NEW DIMENSION RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three and six months ended
NOVEMBER 30, 2019

UNAUDITED

(Expressed in Canadian Dollars)

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars
Unaudited

As at

	Note	November 30, 2019 $	May 31, 2019 $
ASSETS			
Current			
Cash		**9,537**	73,773
Receivables	3	**48,357**	25,433
Prepaid expenses		**16,087**	13,516
		73,981	112,722
Non-current			
Exploration and evaluation assets	6	**5,636,412**	5,591,894
			5,591,894
TOTAL ASSETS		**5,710,393**	5,704,616
LIABILITIES			
Current			
Accounts payable, accrued liabilities & other liabilities	4	**1,009,113**	455,102
Contractual obligation payable	7	**536,533**	791,504
		1,545,646	1,246,606
Non-current			
Contractual obligation payable	7	**1,166,746**	1,125,702
		1,166,746	1,125,702
SHAREHOLDERS' EQUITY			
Share capital	8	**14,454,766**	14,224,766
Reserves – warrants	8	**336,180**	336,180
Reserves – options	8	**1,477,569**	1,413,451
Reserves – foreign currency translation		**(607,922)**	(476,981)
Accumulated deficit		**(12,662,592)**	(12,165,108)
		2,998,001	3,332,308
TOTAL LIABILITIES AND EQUITY		**5,710,393**	5,704,616

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APPROVED ON BEHALF OF THE BOARD ON January 29, 2020:

Eric Roth — Director

Glen Parsons — Director

- See accompanying notes to the condensed interim consolidated financial statements -

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars
Unaudited

For the period ended

	Note	Three months Ended November 30, 2019 $	Three months Ended November 30, 2018 $	Six months Ended November 30, 2019 $	Six months Ended November 30, 2018 $
General and administrative expenses					
Management and administrative fees		**92,190**	172,477	**172,488**	321,301
Share-based payments	8	**30,577**	166,805	**64,118**	492,749
Salaries and benefits		**53,472**	78,644	**125,333**	156,360
Office and general		**17,857**	24,788	**36,990**	102,179
Professional fees		**26,166**	25,987	**47,262**	59,676
Property investigation costs		**310**	-	**310**	-
Shareholder information and meetings		**17,581**	50,205	**22,814**	61,993
Regulatory and transfer agent fees		**4,826**	11,349	**11,651**	12,793
		(242,979)	(530,255)	**(480,966)**	(1,207,051)
Foreign exchange gain/(loss)		**1,985**	(731)	**2,551**	30,095
Interest and other income -net		**-**	10,122	**874**	15,571
Interest and other expense	3 & 4	**(20,236)**	-	**(21,907)**	-
Contractual obligation payable interest	7	**(8,037)**	(9,599)	**(16,073)**	(19,198)
Gain on sale of equipment	3	**18,037**	-	**18,037**	-
Loss for the period		**(251,230)**	(530,463)	**(497,484)**	(1,180,583)
Other comprehensive gain/(loss)					
Net monetary gain	2	**292,701**	-	**480,650**	-
Foreign currency translation		**(99,356)**	(374,372)	**(611,591)**	(1,461,684)
Comprehensive loss for the period		**(57,885)**	(904,835)	**(628,425)**	(2,642,267)
Loss per share – basic and diluted	$	**(0.0)**	(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding – basic and diluted		**65,459,547**	48,499,732	**63,807,712**	48,499,732

- See accompanying notes to the condensed interim consolidated financial statements -

New Dimension Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian Dollars
Unaudited

For the six months ended

	Note	**November 30, 2019** **$**	November 30, 2018 $
Cash provided by (used in):			
Operating activities			
Loss for the period		**(497,484)**	(1,180,583)
Items not affecting cash:			
Share-based payments	8	**64,118**	492,749
Interest and other			
Contractual obligation payable interest	7	**16,073**	19,198
Write off of IVA receivable		**15,337**	-
Foreign exchange		**(2,551)**	(30,095)
Gain on sale of equipment	3	**(18,037)**	-
Interest on loan	4	**6,247**	-
Changes in non-cash working capital	11	**195,302**	(670,626)
		(220,995)	(1,369,357)
Financing activities			
Loans	4	**255,000**	-
Financing costs		**-**	(65,580)
		255,000	(65,580)
Investing activities			
Exploration and evaluation costs		**(85,627)**	(1,567,411)
Acquisition of subsidiaries		**-**	(311,674)
		(85,627)	(1,879,085)
Change in cash		**(51,622)**	(3,352,690)
Effect of fluctuations in exchange rates on cash		**(12,614)**	(38,668)
Cash – beginning of the period		**73,773**	3,637,549
Cash – end of the period		**9,537**	**284,859**

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– See accompanying notes to the condensed interim consolidated financial statements –

New Dimension Resources Ltd.

Condensed Interim Consolidated Statement of Shareholders' Equity

Expressed in Canadian Dollars
Unaudited

For the six months ended

	Share capital (Number of Shares) (i)	Share capital (Amount)	Reserves – Warrants	Reserves – Options	Reserves- Foreign Currency Translation	Accumulated Deficit	Total
		$	$	$	$	$	$
May 31, 2018	**48,499,732**	**13,508,352**	**322,680**	**763,297**	**1,722**	**(9,700,482)**	**4,895,569**
Share-based payments	-	-	-	492,749	-		492,749
Loss for the period	-	-	-	-	-	(1,180,583)	(1,180,583)
Shares issued – net of costs	-	-	-	-	-	-	-
Shares issued for exploration and evaluation interests	-	-	-	-	-	-	-
Net monetary gain	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	(1,461,684)	-	(1,461,684)
November 30, 2018	**48,499,732**	**13,508,352**	**322,680**	**1,256,046**	**(1,459,962)**	**(10,881,065)**	**2,746,051**
Share-based payments	-	-	-	157,405	-	-	157,405
Loss for the period	-	-	-	-	-	(1,284,043)	(1,284,043)
Shares issued – net of costs	13,374,100	701,414	13,500	-	-	-	714,914
Shares issued for exploration and evaluation interests	300,000	15,000	-	-	-	-	15,000
Net monetary gain	-	-	-	-	289,615	-	289,615
Foreign currency translation	-	-	-	-	693,366	-	693,366
May 31, 2019	**62,173,832**	**14,224,766**	**336,180**	**1,413,451**	**(476,981)**	**(12,165,108)**	**3,332,308**
Share-based payments	-	-	-	64,118	-	-	64,118
Shares issued	4,600,000	230,000	-	-	-	-	230,000
Loss for the period	-	-	-	-	-	(497,484)	(497,484)
Net monetary gain	-	-	-	-	480,650	-	480,650
Foreign currency translation	-	-	-	-	(611,591)	-	(611,591)
November 30, 2019	**66,773,832**	**14,454,766**	**336,180**	**1,477,569**	**(607,922)**	**(12,662,592)**	**2,998,001**

(i) refer to Note 1 for detail on share consolidation undertaken during the year ended May 31, 2018

–See accompanying notes to the condensed interim consolidated financial statements –

1. Nature of Operations and Going Concern

New Dimension Resources Ltd. (the "Company" or "NDR") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate office is at Suite 1020, 625 Howe St, Vancouver V6C 1H2 with the registered address and records office being located at 8681 Clay Street, Mission, British Columbia.

The Company engages primarily in the acquisition, exploration and evaluation of mineral properties in Canada and Argentina.

During the year ended May 31, 2018, the Company consolidated its share capital on the basis of 2.5 to 1. All share, per share, stock option, share purchase warrant and other share information has been retroactively presented on a post-consolidated basis.

These unaudited condensed interim consolidated financial statements for the three and six months ended November 30, 2019 (the "interim financial statements") have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred a deficit of $12,662,592 at November 30, 2019 and has no current source of revenue. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of Presentation

These interim financial statements have been prepared in accordance with *IAS 34 - Interim Financial Reporting*.

The interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial reporting Standards ("IFRS") and should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2019 (the "Annual Financial Statements"), which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies used in these interim financial statements are consistent with those disclosed in the Annual Financial Statements for the year ended May 31, 2019.

Approval

These interim financial statements of the Company were approved and authorized for issue by the Board of Directors on January 29, 2019.

Hyperinflationary reporting

During the year ended May 31, 2019 and to the period ending November 30, 2019, Argentina was officially considered a hyperinflationary economy, and as a result *IAS 29 – Financial Reporting in Hyperinflationary Economies* ("IAS 29") was applied with effect from June 1, 2018 to NDR's subsidiaries Minera Mariana Argentina SA and Sierra Blanca SA, as the standard requires that the financial statements of a subsidiary entity that has the functional currency of a hyper-inflationary economy be restated in accordance with IAS 29 before being included in the consolidated financial statements.

Accordingly, adjustments and reclassifications for the purposes of presentation of IFRS financial statements include restatement, in accordance with changes in general purchasing power of the functional currency (Argentinean pesos), and as a result, are stated in terms of the measuring unit at the end of the reporting period. The measuring unit used is the Wholesale Price Index as published the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

Expressed in Canadian dollars

2. Basis of Presentation- continued

The Wholesale Price Index for each relevant month as published by the FACPCE is detailed below:

Month	Wholesale Price Index	Wholesale price index at reporting period end
Jun-2018	144.81	273.22
Jul-2018	149.30	273.22
Aug-2018	155.10	273.22
Sep-2018	165.24	273.22
Oct-2018	174.15	273.22
Nov-2018	179.64	273.22
Dec-2018	184.26	273.22
Jan-2019	189.61	273.22
Feb-2019	196.75	273.22
Mar-2019	205.96	273.22
Apr-2019	213.05	273.22
May-2019	219.57	273.22
Jun-2019	225.54	273.22
Jul-2019	230.49	273.22
Aug-2019	239.61	273.22
Sep-2019	253.71	273.22
Oct-2019	262.07	273.22
Nov-2019	273.22	273.22

Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current as at November 30, 2019. Non-monetary assets and liabilities (items which are not already expressed in terms of the monetary unit as at November 30, 2019) are restated by applying the relevant index.

The application of IAS 29 results in an adjustment for the loss of purchasing power of the Argentinean peso. The resulting net monetary loss/gain is derived as the difference resulting from restatement of non-monetary assets and liabilities, equity and items in the Condensed Interim Consolidated Statement of Comprehensive Loss. The net monetary gain of $480,650; resulting from a net monetary gain of $457,402 in relation to the restatement of non-monetary assets and liabilities, and a net monetary gain of $23,248 relating to the restatement of income and expenditure items for the six months ending November 30, 2019, has been recorded in Other Comprehensive Income for the six months ending November 30, 2019.

Under IAS 29, if a group with a subsidiary which has a functional currency is hyper-inflationary, there is no requirement to restate previously issued reports, the inflation adjustment is treated as a non-adjusting post-balance sheet event in relation to prior reporting periods, and as a result comparative balances have not been restated for the effect of inflation.

Balances included in the Condensed Interim Consolidated Statement of Cash Flows have been adjusted to reflect the application of IAS 29, and as a result the balances presented in the cash flow will differ from the actual cash flows at the time of the transaction. The requisite Wholesale Price Index has been applied to relevant movements in the period and the resulting impact is reflected in the foreign exchange movement in the Condensed Interim Consolidated Statement of Cash Flows.

2. Basis of Presentation- continued

Principles of Consolidation
The financial statements include the accounts of the Company and its 100% controlled entities as follows:

Entity	Country of Incorporation	Functional Currency
Minera Mariana Argentina S. A.	Argentina	Argentinean Peso
Sierra Blanca S.A.	Argentina	Argentinean Peso
NDR Guernsey Limited	Guernsey	Canadian dollar
NDR Holdings Limited	Guernsey	Canadian dollar
New Dimension Guernsey Limited	Guernsey	Canadian dollar
Mariana International Limited	Guernsey	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	Canadian dollar

Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share-based payments, the valuation of other income on deferred premiums, the valuation of the contractual obligation payable, the valuation of amounts receivable from governments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(ii) Valuation of share-based payments

The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company’s earnings and equity reserves.

(iii)Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax 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.

Expressed in Canadian dollars

2. Basis of Presentation- continued

(iv)Non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

(v) Functional currency

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its Argentinean subsidiaries is the Argentinean peso and that the functional currency of its other entities, including the parent is the Canadian dollar.

(vi) Contractual obligation payable

The Company has a contractual obligation to pay up to $400,000 per year for a period of up to 15 years to acquire certain assets in Argentina. The Company has assessed the contractual obligation payable for the acquisition of the Argentinean assets as being more likely than not to not continue past 5 years from initial recognition.

(vii) Hyperinflation reporting

The application of IAS 29 during the period has required the Company to use judgment in the assessment and classification of items as monetary and non-monetary, and the selection and application of the inflation index used to calculate the net monetary impact in the period with regard to its Argentinean subsidiaries.

3. **Receivables**

	November 30, 2019	**May 31, 2019**
	$	**$**
HST/GST receivable	18,350	13,764
Other receivables (i)	30,007	11,669
	48,357	**25,433**

(i) During the period, the Company disposed of one of its trucks for net proceeds of $18,037. The Company has recognized a receivable of $19,935 (inclusive of VAT) for the proceeds of sale, which are to be received in two tranches. The first tranche totaling $8,558 was received in December 2019, with the balance due in January 2019.

During the period the Company wrote off IVA receivable of $15,337. The Company recognises IVA when it is refunded by the Argentinean tax authority.

4. Accounts payable, accrued liabilities and other liabilities

	November 30, 2019	May 31, 2019
	$	$
Accounts payable	241,640	147,264
Accrued liabilities	506,226	307,838
Other liabilities (i) & (ii) & (iii)	261,247	-
	1,009,113	**455,102**

(i) On August 8, 2019, the Company entered into a loan agreement with Sandstorm Gold Limited ("SSL") for a principal amount of $200,000 with interest payable at 10% per annum, compounding quarterly. The loan and any interest outstanding was due and payable on November 8, 2019, however the Company extended the terms of repayment to February 8, 2020 to be further renegotiated by mutual agreement as deemed necessary. The Company has accrued $6,247 in interest for the period ending November 30, 2019.

(ii) In July 2019, the Company received an unsecured, interest-free loan, with no pre-set repayment terms of $30,000 from director E Roth and a further $5,000 on the same terms in October 2019.

(iii) In September 2019, the Company received an unsecured, interest-free loan, with no pre-set repayment terms of $20,000 from director, M. Little

5. Financial Instruments

Categories of financial instruments

	November 30, 2019	**May 31, 2019**
	$	**$**
Financial assets		
FVTPL		
Cash	9,537	73,773
	9,537	**73,773**
Financial liabilities		
Amortized cost		
Accounts payable, accrued liabilities & other liabilities	1,009,113	455,102
Contractual obligation payable	1,703,279	1,917,206
	2,712,392	**2,372,308**

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy 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.

The Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	November 30, 2019	May 31, 2019
	$	$
Level 1		
Cash	9,537	73,773
Level 2		-
Contractual obligation payable	1,703,279	1,917,206
Other liabilities	261,247	-
Level 3	-	-

The carrying value of receivables, accounts payable, accrued liabilities, other liabilities and contractual obligation payable approximate their fair value.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Currency Risk
The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are predominantly denominated in US dollars and Argentinean Pesos. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

Expressed in Canadian dollars

5. Financial Instruments (continued)

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

November 30, 2019,	**Cash**	**Receivables**	**Accounts payable, accrued liabilities & other liabilities**
	$	**$**	**$**
US dollars	806	-	96,668
Argentinean peso	2,600	19,942	254,617
Australian dollars		-	50,573

May 31, 2019	**Cash**	**Receivables**	**Accounts payable, accrued liabilities & other liabilities**
	$	**$**	**$**
US dollars	19,805	-	99,491
Argentinean peso	45,098	-	142,641
Australian dollars	-	-	21,120

At November 30**,** 2019 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase pre-tax loss by $37,851 (2018: $67,858).

b) Interest rate and credit risk
The Company has a positive cash balance. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at November 30, 2019, and 2018 the Company did not hold any short-term investments or cash equivalents.
Receivables consist of goods and services tax due from the government of Canada. Management believes that the credit risk concentration with respect to receivables is limited.

In August 2019, the Company took out an interest-bearing short-term loan with SSL. Refer Note 4.

c) Liquidity risk
As at November 30, 2019, the Company had cash of $9,537 (May 31, 2019 - $73,773) to settle current liabilities of $1,545,646 (May 31, 2019 - $1,246,606). Included in current liabilities is a balance of $415,021 owing to related parties and a balance of $536,533 for the contractual obligation payable to SSl..

In order to meet its current and ongoing general and administrative costs the Company will seek additional equity funding or secure alternative financing options. The Company cannot guarantee it will be successful in raising additional funding or secure financing options.

d) Commodity Price risk
The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Expressed in Canadian dollars

6. Exploration and Evaluation Assets

	Las Calandrias Santa Cruz, Argentina	Los Cisnes, Santa Cruz, Argentina	Sierra Blanca, Santa Cruz, Argentina	Savant Lake, Ontario, Canada	Total
	$	$	$	$	$
Balance, May 31, 2018	**1,723,786**	**290,793**	**281,041**	**1,156,533**	**3,452,153**
Acquisition and tenure	-	-	-	3,375	**3,375**
Camp, travel, administration and other costs	166,554	42,188	6,061	33,545	**248,348**
Geologists and data collection	244,404	58,426	1,422	10,838	**315,090**
Drilling and assay costs	609,627	282,273	-	28,061	**919,961**
Foreign exchange movement	(694,950)	(147,025)	(90,837)	-	**(932,812)**
Balance November 30, 2018	**2,049,421**	**526,655**	**197,687**	**1,232,352**	**4,006,115**
Acquisition and tenure	-	-	-	45,000	**45,000**
Camp, travel, administration and other costs	141,756	40,712	27,926	55,624	**266,018**
Geologists and data collection	197,548	176,192	4,744	14,738	**393,222**
Drilling and assay costs	(44,962)	10,884	42,086	12,098	**20,106**
Reversal of foreign exchange movement	661,278	147,460	75,302	-	**884,040**
Balance May 31, 2019	**3,065,267**	**880,419**	**358,840**	**1,287,368**	**5,591,894**
Camp, travel, administration and other costs	51,543	7,491	6,288	11,010	**76,332**
Geologists and data collection	115,453	4,687	6,203	-	**126,343**
Drilling and assay costs	-	-	402	-	**402**
IAS 29 adjustment - historic	299,399	132,563	8,068	-	**440,030**
Foreign exchange movement	(406,483)	(180,382)	(11,724)	-	**(598,589)**
Balance November 30, 2019	**3,125,179**	**844,778**	**368,077**	**1,298,378**	**5,636,412**

Included in the exploration and evaluation additions in Argentina for the six months ending November 30, 2019 is an IAS 29 adjustment of $17,372 and an IAS 29 adjustment of $440,030 recognised on historic balances. A total of $457,402 has been included as a net monetary gain in Other Comprehensive Income/(Loss) in the Condensed Interim Consolidated Statement of Income or Loss as at November 30, 2019. Refer to Note 2 for further details.

Las Calandrias Santa Cruz, Argentina
The Company has a 100% interest in the Las Calandrias gold-silver property, subject to a 2% Net Smelter Royalty ("NSR") payable to SSL and a 0.25% NSR payable to certain employees. Both NSR's would be payable in the event of future commercial production of gold and/or silver being achieved.

Los Cisnes, Santa Cruz, Argentina
The Company has a 100% interest in the Los Cisnes gold-silver property, subject to a 2% NSR payable to SSL in the event of future commercial production of gold and/or silver being achieved

Sierra Blanca, Santa Cruz, Argentina
The Company has a 100% interest in the Sierra Blanca gold-silver property subject to a 2% NSR payable to SSL and a 1.5% NSR payable to IAMGOLD Corporation. Both NSR's would be payable in the event of future commercial production of gold and/or silver being achieved.

Expressed in Canadian dollars

6. Exploration and Evaluation Assets (continued)

Savant Lake Property, Ontario, Canada
Effective April 1, 2016, the Company entered into an agreement to earn a 100% interest in the Savant Lake Property, in Ontario.

On March 29, 2019 the Company completed the third anniversary cash payment of $30,000 and issued the balance of NDR shares owing under the terms of the agreement in order to continue to earn into its 100% interest in the Savant Lake property. The Company has met all of its share commitments and has one final cash payment of $30,000 which will be due on, or before, April 1, 2020 in order to complete the earn-in.

The property is subject to a 2% NSR, of which 1% can be purchased for $1,000,000.

Domain Project, Manitoba, Canada
The Domain Project consists of a three mineral claims in northern Manitoba. The Company currently holds a 29.56% interest in the property, with the remaining interest held by Yamana Gold Inc. Capitalized costs related to the property were written off during the year ended May 31, 2013.

7. Contractual Obligation Payable

The Company has a contractual obligation payable of $1,703,279 in relation to its acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca gold-silver projects in Santa Cruz province, Argentina.

	November 30, 2019	May 31, 2019
	$	$
Current	536,533	791,504
Non-current	1,166,746	1,125,702
	1,703,279	**1,917,206**

The contractual obligation requires the Company to make annual payments of up to $400,000 per year in either cash or shares until the earlier of:

- December 31, 2032,
- commencement of commercial production,
- expropriation of the properties or
- the Company returns a project in accordance with the terms of the acquisition agreement

Annul payments are due on the anniversary date of the acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca projects, being May 14, 2018. Management has assessed that the contractual obligation period will not extend beyond five years. Management considered the above terms of the agreement and the expected timeline for completion regarding each potential end to the obligation payments in making this judgment. The Company has therefore recognized the net present value of its obligation over five years, using an average discount rate of 2.05%.

The Company was required to deliver to SSL the first annual payment in relation to the contractual obligation of $400,000 in shares. As agreed with SSL this payment was agreed to be made in 8,000,000 shares at $0.05. On September 26, 2019 the Company issued 4,600,000 shares as partial payment of the first annual payment, with the balance continuing to be deferred as the issuance of these shares will cause SSL to hold, directly or indirectly, more than 19.9% of the outstanding shares of the Company. The issuance of these shares will be deferred until five Business Days after SSL delivers written notice to the Company that the issuance of such deferred shares will no longer cause SSL to exceed this threshold.

For the six months ended November 30, 2019 the Company recorded interest expense of $16,073. (2018: $19,198) and $8,073 (2018: $9,599) for the three months ending November 30,2019 in relation to the contractual obligation payable.

The Company and SSL are currently in discussions to revise the contractual obligation payable agreement.

Expressed in Canadian dollars

8. Share Capital and Reserves

(i) Authorized share capital
Unlimited common shares without par value.

Share issuances

a) During the year ended May 31, 2018, the Company issued 40,000 common shares with respect to the Company's property option agreement on the Savant Lake property. The shares issued were valued at $4,400.
b) During the year ended May 31, 2018, the Company issued 4,972,521 common shares valued at $0.11 per share with respect to the Company's acquisition of its Argentinean properties.
c) During the year ended May 31, 2018, in conjunction with the acquisition of its Argentinean properties the Company completed a $3,825,000 private placement consisted of 34,772,727 shares at a price of $0.11 per share. Finders fees and costs of $239,183 were paid in connection with the placement.
d) During the year ended May 31, 2018, 12,000 shares were issued on the exercise of warrants at a price of $0.50 per share.
e) On March 8, 2019, the Company announced the closing of a private placement of 13,374,100 units at $0.055. Gross proceeds of $735,575 were received. The units are comprised of one common share and one half of one share purchase warrant. Each warrant is exercisable at $0.125 per share for an 18-month period and $0.25 for an additional 18 months. In connection with the placement the Company paid an aggregate fee of $20,641 and issued 375,300 finders warrants under the same terms and conditions of the unit warrants, to certain persons who introduced subscribers to the Company; and other charges of $20. The finders' warrants were valued at $13,500 and were recognized as share issuance cost during the year ended May 31, 2019. All securities issued under the placement were subject to a four month hold period trade restriction expiring on July 9, 2019.
f) On March 29, 2019 the Company issued 300,000 of NDR shares owing with respect to the Company's Savant Lake project in Ontario, Canada. The shares were valued at $15,000.
g) On September 26, 2019 the Company issued 4,600,000 shares to SSL to partially fulfil the first-year annual obligation payment which was due on the anniversary date of acquisition under the original agreement with SSL. Refer to Note 7 for further details.

(ii) Stock options

Under the terms of the Company's stock option plan, the maximum number of shares in respect of which options may be outstanding is equivalent to 10% of the issued and outstanding shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or if the optionee is a consultant.

The vesting periods of options outstanding range from immediately to one year and maximum terms of options are set at 5 years from the grant date.

a) Movements in stock options during the period:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2018	524,000	$0.30
Granted	3,350,000	$0.25
Balance, November 30, 2018	**3,874,000**	**$0.27**
Balance, May 31, 2019	**4,084,000**	**$0.25**
Balance, November 30, 2019	**4,084,000**	**$0.25**

Expressed in Canadian dollars

8. **Share Capital and Reserves (continued)**

b) Fair value of options granted

During the six months ended November 30, 2019 a total value of $64,118 (2018: $492,749) and for the three months ended November 30, 2019 $30,577 (2018: $166,805) has been recorded to reserves – options and to share based payments expense. The portion of share-based payments recorded is based on the vesting schedule of the options.

On October 18, 2018 the Company granted an aggregate of 250,000 incentive stock options to one director and one officer of the Company. The fair value of these options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.75%
Expected dividend yield	nil
Expected stock price volatility	216.58%
Expected life	5
Expected forfeiture rate	nil

On June 4, 2018, the Company granted 3,350,000 stock options to directors, officers, employees and consultants at a price of $0.25 per share for a period of 5 years. The fair value of the options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.75%
Expected dividend yield	nil
Expected stock price volatility	217.79%
Expected life	5
Expected forfeiture rate	nil

c) Stock options outstanding

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry date
282,600	282,600	$ 0.25	0.45	May 11, 2020
141,400	141,400	$ 0.38	1.47	May 19, 2021
60,000	60,000	$ 0.34	2.32	March 27, 2022
3,350,000	2,512,500	$ 0.25	3.51	June 4, 2023
250,000	187,500	$ 0.15	3.88	October 18, 2023
4,084,000	3,184,000			

The weighted average exercise price of the options exercisable at November 30, 2019 is $0.25.

(iii) Share purchase warrants

a) Movements in warrants during the period:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, May 31, 2018	**1,287,260**	**$0.50**
Balance, November 30, 2018	**1,287,260**	**$0.50**
Expired	(1,287,260)	$0.50
Issued	7,062,350	$0.125
Balance, May 31, 2019	**7,062,350**	**$0.125**
Balance, November 30, 2019	**7,062,350**	**$0.125**

Expressed in Canadian dollars

8. **Share Capital and Reserves (continued)**

b) Fair value of finders' warrants issued

On March 8, 2019 the Company issued 375,300 finders' warrants. The fair value of these finders' warrants granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

Risk-free interest rate	1.77%
Expected dividend yield	nil
Expected stock price volatility	244.45%
Expected life	1.5
Expected forfeiture rate	nil

c) Warrants outstanding

The Company issued 7,062,350 warrants (including 375,300 finders' warrants) as part of the private placement completed in March 2019. Each warrant enables the holder to acquire one additional common share at $0.125 during the first 18 months and $0.25 thereafter until expiry March 8, 2022. The warrants will be further subject to accelerated expiry terms. Namely, the Company has the right to accelerate expiry of the warrants if the closing price of Company's shares equals or exceeds $0.25 per common share for 10 consecutive trading days during the first 18 months, or $0.50 per common share thereafter.

9. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

	Six months ended November 30, 2019 $	Six months ended November 30, 2018 $
Rent	-	4,800
Consulting	108,150	224,044
Share-based payments	52,532	414,620

b) Related party balances

	November 30, 2019 $	May 31, 2019 $
ER Global – Eric Roth - Chief Executive Officer	178,333	92,648
Genco Professional Services Sharon Cooper – Chief Financial Officer (includes expense reimbursement)	50,573	21,120
Scott Heffernan	26,667	26,603
Mary Little	36,667	16,627
Glen Parsons	26,667	26,603
John Wenger	26,667	26,603
Charles Russell	27,083	27,083
Cameron McLean	32,914	3,901
Marketworks Inc Kathryn Witter -Corporate Secretary	9,450	3,177

Expressed in Canadian dollars

9. Related Party Transactions (continued)

c) Compensation of key management personnel (which includes management and directors)

The remuneration for the services of key management personnel was as follows:

		Six months ended November 30, 2019 $	Six months ended November 30, 2018 $
Salary/Exploration/Consulting	(i)	183,150	233,175
Share based payments		26,733	215,541

(i) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended November 30, 2019 and 2018.

10. Segmented Information

The Company's business consists of one reportable segment – the acquisition, exploration and evaluation of mineral properties. Details on a geographic basis are as follows:

	November 30, 2019 $	May 31, 2019 $
Total Non-current long-lived assets		
Canada	1,298,378	1,287,368
South America	4,338,034	4,304,526
	5,636,412	**5,591,894**

11. Supplemental Cash Flow Information

	Six months ended November 30, 2019 $	Six months ended November 30, 2018 $
Changes in non-cash working capital		
Movement in receivables	22,924	(239,148)
Movement in prepaid expenses	2,571	(16,784)
Movement in accounts payable and accrued liabilities	169,807	(414,694)
	195,302	(670,626)

	Six months ended November 30, 2019 $	**Six months ended November 30, 2018 $**
Schedule of non-cash investing and financing transactions:		
Exploration and evaluation expenditures included in accounts payable	203,468	118,811
Contractual obligation interest payable	16,073	19,198
Loan payable interest	6,247	-
Supplementary disclosure of cash flow information:		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

12. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components 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, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There have been no changes to the management of capital during the fiscal year. There are no external requirements imposed on the Company regarding its capital management.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company will require additional financings to carry out its exploration and evaluation plans and operations through its current operating period.

13. Subsequent events

On December 2, 2019 the Company announced the resignations of both Mr. Scott Heffernan and Mr. John Wenger from its Board of Directors, as a direct result of work commitments with their ever-demanding full-time positions at Equinox Gold and Contact Gold, respectively