PACTON GOLD INC.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended February 28, 2019

(Unaudited – Expressed in Canadian Dollars)

PACTON GOLD INC.

February 28, 2019

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Condensed Consolidated Interim Financial Statements

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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 consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

April 29, 2019

PACTON GOLD INC.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	February 28, 2019	November 30, 2018
Assets		
Current		
Cash	$ 1,560,168	$ 465,734
Receivables	118,609	384,566
Prepaid expenses	78,790	80,986
	1,757,567	931,286
Deposits	-	112,046
Equipment (note 7)	3,945	4,153
Exploration and Evaluation Assets (note 8)	12,514,783	8,360,422
	$ 14,276,295	$ 9,407,907
Liabilities		
Current		
Accounts payable and accrued liabilities (notes 10 and 11)	$ 384,911	$ 308,536
Other liabilities (note 9)	229,412	-
	614,323	308,536
Shareholders' Equity		
Capital Stock (note 10)	26,583,691	21,402,968
Share-based Payments Reserve (note 10)	3,106,605	3,644,586
Deficit	(16,006,442)	(15,982,539)
Accumulated Other Comprehensive Income (Loss) – Cumulative Translation Adjustments	(21,882)	34,356
	13,661,972	9,099,371
	$ 14,276,295	$ 9,407,907

Going Concern (note 2)
Subsequent Events (note 14)

Approved on behalf of the Board:

"Richard Boulay"	*"Alec Pismiris"*
……………………………… Director	……………………………… Director
Richard Boulay	Alec Pismiris

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

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three Months Ended February 28,
(Unaudited – Expressed in Canadian Dollars)

	2019	2018
Expenses		
Consulting fees (note 11)	$ 233,916	$ 340,483
Depreciation (note 7)	208	216
Management fees (note 11)	45,000	-
Office and miscellaneous	59,140	4,850
Professional fees (note 11)	115,221	31,521
Rent (note 11)	9,000	9,000
Share-based payments (notes 10 and 11)	35,710	-
Shareholder communications and investor relations	104,733	2,905
Transfer agent and filing fees	31,711	15,720
	(634,639)	(404,695)
Other Items		
Impairment of exploration and evaluation assets (note 8)	-	(243,000)
Part XII.6 tax (note 9)	-	(580)
Interest income	1,791	-
Other income	35,254	-
Net Loss	(597,594)	(648,275)
Other Comprehensive Loss		
Exchange difference on translating foreign operations	(56,238)	-
Comprehensive Loss for the Period	$ (653,832)	$ (648,275)
Basic and Diluted Loss Per Share	$ (0.01)	$ (0.01)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	105,252,897	56,140,185

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

PACTON GOLD INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

	Capital Stock										
	Number of Shares		Capital Stock		Share-based Payments Reserve		Deficit		Accumulated Other Comprehensive Income (Loss)		Total
Balance, November 30, 2017	**55,318,669**	**$**	**9,215,918**	**$**	**495,161**	**$**	**(9,091,312)**	**$**	**-**	**$**	**619,767**
Shares issued for exploration and evaluation assets	1,300,000		390,000		-		-		-		390,000
Exercise of stock options	369,000		34,650		-		-		-		34,650
Fair value of exercised stock options	-		22,412		(22,412)		-		-		-
Exercise of warrants	1,162,574		265,509		-		-		-		265,509
Fair value of exercised warrants	-		13,224		(13,224)		-		-		-
Net loss and comprehensive loss for the period	-		-		-		(648,275)		-		(648,275)
Balance, February 28, 2018	**58,150,243**		**9,941,713**		**459,525**		**(9,739,587)**		**-**		**661,651**
Private placements	24,132,609		5,550,500		-		-		-		5,550,500
Share issue costs	-		(655,691)		295,568		-		-		(360,123)
Shares issued for exploration and evaluation assets	8,621,355		3,948,631		-		-		-		3,948,631
Shares issued for settlement of accounts payable	1,833,333		540,833		-		-		-		540,833
Exercise of stock options	5,058,000		599,550		-		-		-		599,550
Fair value of exercised stock options	-		379,578		(379,578)		-		-		-
Issuance of warrants for consulting and exploration	-		-		801,277		-		-		801,277
Exercise of warrants	4,440,586		1,085,090		-		-		-		1,085,090
Fair value of exercised warrants	-		12,764		(12,764)		-		-		-
Share-based payments (note 10)	-		-		2,654,646		-		-		2,654,646
Expiry of stock options	-		-		(174,088)		174,088		-		-
Net loss and comprehensive loss for the period	-		-		-		(6,417,040)		-		(6,417,040)
Exchange difference on translating foreign operations	-		-		-		-		34,356		34,356
Balance, November 30, 2018	**102,236,126**		**21,402,968**		**3,644,586**		**(15,982,539)**		**34,356**		**9,099,371**
Private placements	5,881,470		2,058,515		-		-		-		2,058,515
Share issue costs	-		(11,043)		-		-		-		(11,043)
Flow-through liability	-		(264,666)		-		-		-		(264,666)
Shares issued for exploration and evaluation assets	11,347,923		3,397,917		-		-		-		3,397,917
Share-based payments (note 10)	-		-		35,710		-		-		35,710
Expiry of stock options	-		-		(573,691)		573,691		-		-
Net loss for the period	-		-		-		(597,594)		-		(597,594)
Exchange difference on translating foreign operations	-		-		-		-		(56,238)		(56,238)
Balance, February 28, 2019	**119,465,519**	**$**	**26,583,691**	**$**	**3,106,605**	**$**	**(16,006,442)**	**$**	**(21,882)**	**$**	**13,661,972**

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

PACTON GOLD INC.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended February 28,
(Unaudited – Expressed in Canadian Dollars)

	2019	2018
Operating Activities		
Net loss	$ (597,594)	$ (648,275)
Items not involving cash		
Depreciation	208	216
Share-based payments	35,710	-
Other income	(35,254)	-
Impairment of exploration and evaluation assets	-	243,000
Changes in non-cash working capital		
Receivables	262,064	(27,813)
Prepaid expenses and deposits	2,196	(22,852)
Accounts payable and accrued liabilities	(27,539)	310,060
Cash Used in Operating Activities	(360,209)	(145,664)
Investing Activity		
Exploration and evaluation assets, net	(583,018)	(80,260)
Cash Used in Investing Activity	(583,018)	(80,260)
Financing Activity		
Net proceeds from share issuances	2,047,472	300,159
Cash Provided by Financing Activity	2,047,472	300,159
Inflow of Cash	1,104,245	74,235
Effect of Foreign Exchange on Cash	(9,811)	-
Cash, Beginning of Period	465,734	121,526
Cash, End of Period	$ 1,560,168	$ 195,761

Supplemental Disclosure with Respect to Cash Flows (note 12)

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

1. NATURE OF OPERATIONS

Pacton Gold Inc. (the "Company" or "Pacton") was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The Company operates in Canada and Australia. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol "PAC". The Company's shares also trade on the OTC Exchange in the United States under the symbol "PACXF" and on the Frankfurt Stock Exchange under the symbol "2NKN". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

2. GOING CONCERN

These condensed consolidated interim financial statements (the "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.

The Company has incurred a loss during the three months ended February 28, 2019 of $597,594 (2018 - $684,275) and as at February 28, 2019 has a deficit of $16,006,442 (November 30, 2018 - $15,982,539), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2018 annual consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (Continued)

a) Statement of compliance (continued)

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2019.

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Subsidiaries

These financial statements include all subsidiaries in the accounts of the Company for the periods presented. These subsidiaries are listed as follows:

Subsidiary	Ownership February 28, 2019	Ownership November 30, 2018	Incorporated	Nature
Pacton Pilbara Pty. Ltd. (“Pacton Pilbara”)	100%	100%	Australia	Mineral exploration
CTTR Gold Pty. Ltd. (“CTTR”)	100%	100%	Australia	Mineral exploration
Drummond East Pty. Ltd. (“Drummond East”)	100%	100%	Australia	Mineral exploration
Arrow (Pilbara) Pty. Ltd. (“Arrow Pilbara”)	100%	100%	Australia	Mineral exploration

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited consolidated financial statements for the year ended November 30, 2018, except for the Company’s accounting policy for financial instruments.

On December 1, 2018, the Company adopted IFRS 9 *Financials Instruments*. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. Additional amendments include introduction of a new hedge accounting model and a new expected-loss impairment model. Adoption of this accounting standard did not have an impact on the Company’s condensed consolidated financial statements. Cash continued to be classified as fair value through profit or loss (“FVTPL”), receivables changed from loans and receivables to amortized cost and accounts payable and accrued liabilities changed from other financial liabilities to amortized cost.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Critical judgments in applying accounting policies

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

a) Impairment of exploration and evaluation assets

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

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

c) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

(Unaudited – Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

d) Acquisition of subsidiaries

The Company's acquisitions of CTTR, Drummond East and Arrow Pilbara have been determined to be asset acquisitions, as CTTR, Drummond East and Arrow Pilbara do not meet the definition of a business under IFRS 3 *Business Combinations*. As a result, the acquisitions have been accounted for as asset acquisitions, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on relative fair values. The Company's application of the recognition principle may result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its financial statements, which require management judgment.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company’s internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at February 28, 2019, the Company had no known rehabilitation requirements, and accordingly, no provision has been made.

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as FVTPL; receivables, as amortized cost; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company’s financial asset measured at fair value by level within the fair value hierarchy:

February 28, 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 1,560,168	$ -	$ -	$ 1,560,168

November 30, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 465,734	$ -	$ -	$ 465,734

6. FINANCIAL INSTRUMENTS (Continued)

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

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

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. Included in receivables is $45,609 (November 30, 2018 - $384,317) owing from the Canada Revenue Agency and the Australian Taxation Office. The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of February 28, 2019 equal $384,911 (November 30, 2018 - $308,536). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of February 28, 2019.

c) Market risk

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

i) Currency risk – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. The Company does not hold substantial funds in a foreign currency, and only a small amount of its accounts payable and accrued liabilities is denominated in Australian dollars. A fluctuation in the exchanges rates between the Canadian and Australian dollars of 10% would result in a nominal change to the Company's cash, accounts payable and accrued liabilities, and other comprehensive income. The Company does not use any techniques to mitigate currency risk.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

(Unaudited – Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (Continued)

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

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

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

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the period ended February 28, 2019. The Company is not subject to externally imposed capital requirements.

7. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2017 and 2018 and February 28, 2019	**$**	**8,496**
Accumulated Depreciation		
Balance, November 30, 2017	**$**	**3,402**
Depreciation		941
Balance, November 30, 2018		**4,343**
Depreciation		208
Balance, February 28, 2019	**$**	**4,551**
Net Book Value, November 30, 2018	**$**	**4,153**
Net Book Value, February 28, 2019	**$**	**3,945**

8. EXPLORATION AND EVALUATION ASSETS

a) Pilbara Project

CTTR

On March 20, 2018, the Company entered into a share purchase agreement to acquire 100% of the issued and outstanding shares of CTTR, an Australian proprietary limited company. CTTR holds applications to nine tenement licenses for a mineral property group in the Pilbara Region of Western Australia.

Under the terms of the share purchase agreement, the Company can acquire 100% of the issued and outstanding shares of CTTR by:

- Paying a $25,000 non-refundable deposit (paid);
- Paying $75,000 (paid) and issuing 916,666 common shares (issued and valued at $238,333) of the Company and 458,333 share purchase warrants (issued and valued at $64,545). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price of $0.45, upon acceptance of the transaction by the TSX-V (issued on March 29, 2018); and
- Paying $50,000 (paid) and issuing 416,666 common shares (issued and valued at $270,833) of the Company and 208,333 share purchase warrants (issued and valued at $72,034). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price to be determined at the date of grant, upon the grant of at least six exploration licenses.

The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

The acquisition of CTTR has been accounted for as an acquisition of assets and liabilities, as CTTR does not meet the definition of a business under IFRS 3. The acquisition of the net assets of CTTR was recorded at the fair value of the consideration transferred of $836,370 as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Arrow Pilbara

On May 11, 2018, the Company entered into a share purchase and option agreement whereby the Company could earn up to an 80% interest in Arrow Pilbara, an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia. Under the terms of the agreement, the Company was required to make cash payments and issue common shares and common share purchase warrants of the Company to acquire a 51% interest in Arrow Pilbara as follows:

- Issue 1,086,957 common shares (issued and valued at $695,652) and 1,086,957 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $0.35 for three years and pay $500,000 (paid $300,000, with remaining due upon grant of applications).

To acquire a further 29% interest in Arrow Pilbara, the Company was required to:

- Pay $250,000 or an equivalent number of common shares based on the five-day trailing volume-weighted average price at the time of issue, subject to a floor price of no lower than $0.19 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

The vendor retains a right to explore for, mine and extract lithium, caesium and tantalum from the property.

(Unaudited – Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

A discovery bonus of $500,000 cash is payable if the Company reports a National Instrument ("NI") 43-101-defined "measured mineral resource" or "inferred mineral resource" of at least 100,000 ounces of gold on the property.

The Company also issued 227,941 common shares valued at $58,125 as a finder's fee on the transaction.

The acquisition of 51% of Arrow Pilbara has been accounted for as an acquisition of assets and liabilities, as Arrow Pilbara does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Arrow Pilbara was recorded at the fair value of the consideration transferred of $1,637,538 as detailed above. The net assets acquired were as follows:

Net Assets Acquired		
Exploration and evaluation assets	$	3,210,860
Non-controlling interest		(1,573,322)
	$	1,637,538

On August 20, 2018, the Company entered into a share purchase agreement to acquire the remaining ownership interest in Arrow Pilbara. Under the terms of the agreement, the Company will acquire the remaining 49% ownership interest in Arrow Pilbara that it does not already own by paying $1,000,000 (paid) and issuing 2,000,000 common shares (issued and valued at $820,000).

The purchase of the remaining 49% interest was accounted for as follows:

Acquisition of 49% Interest		
Additional consideration paid	$	1,820,000
Elimination of non-controlling interest		(1,573,322)
Loss on acquisition	$	246,678

Drummond East

On August 15, 2018, the Company entered into a share purchase agreement to acquire a 100% interest in Drummond East, an arm's length Australian exploration company wholly owned by Impact Minerals Ltd. ("Impact"). Drummond East holds seven granted tenement licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issued to Impact 2,125,000 common shares of the Company valued at $860,625.

In addition, the Company will pay a bonus to Impact of $500,000 if the Company publishes measured, indicated or inferred gold resources of more than 250,000 ounces on the property. The Company will grant Impact a 2% net smelter royalty ("NSR") in respect of the property on standard industry terms to be agreed between the parties. The parties agree that the Company shall, at all times, retain an exclusive and unlimited right to purchase 50% of the NSR back from Impact for $500,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

The Company paid a finder's fee of 291,875 common shares (issued and valued at $145,938).

The acquisition of Drummond East has been accounted for as an acquisition of assets and liabilities, as Drummond East does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Drummond East was recorded at the fair value of the consideration transferred of $1,356,563 as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Friendly Creek

On August 11, 2018, the Company entered into a tenement sale agreement to acquire 100% of the Friendly Creek exploration license and mining leases in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company will purchase a 100% interest in Friendly Creek by paying the vendors a total of $25,000 (paid and included in long-term deposits) and issuing to the vendors 2,500,000 common shares of the Company (issued subsequent to February 28, 2019).

Yandicoogina and Boodalyerrie

On September 25, 2018, the Company entered into a tenement sale agreement to acquire 100% of both the Yandicoogina and Boodalyerrie exploration licenses and mining leases from Gardner Mining Pty. Ltd. (“Gardner Mining”), an Australian proprietary limited exploration company.

Under the terms of the agreement, the Company will purchase a 100% ownership interest in projects by paying Gardner Mining $25,000 (paid and included in long-term deposits) and issuing to Gardner Mining 3,000,000 common shares of the Company (issued subsequent to February 28, 2019).

Golden Palms Project

On November 5, 2018, the Company entered into a tenement sale agreement to acquire the Golden Palms tenement license in Western Australia.

Under the terms of the agreement, Pacton can purchase 100% of the property by paying a total of $100,000 ($50,000 paid) and issuing 400,000 common shares on completion of the transaction.

Hong Kong Project

On November 23, 2018, the Company entered into a tenement sale agreement to acquire a 70% interest in the Hong Kong project from Clancy Exploration Ltd. (“Clancy”), an Australian Securities Exchange-listed exploration company.

Under the terms of the agreement, the Company can purchase a 70% interest in the Hong Kong project by paying Clancy $175,000 (paid) and issuing to Clancy 3,780,613 common shares of the Company (issued and valued at $1,323,215). In addition, the Company issued 300,000 common shares valued at $82,500 as a finder’s fee on the project and paid a $25,000 deposit included in exploration and evaluation assets.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Upon completion of the acquisition, the Company and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong project. A minimum of AUD $520,000 must be spent by the Company within two years of completion of the transaction. Clancy will be free carried with respect to expenditures until a decision to mine is made unanimously by both parties.

Keras Project

On October 18, 2018, the Company entered into a grant of gold rights agreement to acquire the conglomerate gold rights of Calidus Resources Ltd. ("Calidus") in both the Marble Bar sub basin and the northeast Pilbara sub basin of Western Australia's Pilbara craton.

Under the terms of the agreement, the Company will acquire the gold rights by issuing Calidus or its nominees 7,000,000 common shares of the Company (issued and valued at $1,925,000). The agreement includes a right to deferred compensation whereby Calidus may receive up to 3,000,000 additional common shares of the Company on October 18, 2019 based on the 30-day volume weighted average price of the Company's common shares on the date of such issuance. A minimum of AUD $55,000 must be spent by the Company on each anniversary of the completion of the transaction. In addition, the Company paid a $10,000 deposit included in exploration and evaluation assets.

b) Red Lake Project

On May 10, 2017, the Company entered into an option agreement to earn a 100% interest in 34 mineral claims and two mineral patents in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments of $300,000 and issue 4,200,000 common shares of the Company over a period of four years. Of that, 1,200,000 common shares of the Company were issued (valued at $168,000) and $75,000 was paid.

The vendor retained a NSR varying from 0.25% to 2.25%, of which one-half could be repurchased by the Company, at a rate of $250,000 per 0.25%.

On April 18, 2018, the Company provided notice of termination on the option agreement to the vendor. During the year ended November 30, 2018, the Company recorded an impairment of exploration and evaluation assets of $243,000 as a result of the termination.

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 300,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018 (paid);
- Pay $16,000 on or before May 26, 2019; and
- Pay $26,000 on or before May 26, 2020.

The claims are subject to an underlying 2% NSR.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

On May 23, 2017, and as amended November 23, 2017 and June 14, 2018, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 2,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on May 26, 2017 (issued and valued at $350,000);
- Pay $20,000 on or before June 30, 2018 (paid);
- Pay $80,000 on or before January 31, 2019 (paid); and
- Pay $150,000 on or before May 26, 2019.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000.

On November 1, 2018, the Company entered into an option agreement to earn a 100% interest in 12 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $15,000 on or before November 6, 2018 (paid);
- Pay $15,000 (paid) and issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received November 19, 2018 (issued and valued at $25,500);
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2019; and
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2020.

The vendors retain a NSR that ranges from 0.25% to 2.25%, of which one-half can be repurchased by the Company for $250,000.

On January 29, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company issued 192,310 common shares on February 6, 2019 valued at $48,077. The claims are subject to a NSR ranging from 0.25% to 2.25%, of which a portion can be repurchased by the Company for $250,000.

On February 12, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company paid $15,000 and on February 28, 2019 issued 75,000 common shares valued at $19,125. The claims are subject to a 2% NSR, of which one-half can be repurchased by the Company for $200,000.

On February 20, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $30,000 on behalf of the vendor for exploration expenditures;
- Issue 125,000 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued on March 6, 2019 and valued at $31,250);
- Pay $50,000 and issue 100,000 common shares of the Company on or before March 5, 2020; and
- Pay $50,000 and issue 125,000 common shares of the Company on or before March 5, 2021.

The claims are subject to a 0.25% to 1.75% NSR, of which a portion can be repurchased by the Company at a rate of $250,000 for each 0.25% portion that is repurchased.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Tully West Gold Property

On January 16, 2017, the Company entered into an option agreement to earn a 100% interest in the Tully West Gold Property, located in Ontario. On January 18, 2018, certain terms were amended. Under the terms of the amended agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 1,300,000 common shares of the Company (issued on January 25, 2017 and valued at $117,000) and pay $25,000 (paid) within five days of approval by the TSX-V, which was received January 25, 2017;
- Issue 1,300,000 common shares of the Company on or before January 25, 2018 (issued on January 25, 2018 and valued at $390,000);
- Pay $80,000 on or before February 15, 2018 (paid); and
- Issue 1,300,000 common shares of the Company (issued on July 24, 2018 and valued at $793,000) and pay $110,000 (paid) on or before January 25, 2019.

The Company completed an equity financing for gross proceeds in excess of $1,000,000 (excluding flow-through proceeds), so the January 25, 2019 common share and cash payments were accelerated.

On December 12, 2018, the agreement was amended to extend the exploration expenditure deadlines. The Company is required to pay an additional $10,000 on or before January 12, 2019 (paid).

The Company must now incur exploration expenditures as follows:

- $250,000 on or before January 16, 2018 (incurred);
- An additional $500,000 on or before January 25, 2020; and
- An additional $500,000 on or before January 25, 2021.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for an aggregate $1,000,000.

d) Lincoln Property

On April 21, 2016, and as amended June 15, 2016, the Company entered into an option agreement to acquire a 100% interest in the Lincoln Property, a lithium project in Nevada. Consideration for the option is as follows:

- Issue 1,500,000 common shares to the optionor upon acceptance of the transaction by the TSX-V (issued on July 4, 2016 and valued at $195,000); and
- Cash payment of $50,000 within five days of acceptance by the TSX-V (paid).

At November 30, 2016, the Company determined that the value of the property was impaired. The property was written down to $100,000. On January 1, 2017, and as amended on July 11, 2017 and March 14, 2018, the Company reached an agreement to sell the property for $100,000. The sale price was amended to $40,000 on May 29, 2018 and payment was received. The remaining balance of $60,000 was written off and included in impairment of exploration and evaluation assets.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

e) Carpenter Lake

On May 28, 2013, the Company entered into an agreement to acquire a 100% interest in 34 mineral claims located in the Athabasca Basin Region of northern Saskatchewan. Consideration for the acquisition was the issuance of 200,000 common shares (issued and valued at $380,000). The Company paid a finder's fee of 10,000 common shares (issued and valued at $19,000).

The property was subject to a 5% NSR. The NSR could be reduced to a minimum of 2% at the option of either the vendors or the Company in exchange for the issuance of 100,000 common shares for each percentage point bought back (the “Royalty Buyback").

Pursuant to an amending agreement dated June 21, 2013, the Company agreed to file a NI 43-101 Report on or before July 1, 2014 as a condition for approval from the TSX-V to exercise the Royalty Buyback. Failure to receive approval would give the vendors of the property the right to purchase the property for the sum of $200,000 commencing July 1, 2014 for a period of 180 days.

On January 13, 2014, the Company granted an option to Alpha Exploration Inc. (TSX-V: AEX) ("Alpha") to earn a 60% interest in the Company's Clearwater/Carpenter Lake Property. Under the terms of the agreement, Alpha was required to make cash and share payments as follows:

- Cash payment of $12,500 upon approval of the agreement by the TSX-V (received);
- Issuance of 100,000 common shares within 10 days of approval by the TSX-V (received and valued at $59,000);
- Cash payment of a total of $37,500 and issuance of a total of 300,000 common shares over a three-year period ending on the third anniversary of approval by the TSX-V; and
- 1,250,000 in exploration expenditures on the property over a three-year period ending on the third anniversary of approval by the TSX-V.

On November 6, 2014, Alpha provided the Company with its Notice of Exercise on the option to earn a 60% interest in the Clearwater/Carpenter Lake Property. The Company received the $37,500 in cash payments due from the first through third anniversaries and the 300,000 common shares (valued at $27,000). A joint venture was formed between Alpha (60%) and Pacton (40%) for the further development of the property, with Alpha serving as the operator.

The property was then subject to a 2% NSR, which was owed to the original vendors (the “Underlying NSR”). The Underlying NSR rate was reduced from 5% to 2% by Pacton through the issuance of 300,000 common shares of the Company on October 27, 2014 (valued at $90,000).

At November 30, 2016, the property was written down to $226,000. At November 30, 2018, the property was written off and included in impairment of exploration and evaluation assets.

(Unaudited – Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Tully West	Lincoln	Carpenter Lake	Total
Balance, November 30, 2017	**$ -**	**$ 777,813**	**$ 505,893**	**$ 100,000**	**$ 226,000**	**$ 1,609,706**
Property Acquisition Costs						
Acquisition and option payments	5,453,793	72,500	1,373,000	(40,000)	-	6,859,293
Translation difference	35,600	-	-	-	-	35,600
Claim costs	-	-	312	-	-	312
Total Acquisition Costs	5,489,393	72,500	1,373,312	(40,000)	-	6,895,205
Property Exploration Costs						
Camp and other	120,910	-	-	-	-	120,910
Geological	175,835	68,750	5,750	-	-	250,335
Travel	13,266	-	-	-	-	13,266
Total Exploration Costs	310,011	68,750	5,750	-	-	384,511
Impairment	-	(243,000)	-	(60,000)	(226,000)	(529,000)
Balance, November 30, 2018	**5,799,404**	**676,063**	**1,884,955**	**-**	**-**	**8,360,422**
Property Acquisition Costs						
Acquisition and option payments	3,615,715	180,363	10,000	-	-	3,806,078
Currency translation difference	(35,600)	-	-	-	-	(35,600)
Claim costs	-	-	260	-	-	260
Total Acquisition Costs	3,580,115	180,363	10,260	-	-	3,770,738
Property Exploration Costs						
Camp and other	31,877	6,300	-	-	-	38,177
Geological	91,050	90,488	-	-	-	181,538
Geophysics	-	175,208	-	-	-	175,208
Currency translation difference	(10,817)	-	-	-	-	(10,817)
Total Exploration Costs	112,110	271,996	-	-	-	384,106
Balance, February 28, 2019	**$ 9,491,629**	**$ 1,128,422**	**$ 1,895,215**	**$ -**	**$ -**	**$ 12,515,266**

(Unaudited – Expressed in Canadian Dollars)

9. OTHER LIABILITIES

	February 28, 2019	November 30, 2018
Balance, beginning of period	$ -	$ -
Liability incurred on flow-through shares issued December 20, 2018	264,666	-
Settlement of flow-through share liability by incurring expenditures	(35,254)	-
Balance, end of period	$ 229,412	$ -

On December 10, 2018, the Company issued 5,881,470 flow-through shares at a price of $0.35 per share. The premium paid by investors was calculated as $0.045 per share. Accordingly, $264,666 was recorded as other liabilities.

At February 28, 2019, the Company had a remaining commitment to incur exploration expenditures of $1,784,318 (November 30, 2018 - $nil) in relation to its December 2018 flow-through share financing.

During the three months ended February 28, 2019, the Company incurred $nil (2018 - $580) for Part XII.6 tax and other provincial taxes in relation to its December 2016 flow-through share financings.

10. CAPITAL STOCK

a) Authorized

Unlimited number of common voting shares without par value

b) Issued

During the three months ended February 28, 2019

On December 5, 2018, the Company issued 7,000,000 common shares valued at $1,925,000 for the Pilbara Project (note 8(a) – Keras Project).

On December 10, 2018, the Company issued 3,780,613 common shares valued at $1,323,215 for the Pilbara Project (note 8(a) – Hong Kong Project). The Company also issued 300,000 common shares valued at $82,500 as a finder's fee on the transaction.

On December 14, 2018, the Company closed a flow-through private placement for gross proceeds of $2,058,515. The Company issued 5,881,470 units at a price of $0.35 per share. The Company incurred share issue costs of $11,043. The premium paid by investors on the flow-through shares was calculated as $0.045 per share. Accordingly, $264,666 was recorded as other liabilities.

On February 6, 2019, the Company issued 192,310 common shares valued at $48,077 for the Red Lake Property (note 8(b)).

On February 28, 2019, the Company issued 75,000 common shares valued at $19,125 for the Red Lake Property (note 8(b)).

During the year ended November 30, 2018

On January 25, 2018, the Company issued 1,300,000 common shares valued at $390,000 for the Tully West Gold Property (note 8(c)).

10. CAPITAL STOCK (Continued)

b) Issued (continued)

On March 29, 2018, the Company issued 916,666 common shares valued at $238,333 for the Pilbara Project (note 8(a) - CTTR). The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

On March 21, 2018, the Company issued 1,833,333 common shares valued at $540,833 of the Company to a vendor of the Company to settle accounts payable of $550,000. The Company recorded a gain on settlement of accounts payable of $9,167.

On May 9, 2018, the Company closed a private placement for gross proceeds of $5,550,500. The Company issued 24,132,609 units at a price of $0.23 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.35 for a period of three years from the date of issuance. The Company paid finders' fees of $331,346 and issued 1,096,056 agent warrants with a value of $295,568 (note 10(d)). In addition, the Company incurred share issue costs of $28,777.

On May 22, 2018, the Company issued 1,086,957 common shares valued at $695,652 for the Pilbara Project (note 8(a) – Arrow Pilbara). The Company also issued 227,941 common shares valued at $58,125 as a finder's fee on the transaction.

On July 24, 2018, the Company issued 1,300,000 common shares valued at $793,000 for the Tully West Gold Property (note 8(c)).

On August 8, 2018, the Company issued 416,666 common shares valued at $270,833 for the Pilbara Project (note 8(a) - CTTR).

On September 10, 2018, the Company issued 2,125,000 common shares valued at $860,625 for the Pilbara Project (note 8(a) – Drummond East).

On September 26, 2018, the Company issued 2,000,000 common shares valued at $820,000 for the Pilbara Project (note 8(a) - Arrow Pilbara).

On October 3, 2018, the Company issued 291,875 common shares valued at $145,938 as a finder's fee for the Pilbara Project (note 8(a) – Drummond East).

On November 27, 2018, the Company issued 100,000 shares valued at $25,500 for the Red Lake Project (note 8(b)).

The Company received $634,200 on the exercise of 5,427,000 stock options. The Company transferred $401,990, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.53 when the stock options were exercised.

The Company received $1,325,420 on the exercise of 5,393,333 warrants. There was no value of the warrants transferred from the share-based payment reserve to capital stock upon exercise of the warrants.

The Company received $25,179 on the exercise of 209,827 agent warrants. The Company transferred $25,988, the value of the agent warrants, from the share-based payment reserve to capital stock upon exercise of the agent warrants.

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Three Months Ended February 28, 2019		**Year Ended November 30, 2018**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	25,604,232	$ 0.36	5,411,333	$ 0.24
Issued	-	-	25,886,232	$ 0.36
Exercised	-	-	(5,393,333)	$ 0.25
Expired	-	-	(300,000)	$ 0.24
Outstanding, end of period	25,604,232	$ 0.36	25,604,232	$ 0.36

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**February 28, 2019**
September 29, 2019	0.58	$ 0.45	458,333
February 8, 2020	0.95	$ 0.97	208,333
May 9, 2021	2.19	$ 0.35	23,850,609
May 22, 2021	2.23	$ 0.35	1,086,957
	2.16		25,604,232

d) Agent warrants

Agent warrant transactions and the number of agent warrants outstanding are summarized as follows:

	Three Months Ended February 28, 2019		**Year Ended November 30, 2018**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	1,447,956	$ 0.35	221,227	$ 0.12
Issued	-	-	1,447,956	$ 0.35
Exercised	-	-	(209,827)	$ 0.12
Expired	-	-	(11,400)	$ 0.12
Outstanding, end of period	1,447,956	$ 0.35	1,447,956	$ 0.35

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

d) Agent warrants (continued)

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**February 28, 2019**
May 9, 2021	2.19	$ 0.35	1,447,956

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. There were no agent warrants granted during the three months ended February 28, 2019. Included in consulting fees during the year ended November 30, 2018 was $80,937 in relation to 351,900 agent warrants issued for advisory fees on the same terms as the agent warrants issued on the May 9, 2018 private placement.

The fair value of each agent warrant issued was calculated using the following weighted average assumptions:

	Three Months Ended February 28, 2019	**Year Ended November 30, 2018**
Expected life (years)	N/A	3.00
Risk-free interest rate	N/A	1.95%
Annualized volatility	N/A	130%
Dividend yield	N/A	N/A
Stock price at issue date	N/A	$ 0.35
Exercise price	N/A	$ 0.35
Weighted average issue date fair value	N/A	$ 0.26

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

e) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)

Stock option transaction and the number of stock options outstanding are summarized as follows:

	Three Months Ended February 28, 2019		**Year Ended November 30, 2018**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	6,750,000	$ 0.43	5,377,000	$ 0.11
Granted	250,000	$ 0.24	7,350,000	$ 0.44
Exercised	-	-	(5,427,000)	$ 0.12
Expired	(1,700,000)	$ 0.46	(550,000)	$ 0.52
Cancelled	-	-	-	-
Outstanding, end of period	5,300,000	$ 0.41	6,750,000	$ 0.43

The following stock options were outstanding and exercisable at February 28, 2019:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
November 15, 2019	0.71	$ 0.22	50,000	50,000
December 5, 2019	0.77	$ 0.24	250,000	250,000
November 15, 2020	1.72	$ 0.22	100,000	100,000
May 10, 2021	2.20	$ 0.35	3,125,000	3,125,000
May 14, 2021	2.21	$ 0.55	100,000	100,000
July 19, 2021	2.39	$ 0.55	1,425,000	1,425,000
July 25, 2021	2.41	$ 0.57	250,000	250,000
	2.17		5,300,000	5,300,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of $35,710 were recognized during the three months ended February 28, 2019 (year ended November 30, 2018 - $2,654,646).

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)
The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Three Months Ended February 28, 2019	Year Ended November 30, 2018
Expected life (years)	1.00	2.65
Risk-free interest rate	2.05%	2.05%
Annualized volatility	128%	143%
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.28	$ 0.48
Exercise price	$ 0.24	$ 0.44
Weighted average grant date fair value	$ 0.14	$ 0.36

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

During the three months ended February 28, 2019, the Company transferred $573,691 from the share-based payments reserve to deficit upon the expiry of 1,700,000 stock options granted to consultants.

During the year ended November 30, 2018, the Company transferred $174,088 from the share-based payments reserve to deficit upon the expiry of 550,000 stock options granted to consultants.

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss:

	Three Months Ended February 28, 2019	Three Months Ended February 28, 2018
Short-term compensation	$ 127,500	$ 42,500

During the three months ended February 28, 2019, short-term compensation to related parties consisted of $nil (2018 - $20,000) in consulting fees, $45,000 (2018 - $nil) in management fees, $22,500 (2018 - $22,500) in professional fees and $60,000 (2018 - $nil) in geological fees included in evaluation and exploration assets.

Transactions with related parties are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss as follows:

	Three Months Ended February 28, 2019	Three Months Ended February 28, 2018
Related company with a common officer (rent)	$ 9,000	$ 9,000

As at February 28, 2019, the Company has outstanding amounts payable to officers and directors of the Company of $15,000 (November 30, 2018 - $15,000) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

(Unaudited – Expressed in Canadian Dollars)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	February 28, 2019	February 28, 2018
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 146,378	$ 393,730
Exploration and evaluation expenditures in accounts payable (closing)	$ 252,084	$ 393,730
Fair value of shares issued for exploration and evaluation assets	$ 3,397,917	$ 390,000
Fair value of stock options exercised	$ -	$ 22,412
Fair value of stock options expired	$ 573,691	$ -
Fair value of agent warrants exercised	$ -	$ 13,224

13. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical segment

Non-current assets	Canada	USA	Australia	Total
February 28, 2019	$ 3,027,099	$ -	$ 9,491,629	$ 12,518,728
November 30, 2018	$ 2,565,171	$ -	$ 5,911,450	$ 8,476,621

14. SUBSEQUENT EVENTS

a) On March 6, 2019, the Company issued 125,000 common shares valued at $31,250 for the Red Lake Project (note 8(b)).

b) On March 8, 2019, the Company issued 3,000,000 common shares valued at $720,000 for the Pilbara Project (note 8(a) - Yandicoogina and Boodalyerrie).

c) On March 13, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:
- Pay up to $40,000 on behalf of the vendor for exploration expenditures;
- Issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued on March 22, 2019 and valued at $23,000);
- Pay $50,000 and issue 100,000 common shares of the Company on or before March 21, 2020; and
- Pay $50,000 and issue 125,000 common shares of the Company on or before March 21, 2021.

The claims are subject to a 2.5% NSR, of which one-half can be repurchased by the Company for $2,000,000.

d) On March 15, 2019, the Company issued 2,500,000 common shares valued at $562,500 for the Pilbara Project (note 8(a) – Friendly Creek).

14. SUBSEQUENT EVENTS (Continued)

e) On March 22, 2019, the Company entered into a tenement sale agreement to acquire the Tardarinna tenement license in Western Australia.

Under the terms of the agreement, the Company can earn a 100% interest in the property by issuing 1,250,000 common shares on completion of the transaction.

f) On April 23, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $30,000 and issue 100,000 common shares of the Company within five days of approval by the TSX-V;
- Pay $30,000 and issue 150,000 common shares of the Company on or before the first anniversary of approval by the TSX-V; and
- Pay $30,000 on or before the second anniversary of approval by the TSX-V.

As of April 29, 2019, approval had not been received from the TSX-V.