257
Professional, consulting and management fees	10		367,221		341,077		1,139,553		3,353,617
General and administrative expenses	11		146,863		156,989		326,570		564,686
			446,262		737,089		1,480,076		4,742,560
Other (income)/expenses									
Interest income			(4,989)		(10,083)		(12,873)		(29,810)
Foreign exchange (gain) loss			(12,390)		127,005		(14,660)		135,780
Loss from investment in associate	7		-		1,664,928		1,833,100		5,420,242
Realized loss (gain) on sale of investments	5		4,796,084		(924,569)		10,474,319		(1,487,176)
Unrealized (gain) loss on investments	5		(1,154,215)		5,945,050		7,827,660		(319,192)
Gain on disposition of Troilus project	8		-		-		-		(23,614,336)
(Loss)/income for the period before income taxes			(4,070,752)		(7,539,420)		(21,587,622)		15,151,932
Income taxes	16		-		(42,789)		-		750,806
Net (loss)/income for the period		$	(4,070,752)	$	(7,496,631)	$	(21,587,622)	$	14,401,126
Other comprehensive (loss)/income:									
Items that will be reclassified subsequently to profit or loss:									
Foreign currency translation			(13,604)		165,381		(18,111)		136,323
Net comprehensive (loss)/income for the period		$	(4,084,356)	$	(7,331,250)	$	(21,605,733)	$	14,537,449
Net (loss)/income per share									
Basic		$	(0.10)	$	(0.18)	$	(0.52)	$	0.35
Diluted		$	(0.10)	$	(0.18)	$	(0.52)	$	0.34
Weighted average common shares outstanding									
Basic			41,462,851		41,462,851		41,462,851		41,462,851
Diluted			41,462,851		42,599,500		41,462,851		41,953,381

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

SULLIDEN MINING CAPITAL INC.
Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	For the nine months ended April 30, 2019	2018
CASH FLOWS FROM:			
Operating activities			
Net (loss)/income for the period		$ (21,587,622)	$ 15,151,932
Items not involving cash			
Share-based payments	9	13,953	824,257
Loss from investment in associate	7	1,833,100	5,420,242
Realized loss (gain) on sale of investments	5	10,474,319	(1,487,176)
Unrealized loss (gain) on investment	5	7,827,660	(319,192)
Gain on disposition of Troilus project		-	(23,614,336)
Interest and arrangement fees earned		(12,579)	(29,731)
Foreign exchange gain		(15,538)	162,002
		(1,466,707)	(3,892,002)
Net change in non-cash working capital items:			
Amounts receivable and prepaid expenses		(127,349)	(128,861)
Accounts payable and accrued liabilities		(582,276)	(976,554)
		(709,625)	(1,105,415)
Cash flows used in operating activities		(2,176,332)	(4,997,417)
Financing activities			
Payment for restricted share units		-	(219,416)
Cash flows from financing activities		-	(219,416)
Investing activities			
Purchase of investments		(5,922,521)	(3,050,694)
Proceeds from sale of investments	5, 7	8,027,171	7,669,811
Loans issued	6	(256,000)	-
Expenditures on exploration and evaluation assets	8	(3,977)	(166,292)
Change in exploration and evaluation payables		3,977	(3,993)
Cash flows from investing activities		1,848,650	4,448,832
Net change in cash		(327,682)	(768,001)
Cash, beginning of the period		428,968	1,023,175
Cash, end of the period		$ 101,286	$ 255,174

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

SULLIDEN MINING CAPITAL INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Number of Shares		Share Capital		Share purchase warrant reserve		Share-based payment reserve		Accumulated other comprehensive (loss)/income		Deficit		Total Shareholders' equity
Balance as at July 31, 2018		41,462,851	$	27,362,833	$	783,195	$	1,083,000	$	(3,401)	$	5,248,818	$	34,474,445
Share-based compensation	9	-		-		-		163,337		-		-		163,337
Option expiry	9	-		-		-		(56,270)		-		56,270		-
Other comprehensive loss		-		-		-		-		(18,111)		-		(18,111)
Net loss for the period		-		-		-		-		-		(21,587,622)		(21,587,622)
Balance as at April 30, 2019		**41,462,851**	**$**	**27,362,833**	**$**	**783,195**	**$**	**1,190,067**	**$**	**(21,512)**	**$**	**(16,282,534)**	**$**	**13,032,049**
Balance as at July 31, 2017		41,462,851	$	27,362,833	$	783,195	$	468,006	$	(131,799)	$	(8,069,252)	$	20,412,983
Share-based compensation		-		-		-		673,261		-		-		673,261
Purchase of restricted share units	9	-		-		-		(219,416)		-		-		(219,416)
Other comprehensive income - associate	7	-		-		-		-		136,323		-		136,323
Net income for the period		-		-		-		-		-		14,401,126		14,401,126
Balance as at April 30, 2018		**41,462,851**	**$**	**27,362,833**	**$**	**783,195**	**$**	**921,851**	**$**	**4,524**	**$**	**6,331,874**	**$**	**35,404,277**

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

1. NATURE OF OPERATIONS

Sulliden Mining Capital Inc. ("SMC" or the "Company") was incorporated under the *Business Corporations Act* (Ontario) on June 10, 2014 and was a wholly-owned subsidiary of Sulliden Gold Corporation Ltd. ("Sulliden"). Pursuant to an arrangement between Rio Alto Mining Limited and Sulliden, whereby Rio Alto acquired the shares of Sulliden, shareholders of Sulliden received 0.10 of a common share of the Company. The Company assumed Sulliden's interests in the East Sullivan property in Quebec and was capitalized with $24.76 million in cash.

The head office of the Company is located at 65 Queen Street West, Suite 800, Toronto, Ontario, M5H 2M5 and the registered office of the Company is located at the same address. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "SMC".

In May 2016, Sulliden Moçambique, Lda, was incorporated in Mozambique, and became a 100% owned subsidiary of the Company. There is currently no activity in this subsidiary. The registered office of this subsidiary is located at Rua Damião de Góis, Numero 371, Maputo Cidade, Moçambique.

In June 2016, a numbered company, 2507868 Ontario Inc. ("2507868"), was incorporated under the *Business Corporations Act* (Ontario) and became a 100% owned subsidiary of the Company. This subsidiary's registered office was located at 65 Queen Street West, Suite 800, Toronto, Ontario, M5H 2M5. Activity with respect to this subsidiary related to the Troilus project. On December 20, 2017, the Company sold its interest in 2507868 (see Note 8).

The Company owns a 98% interest in the issued and outstanding shares of Daos International Ltd. ("Daos"), a Mauritius company. See Note 4.

2. BASIS OF PRESENTATION

The condensed interim financial statements of the Company have been prepared by management in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*, effective for the Company's reporting for the period ended April 30, 2019. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended July 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies as set out below were consistently applied to all the periods presented unless otherwise noted.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on June 11, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies as set out in Note 3 of the Company's annual financial statements for the year ended July 31, 2018 have been consistently applied to all the periods presented except for the adoption of the following new standards and amendments issued by the IASB that were effective for annual periods beginning on or after January 1, 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening retained profit balance on August 1, 2018 and did not result in any change in the carrying values of the Company's financial assets or liabilities.

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") addresses how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services. The Section provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions. The standard is effective for annual periods beginning on or after January 1, 2018. There was no impact on the Company's interim financial statements upon adoption of IFRS 15 on August 1, 2018

Standards issued but not effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 16, *Leases* ('IFRS 16") replaces IAS 17, *Leases* ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is evaluating the impact of the adoption of IFRS 16 and at this time the Company does not anticipate a material impact to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in these condensed interim financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- Valuation of exploration and evaluation assets - The Company carries its mineral properties at cost less any impairment losses. The Company capitalizes exploration and evaluation costs, which are related to specific projects, until the commercial feasibility of the project is determinable, or the project is determined to be impaired. Costs are charged to operations when a property is abandoned or when impairment in value has been determined. The Company reviews the carrying values of mining properties and related expenditures whenever indicators of impairment exist or changes in circumstances indicate that their carrying values may not be recoverable. In undertaking this review, management is required to make significant estimates which are subject to various risks and uncertainties. Estimates may include, but are not limited to estimates of future metal prices, capital and operating costs, the quantities of mineral reserves to be mined and expected recoveries of minerals contained in ore, the ability to convert resources into economically mineable reserves, discount rates and; in the case of fair value less costs of disposal, the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs of disposal the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties and exploration and evaluation assets.

- Income taxes and recoverability of potential deferred tax assets - In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-based payments - Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Assets and disposal groups held for sale -- As security for default on a loan with APIO Africa Ltd ("APIO"), in June 2016, the Company received 8,169 shares of APIO's subsidiary, Daos, a Mauritius company. As a result, the Company owned an 82% interest in Daos. The Company appointed three members to the board of Daos in June 2016 and controls the board of Daos. In October 2016, Daos issued additional shares to the Company in compensation for costs incurred by the Company related to Daos and the APIO loan. As at April 30, 2019, the Company owns 98% of the issued and outstanding shares of Daos. The Company has been in the process of selling the assets of Daos in order to recoup the defaulted loan. During the year ended July 31, 2018, Daos entered into an agreement to sell its 75% interest in a Mozambique company in exchange for common shares of Global Blockchain Technologies Corp. (the "Bloc shares"). The sale was completed during the period ended April 30, 2019. The Company does not expect to receive any proceeds from the sale after Daos settles its liabilities and has valued the Daos assets, including the Bloc Shares, at $nil. The Company has also concluded that there is no constructive obligation on the part of the Company with respect to the Daos liabilities. Estimates are made, assumptions are used and management judgement is exercised in this assessment. These are subject to various risks and uncertainties which may ultimately have an effect on the expected recovery of these assets.

(Expressed in Canadian dollars unless otherwise noted)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- Determination of Significant Influence of Investment in Associates - As at April 30, 2019, the Company has classified its investment in Troilus as a financial asset based on management's judgment that the Company has does not have significant influence through its ownership of 12.5% of the voting rights and one common director. See Note 7(a).

5. INVESTMENTS

As at April 30, 2019, the Company carried investments in certain public resource and other sector companies. These securities are classified as fair value through profit or loss ("FVTPL"). As at April 30, 2019, these securities have an estimated fair value of $12,512,838 (July 31, 2018: $12,371,859) (see Note 13).

Public Issuer	Note	Security description	Cost	Estimated Fair value
Current assets				
Aberdeen International Inc.*	i.	4,790,000 warrants	221,436	-
African Gold Group		1,081,481 common shares	444,106	173,037
	ii.	1,481,481 warrants	391,635	26,074
Aguia Resources Ltd. (Note 7(b))		564,600 common shares	146,899	73,398
	iii.	1,071,429 warrants	84,919	13,393
Black Iron Inc.		8,863,371 common shares	884,618	664,753
Blue Sky Energy Inc.		955,000 common shares	911,770	477,500
EarthRenew Inc.		5,545,455 common shares	1,667,200	249,545
Emerita Resources Corp.		9,110,000 common shares	629,080	182,200
	iv.	1,250,000 warrants	52,839	1,126
Euro Sun Mining Inc.*		30,825 common shares	26,213	10,018
	v.	1,966,213 warrants	1,655,949	-
Fura Gems Inc.		9,328,000 common shares	3,210,803	2,378,640
Halo Labs Inc.	vi.	1,037,544 common shares	176,383	788,533
		1,556,316 warrants	108,942	606,185
Jourdan Resources Inc.		3,000,000 common shares	189,474	75,000
	vii.	4,000,000 warrants	94,737	10,000
Magnolia Columbia Ltd.		4,000,000 common shares	465,550	480,000
Q-Gold Resources Ltd.		2,500,000 common shares	163,043	575,000
	viii.	2,500,000 warrants	86,957	306,500
QMX Gold Corporation		6,017,000 common shares	672,807	270,765
	ix.	577,000 warrants	86,325	58
Troilus Gold Corporation (Note 7(a))		7,575,000 common shares	4,923,750	4,772,250
Others			641,928	378,863
			$ 17,937,363	$ 12,512,838

* Investments in related party entities – see Note 14.

5. INVESTMENTS (continued)

i. As at April 30, 2019, the Company holds 4,790,000 warrants of Aberdeen International Inc. with each warrant entitling the Company to acquire one common share at a price of $0.30 until November 24, 2019. The warrants were revalued at April 30, 2019 at an estimated value of $nil using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 75.1%; risk-free interest rate of 1.70% and an expected average life of 0.5 years.

ii. As at April 30, 2019, the Company holds 1,481,481 warrants (after a share consolidation of 7.5:1 on April 17, 2019) of African Gold Group with each warrant entitling the Company to acquire one common share of African Gold Group at a price of $0.90 until April 25, 2020. The warrants were revalued at April 30, 2019 at an estimated value of $26,074 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 128.9%; risk-free interest rate of 1.71% and an expected average life of 1.0 years.

iii. As at April 30, 2019, the Company holds 1,071,429 warrants of Aguia Resources Limited ("Aguia") where each warrant entitles the Company to acquire one common share of Aguia at a price of $0.60 until April 12, 2021. The warrants were revalued at April 30, 2019 at an estimated value of $13,393 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 81.8%; risk-free interest rate of 1.56% and an expected average life of 2.0 years. See Note 7(b).

iv. As at April 30, 2019, the Company holds 1,250,000 warrants of Emerita Resources Corp. ("Emerita") where each warrant entitles the Company to acquire one common share of Emerita at a price of $0.20 until December 20, 2019. The warrants were revalued at April 30, 2019 at an estimated value of $1,126 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 156.5%; risk-free interest rate of 1.70% and an expected average life of 0.6 years.

v. As at April 30, 2019, the Company holds 1,966,213 warrants of Euro Sun Mining with each warrant entitling the Company to acquire one common share at a price of $2.18 until May 19, 2019. The warrants were revalued at April 30, 2019 at an estimated value of $nil using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 89.1%; risk-free interest rate of 1.71% and an expected average life of 0.05 years.

vi. On September 28, 2018, the Company's loan receivable from ANM Inc. was converted to 1,556,316 shares and warrants of Halo Labs Inc. (formerly Apogee) ("Halo") as a result of the close of the Business Combination described in Note 6. Each warrant entitles the Company to acquire one common share of Halo at a price of $0.80 until December 31, 2020. The warrants were revalued at April 30, 2019 at an estimated value of $606,185 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 108.8%, based on volatility of comparable companies; risk-free interest rate of 1.56% and an expected average life of 1.7 years.

vii. As at April 30, 2019, the Company holds 4,000,000 warrants of Jourdan Resources Inc. ("Jourdan") where each warrant entitles the Company to acquire one common share of Jourdan at a price of $0.10 until June 12, 2020. The warrants were revalued at April 30, 2019 at an estimated value of $10,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 103.5%; risk-free interest rate of 1.71% and an expected average life of 1.1 years.

viii. As at April 30, 2019, the Company holds 2,500,000 warrants of Q-Gold Resources Ltd. ("Q-Gold"). Each warrant entitles the Company to acquire one common share of Q-Gold at a price of $0.15 until July 4, 2020. The warrants were revalued at April 30, 2019 at an estimated value of $306,500 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 96.0%; risk-free interest rate of 1.71% and an expected average life of 1.2 years.

(Expressed in Canadian dollars unless otherwise noted)

5. INVESTMENTS (continued)

ix. As at April 30, 2019, the Company holds 577,000 warrants of QMX Gold Corporation ("QMX"). Each warrant entitles the Company to acquire one common share of QMX at a price of $0.35 until October 5, 2019. The warrants were revalued at April 30, 2019 at an estimated value of $58 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 120.0%; risk-free interest rate of 1.70% and an expected average life of 0.4 years.

For the three and nine months ended April 30, 2018, the Company sold investments for gross proceeds of $3,435,179 and $4,866,177, incurring commissions of $13,004 and $34,026 and realizing losses of $4,796,084 and $5,532,107. For the three and nine months ended April 30, 2018, the Company sold investments for gross proceeds of $1,935,331 and $5,026,691, incurring commissions of $15,395 and $39,232 and realizing gains of the sale of investments of $972,404 and $1,490,090. As a result of the fair value adjustment to the investments held by the Company at April 30, 2019, unrealized gains of $1,154,215 and unrealized losses of $7,827,660, respectively, were recognized for the three and nine months ended April 30, 2019 (three and nine months ended April 30, 2018: unrealized loss of $5,945,050 and unrealized gain of $319,192).

6. LOAN RECEIVABLE

The Company's loan receivable balances as at April 30, 2019 and July 31, 2018 are made up of the following:

Due from:		April 30, 2019		July 31, 2018
Trigon Metals Inc.	$	99,531	$	-
Fura Gems Inc.		161,844		-
ANM Inc.		-		368,987
Balance	$	261,375	$	368,987

a) Trigon Metals Inc.

On January 29, 2019, the Company entered into a loan agreement with Trigon Metals Inc. ("Trigon") whereby the Company agreed to lend Trigon $96,000 (the "Principal"). Interest is accrued and calculated at 12% per annum. The Principal and accrued interest is due and payable no later than July 29, 2019.

b) Fura Gems Inc.

On March 26, 2019, the Company entered into a loan agreement with Fura Gems Inc. ("Fura") whereby the Company agreed to lend Fura $160,000 (the "Principal"). Interest is accrued and calculated at 12% per annum. The Principal and accrued interest is due and payable no later than June 24, 2019.

c) ANM Inc.

In July 2017, the Company entered into a convertible note purchase agreement with ANM Inc., purchasing a non-negotiable convertible promissory note for US$250,000 ($323,875). Unless the note was converted, principal and accrued interest was due to the Company in January 2018. Interest accrued at a rate of 12% per annum. This note was unsecured.

6. LOAN RECEIVABLE (continued)

c) ANM Inc. (continued)

On May 21, 2018, the convertible note purchase agreement was amended to extend the maturity date to (1) December 28, 2018 or (2) upon change of control of ANM Inc., whichever occurs first (the "Maturity Date"). On May 9, 2018, ANM Inc. had entered into a binding letter of intent with Apogee Opportunities Inc. ("Apogee") whereby ANM Inc. would combine with Apogee and shares of ANM Inc. would be exchanged for common shares of Apogee at an exchange ratio of 1.35 common shares of Apogee for each share of ANM Inc. (the "Business Combination"). According to the terms of the amended note purchase agreement, on closing of the Business Combination, the balance of the loan receivable, including unpaid interest, would automatically convert to the number of shares and warrants of ANM Inc. based on a conversion price equal to 60% of the purchase price of a unit of the resulting combined entity in a proposed equity financing, which was expected to be $0.40 per unit, multiplied by the exchange ratio of 1.35. On September 28, 2018, the Business Combination closed and the Company's loan receivable, including interest accrued, from ANM Inc. was converted to 1,556,316 shares and warrants of Halo Labs Inc. See Note 5.

An amount of $7,204 was accrued in interest for the three and nine months ended April 30, 2019 (three and nine months ended April 30, 2018 - $10,069 and $29,731), and the Company recognized a foreign exchange loss of $2,676 during the three and nine months ended April 30, 2019 (three and nine months ended April 30, 2018 – losses of $3,958 and $9,264, respectively).

7. INVESTMENT IN ASSOCIATES

a) Troilus Gold Corporation ("Troilus")

As at April 30, 2019, the Company owns a 12.5% interest in Troilus Gold Corporation ("Troilus"). Troilus was formerly named Pitchblack Resources Ltd. ("Pitchblack") and listed on the TSX Venture Exchange ("TSX-V"). Troilus's primary focus is the mineral expansion and potential mine re-start at the former gold and copper Troilus Mine.

During the period ending April 30, 2019, the Company's interest in Troilus dropped as a result of the issuance of shares by Troilus. As a result, the Company recognized a loss on dilution of $1,571,667. In addition, the Company disposed of shares of Troilus during the period for gross proceeds of $3,220,020 (nine months ended April 30, 2018 - $1,200,000), incurring commissions of $25,000 and recognizing a loss on disposition of $4,942,212. As a result of the dispositions, on January 24, 2019 the Company's ownership interest in Troilus dropped to 18.0%. On this date management re-assessed the level of influence that the Company had with respect to Troilus and determined that it no longer had significant influence as its ownership interest was below 20%. As a result, the Company recorded a fair value adjustment of $5,898,616 upon recognition of its retained interest in Troilus as a financial asset (See Note 5).

(Expressed in Canadian dollars unless otherwise noted)

7. INVESTMENT IN ASSOCIATE (continued)

a) Troilus Gold Corporation (“Troilus”) (continued)

July 31, 2017	$	-
Acquisition of 150,000 shares at cost		60,000
Fair market valuation adjustment to December 20, 2017		186,000
Acquisition of 15,000,000 shares at fair value of consideration received (see Note 8)		24,600,000
Acquisition of 25,000 shares at cost		45,685
Disposition of 731,707 shares at cost		(1,199,999)
Gain on dilution of interest		1,924,495
Proportionate share of net loss		(3,609,092)
July 31, 2018	$	22,007,089
Proportionate share of net loss and adjusments		(261,433)
Loss on dilution of interest		(1,571,667)
Disposition of 5,000,000 shares at cost		(8,137,232)
Fair market valuation adjustment to January 24, 2019		(5,898,616)
Recognition of financial asset (Note 5)		(6,138,141)
April 30, 2019	$	-

The Company is not exposed to any additional losses beyond its initial investment amount. No dividends or cash distributions were received by the Company from the associate during the period.

The Company recorded equity losses of $nil and $1,833,100 for the three and nine months ended April 30, 2019 (three and nine months ended April 30, 2018 - $1,593,839 and $5,177,927) of which $261,433 represents the proportionate share of Troilus’s net loss through the period ended January 24, 2019 and $1,571,667 represents the loss on dilution of the Company’s interest in Troilus. The Company’s proportionate share of the Troilus net loss has been adjusted to reflect the difference in accounting policy related to exploration and evaluation expenditures. The Company has a policy of capitalizing exploration and evaluation expenditures, whereas Troilus expenses these expenditures as incurred. The Company and Troilus have the same fiscal year end of July 31 and the same reporting periods.

b) Aguia Resources Ltd. (“Aguia”)

On April 12, 2018, management re-assessed the level of influence that the Company had with respect to Aguia and determined that it no longer had significant influence, as a result, the Company recognized its retained interest in Aguia as a financial asset (see Note 5). During the comparative three and nine month periods ending April 30, 2018, the Company recorded a equity losses of $71,089 and $242,315, respectively, which represented the proportionate share of Aguia’s net loss through the three and nine months ended March 31, 2018. Aguia has a June fiscal year end and it was impractical to prepare financial statements to April 30, 2018 as Aguia is a listed entity. It was expected that the difference in reporting dates was immaterial. In addition, during the three and nine months ended April 30, 2018, the Company sold some shares of Aguia for proceeds of $250,000 and $1,482,353, respectively, recognizing a loss of $50,749 and $2,914, respectively, on the sale of investments.

(Expressed in Canadian dollars unless otherwise noted)

8. EXPLORATION AND EVALUATION ASSETS

	East Sullivan project	Troilus project	TOTAL
Balance as at July 31, 2017	$ 141,145	$ 819,594	$ 960,739
Capitalized expenditures for the period	278	165,850	166,128
Property acquisition and maintenance costs	-	220	220
Disposition		(985,664)	(985,664)
Balance as at July 31, 2018	$ 141,423	$ -	$ 141,423
Capitalized expenditures for the period	3,977	-	3,977
Balance as at April 30, 2019	$ 145,400	$ -	$ 145,400

The East Sullivan property consists of 13 staked claim units referred to as the East Sullivan Property near Val D'Or Quebec. All claims are contiguous and 100% owned by the Company. The Company is maintaining these claims in good standing.

In June 2017 and amended in September 2017 and October 2017, the Company entered into an agreement with Pitchblack Resources Ltd. ("Pitchblack") to sell the outstanding equity securities of 2507868, which held the option agreement to acquire the Troilus project. According to the agreement the sale would be completed through the amalgamation of 2507868, 251 and a subsidiary of Pitchblack. In connection with the sale and amalgamation, Pitchblack changed its corporate name and brand identity to Troilus Gold Corp. ("Troilus").

On December 20, 2017, in exchange for the sale of 2507868 and its interest in the Troilus project, the Company received 15,000,000 shares of Troilus (formerly Pitchblack), on a post consolidation basis, with a fair market value of $24,600,000 resulting in a gain on disposition of 2507868 and the Troilus project of $23,614,336. As at December 20, 2017, the 15,000,000 shares represented approximately 36% of the issued and outstanding shares of Troilus. See Note 7.

9. SHARE-BASED PAYMENT RESERVE

	Share Purchase Options	Restricted Share Units	Total Reserve
Balance as at July 31, 2017	$ 612,163	$ (144,157)	$ 468,006
Share-based payments allocated to:			
Expenses	215,678	628,302	843,980
Purchase of restricted share units	-	(228,986)	(228,986)
Balance as at July 31, 2018	$ 827,841	$ 255,159	$ 1,083,000
Share-based payments allocated to:			
Expenses	-	163,337	163,337
Option expiry	(56,270)	-	(56,270)
Balance as at April 30, 2019	$ 771,571	$ 418,496	$ 1,190,067

(Expressed in Canadian dollars unless otherwise noted)

9. SHARE-BASED PAYMENT RESERVE (continued)

The share-based payments recorded on the consolidated statements of operations and comprehensive loss for the three and nine months ended April 30, 2019 and 2018 are presented in detail below.

Share-based payments	Three months ended April 30, 2019	Three months ended April 30, 2018	Nine months ended April 30, 2019	Nine months ended April 30, 2018
Share purchase options	$ -	$ -	$ -	$ 215,678
Restricted share units	(58,506)	272,776	163,337	457,583
Deferred share units	(9,316)	(33,753)	(149,384)	150,996
	$ (67,822)	$ 239,023	$ 13,953	$ 824,257

The change in share purchase options during the period presented was as follows:

	Number of options	Weighted average exercise price	Value
Balance as at July 31, 2017	2,803,405	$0.35	$ 612,163
Granted	935,000	$0.35	$ 215,678
Expired	(271,805)	$0.34	-
Balance as at July 31, 2018	3,466,600	$0.35	$ 827,841
Expired	(475,600)	$0.35	(56,270)
Balance as at April 30, 2019	2,991,000	$0.35	$ 771,571

The following table summarizes information on share purchase options outstanding as at April 30, 2019:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
$0.46	June 18, 2019	375,000	375,000	0.13
$0.25	June 18, 2019	425,000	425,000	0.13
$0.24	June 18, 2019	200,000	200,000	0.13
$0.35	June 18, 2019	305,000	305,000	0.13
$0.46	September 17, 2019	576,000	576,000	0.38
$0.25	February 1, 2021	520,000	520,000	1.76
$0.35	December 12, 2022	570,000	570,000	3.62
$0.44	January 16, 2023	20,000	20,000	3.72
	Total	2,991,000	2,991,000	1.15

9. SHARE-BASED PAYMENT RESERVE (continued)

Restricted Share Unit and Deferred Share Unit Incentive Plans

On September 17, 2014, the Company adopted a Restricted Share Unit ("RSU") Incentive Plan and a Deferred Share Unit ("DSU") Incentive Plan.

On January 5, 2016, the Company granted and issued an aggregate of 500,000 RSUs to an officer of the Company. Each RSU entitles the holder to receive one common share of the Company to be purchased in the secondary market by an independent trustee upon the vesting of such RSU, subject to acceleration upon a change of control of the Company. The 500,000 RSUs vested in three equal tranches, on each of January 5, 2017, January 5, 2018 and January 5, 2019. The fair value of these RSUs was determined to be $0.26 per unit on the date of grant.

On December 12, 2017, the Company granted and issued an aggregate of 2,945,000 RSUs to officers and employees of the Company. Each RSU entitles the holder to receive one common share of the Company to be purchased in the secondary market by an independent trustee upon the vesting of such RSU, subject to acceleration upon a change of control of the Company. During the nine months ended April 30, 2019, 416,666 of the RSUs were cancelled, unvested. Of the remaining 2,528,334 RSUs, 981,666 vested on June 1, 2018, 898,334 vested on February 1, 2019 and 648,334 will vest on February 1, 2020. The fair value of these RSUs was determined to be $0.32 per unit on the date of grant.

On January 15, 2018, the Company granted and issued an aggregate of 25,000 RSUs to an employee of the Company. Each RSU entitles the holder to receive one common share of the Company to be purchased in the secondary market by an independent trustee upon the vesting of such RSU, subject to acceleration upon a change of control of the Company. The 25,000 RSUs vested or will vest in three equal tranches, on each of June 1, 2018, February 1, 2019 and February 1, 2020. The fair value of these RSUs was determined to be $0.435 per unit on the date of grant.

As at April 30, 2019, the Company has 1,073,738 DSUs outstanding. Each DSU entitles the holder to receive a cash payment equal to the market price of one common share of the Company upon ceasing to hold office. 1,061,915 DSUs that are currently issued are fully vested and 11,823 DSUs that are currently issued vest based on the pro-rata number of days each independent director remains a director of the Company until February 1, 2020, except in the event of an earlier change of control, in which case, the DSUs will vest fully upon such change of control.

As at April 30, 2019, 1,061,915 DSUs related to current directors have vested and entitle the holders, upon ceasing to hold office, to receive a cash payment of $116,701 equal to an average market price of $0.11 for each DSU. This amount is recorded as a liability on the consolidated statements of financial position.

(Expressed in Canadian dollars unless otherwise noted)

9. SHARE-BASED PAYMENT RESERVE (continued)

Restricted Share Unit and Deferred Share Unit Incentive Plans (continued)

Details of RSUs and DSUs granted and outstanding are summarized in the table below and reflect the number of RSUs and DSUs that may vest based on conditions existing as at April 30, 2019:

	RSU		DSU			
	Non-vested	**Vested**	**Non-vested**	**Forfeited**	**Paid**	**Vested**
Balance as at July 31, 2017	625,000	3,750,000	70,556	218,002	31,998	829,444
Activity during the period:						
RSUs granted	2,970,000	-	-	-	-	-
DSUs granted	-	-	200,000	-	-	-
RSUs vesting from previous grant	(1,448,333)	1,448,333	-	-	-	-
DSUs vesting from previous grant	-	-	(193,960)	-	-	193,960
Balance as at July 31, 2018	2,146,667	5,198,333	76,596	218,002	31,998	1,023,404
Activity during the period:						
RSUs vesting from previous grant	(1,073,334)	1,073,334	-	-	-	-
Cancellation of RSUs	(416,666)	-				
DSUs vesting from previous grant	-	-	(64,773)	26,262	-	38,511
Balance as at April 30, 2019	656,667	6,271,667	11,823	244,264	31,998	1,061,915

Upon vesting, the Company was obligated to deliver to the holders of the RSUs 166,667 common shares of the Company on January 5, 2019 and 990,000 common shares of the Company on June 1, 2018, 906,667 common shares on February 1, 2019 and 656,667 common shares on February 1, 2020. At April 30, 2019, shares had not been issued for 958,335 of the 990,000 RSUs that vested on June 1, 2018, 166,667 of the RSUs that vested on January 5, 2019 and 906,667 of the RSUs that vested on February 1, 2019.

For the three and nine months ended April 30, 2019, share-based compensation recovery of $58,506 and expense of $163,337, respectively, was recognized for the RSUs (three and nine months ended April 30, 2018: $272,776 and $457,583) and recovery of $149,384 was recognized for the DSU incentive plan (April 30, 2018: expense of $150,996).

10. PROFESSIONAL, CONSULTING AND MANAGEMENT FEES

	Three months ended April 30,		Nine months ended April 30,	
	2019	**2018**	**2019**	**2018**
Salaries and benefits	$ 66,819	$ 110,005	195,986	$ 678,800
Directors fees	18,750	25,000	62,847	75,000
Consulting fees	159,349	133,321	605,634	2,156,446
Legal, audit and professional fees	122,303	72,751	275,086	443,371
	$ 367,221	$ 341,077	1,139,553	$ 3,353,617

(Expressed in Canadian dollars unless otherwise noted)

11. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended April 30,		Nine months ended April 30,	
	2019	2018	2019	2018
General and office	$ 62,739	$ 54,157	$ 155,106	$ 170,256
Shareholder communication	26,085	50,010	66,059	144,816
Travel and accommodation	58,039	52,822	105,405	249,614
	$ 146,863	$ 156,989	$ 326,570	$ 564,686

12. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, warrants and share purchase options. The Company manages its capital structure and makes adjustments based on the funds available to support the acquisition, exploration and development of its mineral properties. The board of directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain future development of the business.

The management and board of directors of the Company review its capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets. The Company and its subsidiaries are not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities at April 30, 2019 were as follows:

	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total
As at April 30, 2019				
Cash	$ -	$ 101,286	$ -	$ 101,286
Investments	12,512,838	-	-	12,512,838
Loans receivable	-	261,375	-	261,375
Amounts receivable and other	-	59,879	-	59,879
Accounts payable and accrued liabilities	-	-	370,735	370,735

Fair value hierarchy

The three levels of the fair value hierarchy with respect to required disclosures about the inputs to fair value measurements are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

13. FINANCIAL INSTRUMENTS (continued)

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at April 30, 2019.

	Level 1	Level 2	Level 3	TOTAL
As at April 30, 2019				
Investments	$ 11,537,330	$ 975,508	$ -	$ 12,512,838

The carrying value of cash and cash equivalents, amounts receivable and other, and accounts payable and accrued liabilities reflected in the condensed interim statement of financial position approximate fair value because of the relatively short-term maturities.

Interest rate risk

A 1% increase in interest rates, based on the balance of cash, cash equivalents and fixed income investments at April 30, 2019, would result in an increase in annual interest income of approximately $1,013. All liabilities as at April 30, 2019 are non-interest bearing.

Foreign currency risk

The Company operates in Canada and its functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has acquired some investments, including its previous investment in an associate, which are denominated in foreign currency. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company has no significant concentration of credit risk arising from operations.

Cash and cash equivalents are held in financial institutions from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist primarily of goods and services tax and harmonized sales tax due from the Federal Government of Canada.

Liquidity risk

As at April 30, 2018, the Company had net working capital of $12,886,649, which included cash of $101,286, investments of $12,512,838, loans receivable of $261,375, and amounts receivable and prepaid expenses of $381,885 offset by current liabilities of $370,735. The Company expects to rely on its existing net working capital to finance its ongoing planned activities.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in commodities prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

(Expressed in Canadian dollars unless otherwise noted)

13. FINANCIAL INSTRUMENTS (continued)

Securities price risk

The Company carries investments in certain public securities for which price fluctuations can affect the Company's earnings. The Company classifies these investments as fair value through profit and loss where price volatility is reflected in earnings.

14. RELATED PARTY DISCLOSURES

The Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

Related party balances

The Company shares office space, resources and certain services with other corporations. The costs associated with these services, including the provision of office equipment and supplies, and certain other services, are administered by 2227929 Ontario Inc. to whom the Company pays a monthly flat fee. For the three and nine months ended April 30, 2019, the Company was charged $75,000 and $225,000 for these services (three and nine months ended April 30, 2018: $75,000 and $225,000). As well, the Company was charged an additional $38,197 by 2227929 Ontario Inc. for other services (three and nine months ended April 30, 2018: $3,750 and $66,557).

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel were as follows:

	Three months ended April 30,		Nine months ended April 30,	
	2019	2018	2019	2018
Management salaries and fees	$ 112,500	$ 114,321	$ 439,321	$ 2,342,653
Directors fees	18,750	25,000	62,847	75,000
Share-based payments	4,364	156,641	44,814	684,552
	$ 135,614	$ 295,962	$ 546,982	$ 3,102,205

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the board of directors of the Company having regard to the performance of individuals and market trends.

As at April 30, 2019, the Company holds investments in certain public resource and other sector companies that are related party entities, related by virtue of the relationship with common directors and officers.

Public Issuer		Security description	Cost	Estimated Fair value
Aberdeen International Inc.	i.	4,790,000 warrants	221,436	-
Euro Sun Mining Inc.	ii.	30,825 common shares and 1,966,213 warrants	1,682,162	10,018
			$ 1,903,598	$ 10,018

i. The Company's executive chairman, Stan Bharti, serves as director of this company.
ii. The Company's executive chairman, Stan Bharti, serves as director of this company. The Company's former executive director and senior vice president, Peter Tagliamonte serves as director of this company and the Company's director, Brad Humphrey, is an officer of this company.

(Expressed in Canadian dollars unless otherwise noted)

15. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $375,000 (as at July 31, 2018 - $375,000) and additional contingent payments of approximately $2,550,000 (as at July 31, 2018 - $3,150,000) upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these condensed interim financial statements.

The Company is obligated to deliver common shares of the Company to the holders of RSUs granted under the terms of its RSU Plan. See Note 9.

The Company is currently involved in a litigation proceeding with APIO Africa Ltd. ("APIO") whereby APIO is challenging the Company's actions with respect to the transfer of the DAOS shares. APIO is seeking monetary compensation. A reliable estimate of the amount of the claim cannot be made at this time given the early stages of the claim. The probability of the outcome is also uncertain. The Company is vigilantly defending its actions with respect to these claims.

16. INCOME TAX

a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 26.5% (2017: 26.5%) were as follows:

	For the nine months ended April 30, 2019	2018
(Loss)/income before income taxes	$ (21,587,622)	$ 15,151,932
Statutory rate	26.50%	26.50%
Expected income tax (recovery)/expense	(5,720,720)	4,015,262
Adjustments to expected income tax recovery:		
Share-based payments	3,699	218,428
Non-deductible expenses	2,272	1,477
Change in tax benefit not recognized	5,714,749	(3,484,361)
Total	$ -	$ 750,806

(Expressed in Canadian dollars unless otherwise noted)

16. INCOME TAX (continued)

b) Deferred income tax balances

The following table summarizes the components of deferred income tax:

	For the nine months ended April 30, 2019	For the nine months ended April 30, 2018
Deferred income tax assets and (liabilities):		
Capital and non-capital tax losses carried forward	2,485,029	1,517,114
Share issue costs	1,942	13
Investments	156,828	(2,206,536)
Mineral property	1,103,957	1,139,500
Others	305,410	(1,200,897)
Net deferred income tax assets (liabilities)	4,053,166	(750,806)
Unrecognized deferred tax assets	(4,053,166)	-
Deferred income tax (liability)	$ -	$ (750,806)

17. SUBSEQUENT EVENTS

Subsequent to the end of the quarter, the Company sold investments generating $366,558 in net proceeds.