MARITIME RESOURCES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and nine month periods ended September 30, 2019 and 2018

(Expressed in Canadian dollars)

(Unaudited)

NOTICE TO READER OF NO AUDITOR REVIEW OF 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 interim financial statements of Maritime Resources Corp. (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 interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MARITIME RESOURCES

STATEMENTS OF FINANCIAL POSITION

As at (Unaudited – Prepared by management, in Canadian dollars)	Note	September 30 2019 $	December 31 2018 $
ASSETS			
Current			
Cash and cash equivalents	4	**3,444,060**	2,359,066
Receivables	5	**359,840**	40,953
Prepaid expenses and deposits	6	**123,445**	46,159
		3,927,345	2,446,178
Property and equipment	7	**58,633**	-
Exploration and evaluation assets	8	**10,727,885**	7,740,844
Total Assets		**14,713,863**	10,187,022
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	9,13	**794,544**	121,441
Lease liability	10	**20,519**	-
Flow-through premium liability	12	**176,020**	128,738
Total Liabilities		**991,083**	250,179
Shareholders' equity			
Share capital	12	**20,547,454**	15,063,535
Reserves	12	**2,311,955**	2,278,901
Royalty reserve	12	**210,700**	210,700
Deficit		**(9,347,329)**	(7,616,293)
Total Shareholders' Equity		**13,722,780**	9,936,843
Total Liabilities and Shareholders' Equity		**14,713,863**	10,187,022

Nature of operations and going concern (Note 1).

Approved and authorized on behalf of the Board of Directors:

"John P. Hayes"	*"Mark N.J. Ashcroft"*
Chairman	Director

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

MARITIME RESOURCES

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited – Prepared by management, in Canadian dollars)	Note	**Three Month Period Ended September 30 2019 $**	Three Month Period Ended September 30 2018 $	**Nine Month Period Ended September 30 2019 $**	Nine Month Period Ended September 30 2018 $
EXPENSES					
Salaries and benefits	13	**140,728**	-	**372,362**	-
Severance	13	**108,000**	-	**992,497**	-
Administration	13	**42,426**	67,983	**194,809**	231,356
Consulting	13	**-**	141,657	**28,000**	338,588
Professional fees		**13,425**	8,448	**60,849**	46,742
Professional fees - hostile takeover		**-**	49,593	**-**	564,928
Directors' fees	13	**19,981**	4,500	**57,574**	13,500
Investor relations and promotion		**106,012**	255,626	**151,282**	694,071
Share based payment		**6,523**	-	**327,011**	-
Depreciation	7	**3,814**	-	**46,502**	-
Interest expense on lease liability	10	**(750)**	-	**2,834**	-
Financing expense, accretion and interest on loans payable	11	**-**	-	**-**	66,675
		(440,159)	(527,807)	**(2,233,720)**	(1,955,860)
Interest income		**25,641**	-	**54,090**	-
Recognition of flow-through premium liability	12	**211,006**	8,652	**355,551**	87,639
		236,647	8,652	**409,641**	87,639
Loss and comprehensive loss for the period		**(203,512)**	(519,155)	**(1,824,079)**	(1,868,221)
Basic and diluted loss per common share		**0.00**	(0.01)	**(0.01)**	(0.02)
Weighted average number of common shares outstanding		**189,121,121**	86,967,386	**167,727,785**	87,749,569

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

MARITIME RESOURCES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – Prepared by management, in Canadian dollars)	Shares \#	Share capital $	Share subscriptions receivable $	Share subscriptions received in advance $	Treasury shares $	Reserves $	Royalty reserve $	Deficit $	Total $
Balance, December 31, 2017	**73,103,629**	**10,202,819**	**(100,000)**	**96,920**	**(245,000)**	**1,222,944**	**210,700**	**(5,107,389)**	**6,280,994**
Issued for private placements (Note 12)	23,931,007	2,514,754	(16,000)	(96,920)	-	-	-	-	2,401,834
Share issuance costs (Note 12)	-	(121,872)	-	-	-	-	-	-	(121,872)
Finders' shares (Note 12)	488,480	43,962	-	-	-	-	-	-	43,962
Finders' warrants (Note 12)	-	(49,631)	-	-	-	49,631	-	-	-
Flow-through premium liability (Note 12)	-	(26,972)	-	-	-	-	-	-	(26,972)
Issued for mineral properties (Note 7,12)	650,000	61,500	-	-	-	-	-	-	61,500
Sale of treasury shares	1,500,000	-	-	-	245,000	-	-	(125,000)	120,000
Return to treasury	(1,000,000)	(100,000)	100,000	-	-	-	-	-	-
Warrant expiry (Note 12)	-	105,387	-	-	-	(105,387)	-	-	-
Reserves transferred on expired options (Note 12)	-	-	-	-	-	(72,306)	-	72,306	-
Loss for the period	-	-	-	-	-	-	-	(1,868,221)	(1,868,221)
Balance, September 30, 2018	**98,673,116**	**12,629,949**	**(16,000)**	**-**	**-**	**1,094,882**	**210,700**	**(7,028,305)**	**6,891,226**
Issued for private placements (Note 12)	30,862,900	2,702,065	16,000	-	-	800,895	-	-	3,518,960
Share issuance costs (Note 12)	-	(197,998)	-	-	-	-	-	-	(197,998)
Finders' shares (Note 12)	2,152,791	193,752	-	-	-	-	-	-	193,752
Finders' warrants (Note 12)	-	(82,710)	-	-	-	82,710	-	-	-
Flow-through premium liability (Note 12)	-	(202,723)	-	-	-	-	-	-	(202,723)
Issued for mineral properties (Note 7,12)	265,000	21,200	-	-	-	-	-	-	21,200
Share-based payments (Note 12)	-	-	-	-		309,664	-	-	309,664
Reserves transferred on expired options (Note 12)	-	-	-			(9,250)		9,250	-
Loss for the period	-	-	-	-	-	-	-	(597,239)	(597,239)
Balance, December 31, 2018	**131,953,807**	**15,063,535**	**-**	**-**	**-**	**2,278,901**	**210,700**	**(7,616,293)**	**9,936,843**
Issued for private placements (Note 12)	56,896,662	6,092,499	-	-	-	-	-	-	6,092,499
Share issuance costs (Note 12)	-	(468,161)	-	-	-	-	-	-	(468,161)
Finders' warrants (Note 12)	-	(126,562)	-	-	-	126,562	-	-	-
Flow-through premium liability (Note 12)	-	(402,833)	-	-	-	-	-	-	(402,833)
Issued for mineral properties (Note 7,12)	700,000	61,500	-	-	-	-	-	-	61,500
Warrant expiry (Note 12)	-	327,476	-	-	-	(327,476)	-	-	-
Share-based payments (Note 12)	-	-	-	-		327,011	-	-	327,011
Reserves transferred on expired options (Note 12)	-	-	-			(93,043)		93,043	-
Loss for the period	-	-	-	-	-	-	-	(1,824,079)	(1,824,079)
Balance, September 30, 2019	**189,550,469**	**20,547,454**	**-**	**-**	**-**	**2,311,955**	**210,700**	**(9,347,329)**	**13,722,780**

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

MARITIME RESOURCES

STATEMENTS OF CASH FLOWS

For the nine month periods ended September 30 (Unaudited – Prepared by management, in Canadian dollars)	2019 $	2018 $
Cash flows from operating activities		
Loss for the period	**(1,824,079)**	(1,868,221)
Items not involving cash:		
Share based payment	**327,011**	-
Depreciation	**46,502**	-
Financing expense and interest accrued on loan	**-**	66,675
Flow-through premium recovery	**(355,551)**	(87,639)
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**(318,887)**	(18,726)
(Increase) decrease in prepaid expenses	**(77,286)**	13,035
Increase (decrease) in accounts payable and accrued liabilities	**673,103**	478,053
Net cash provided by (used in) operating activities	**(1,529,187)**	(1,416,823)
Cash flows from investing activities		
Exploration and evaluation expenditures	**(2,990,791)**	(778,775)
Recoveries and grant	**65,250**	10,053
Property and equipment expenditures	**(30,451)**	-
Net cash provided by (used in) investing activities	**(2,955,992)**	(768,722)
Cash flows from financing activities		
Proceeds from private placements	**6,092,499**	2,514,754
Share subscriptions receivable	**-**	(16,000)
Share issue costs	**(468,161)**	(121,872)
Sale of treasury shares	**-**	120,000
Repayment of lease liability	**(54,165)**	-
Repayment of loan	**-**	(500,000)
Loan interest paid	**-**	(36,712)
Net cash provided by (used in) financing activities	**5,570,173**	1,960,170
Change in cash during the period	**1,084,994**	(225,375)
Cash, beginning of the period	**2,359,066**	387,117
Cash, end of the period	**3,444,060**	161,742
Supplemental disclosure		
Cash paid for interest	**2,834**	36,712
Supplemental disclosure of non-cash financial and investing activities		
Recognition of right of use asset and lease liability	**74,684**	-
Fair value of broker warrants and units	**126,562**	32,312
Expiry of warrants	**327,476**	-
Exploration and evaluation assets included in accounts payable	**765,863**	273,291
Flow-through share premium	**402,833**	18,320
Shares issued for property	**61,500**	61,500

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (the "Company" or "Maritime") was incorporated under the Business Corporations Act (British Columbia) on May 14, 2007. Maritime is an exploration stage company focused on re-starting the past producing Hammerdown Gold Mine located near the Baie Verte mining district in Newfoundland and Labrador, Canada as well as exploration on its other properties in the region.

The Company's registered and records office is 3200 - 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The Company also has an office in Toronto at 1900 - 110 Yonge Street, Toronto, ON, Canada, M5C 1T4. The shares of the Company are traded on the TSX Venture Exchange ("TSX-V") under the symbol MAE.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures.

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due, although it has been successful in raising financing in the past, there is no assurance it will be able to do so in the future. The Company estimates that it has sufficient working capital to continue as a going concern beyond one year.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"), on a basis consistent with accounting policies disclosed in the audited financial statements for the fiscal year ended December 31, 2018, and should be read in conjunction with the most recently issued audited financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Financial Statements for the year ended December 31, 2018 have been consistently applied in the preparation of the Company's interim financial statements, except as noted below under Leases.

The condensed interim financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value and have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified. The condensed interim financial statements are presented in Canadian dollars unless otherwise noted.

These financial statements were authorized for issue by the Board of Directors on November 25, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements were prepared using the same accounting policies and methods as those used in the Company's audited financial statements for the year ended December 31, 2018, except for the adoption of IFRS 16 Leases ("IFRS 16") and the addition of property and equipment resulting from the purchase of vehicles.

Leases

On January 1, 2019, the Company adopted IFRS 16 which replaced IAS 17 – *Leases* and IFRIC 4 – *Determining Whether an Arrangement Contains a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases, leases of low-value assets and certain leases with variable lease payments.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods.

New accounting policy for leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are allocated between the lease liability and interest expense. Interest expense is charged to the statement of loss and comprehensive loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

Impact of adoption of IFRS 16

The Company applied IFRS 16 using the modified retrospective approach which requires the cumulative effect of initial application to be recognized in retained earnings at January 1, 2019. On adoption of IFRS 16, the Company recognized a lease liability for an office lease previously classified as an operating lease under IAS 17. The liability was measured at the present value of the remaining lease payments, discounted using the Company's applicable incremental borrowing rate as of January 1, 2019 of 8% and assumes Maritime will not renew the lease upon termination.

The following table summarizes the difference between operating lease commitments disclosed immediately preceding the date of initial application relating to an office lease, and lease liabilities recognized in the statement of financial position at the date of initial application. On transition, the associated right-of-use asset was measured at $106,720 being the amount equal to the lease liability.

	$
Operating lease commitment as at December 31, 2018	112,500
Discounted using the incremental borrowing rate as of January 1, 2019	(5,780)
	106,720

The Company has elected not to recognize a right of use asset and lease liability for a month to month sub lease that is has for its Toronto office. This lease can be terminated without permission with no significant penalty and does not meet the definition of an enforceable contract under IFRS 16. The lease payments associated with this lease are charged directly to the statement of loss and comprehensive loss.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization and any impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statement of income or loss during the period in which they are incurred.

Property and equipment will be depreciated using the straight-line method over their estimated useful lives.

The assets' residual values, method of depreciation and useful lives, are reviewed annually and modified if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the consolidated statements of income or loss.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

The 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 review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in the financial statements are as follows:

Economic recoverability and profitability of future economic benefits of exploration and evaluation assets – 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 geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

Royalty reserve - Royalty reserve includes proceeds received from royalty units, repayable from future production. As future production is not determinable, the royalty units have been classified as capital in nature.

The most significant accounts that require estimates as the basis for determining the stated amounts include the following:

Valuation of share-based payments, broker compensation and finders' warrants – The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments, agent compensation and finders' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

Income taxes – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax position 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.

4. CASH AND CASH EQUIVALENTS

	September 30, 2019	December 31, 2018
	$	$
Cash	**44,060**	2,359,066
Guaranteed Investment Certificate – Fully redeemable	**3,400,000**	-
	3,444,060	2,359,066

5. RECEIVABLES

	September 30, 2019	December 31, 2018
	$	$
Input sales tax recoverable	**326,268**	40,736
Interest receivable	**33,329**	-
Other receivables	**243**	217
	359,840	40,953

Subsequent to September 30, 2019, the Company received an input sales tax refund of $145,925.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

6. PREPAID EXPENSE AND DEPOSITS

	September 30, 2019	December 31, 2018
	$	$
Prepaid expenses	**21,250**	13,223
Deposits	**102,195**	32,936
	123,445	46,159

7. PROPERTY AND EQUIPMENT

	Right of use asset	**Vehicles**	**Total**
	$	**$**	**$**
Net book value – December 31, 2017 and 2018	**-**	**-**	**-**
Additions	106,720	30,451	**137,171**
Less: Reduction in value due to reduced lease payments	(32,036)	-	**(32,036)**
Depreciation	(44,810)	(1,692)	**(46,502)**
Net book value – September 30, 2019	**29,874**	**28,759**	**58,633**

During the three month period ended September 30, 2019, there was a reduction in the monthly lease payments relating to the Company's ROU asset and related lease liability. As a result, the ROU asset value was reduced by $32,036.

During the three month period ended September 30, 2019, the Company purchased two vehicles for use at its exploration properties.

8. EXPLORATION AND EVALUATION ASSETS

Green Bay

Maritime Resources owns 100% of the Green Bay property, located in Newfoundland and Labrador, Canada, which hosts the past producing Hammerdown gold mine, as well as the Orion deposit and the Lochinvar deposits. The property is subject to a 2% net smelter return ("NSR") royalty on future production from the property with the exception of production from the Orion deposit.

On May 16, 2018, the Company entered into a purchase agreement with Inomin Mines to acquire certain mineral claims that extend the Hammerdown, Green Bay property. Under the terms of the agreement Maritime will earn 100% interest in the Inomin property over a 3-year period by spending $600,000 in exploration, making cash payments totaling $300,000 and issuing 2,000,000 shares of Maritime in accordance with the following schedule:

	Cash	**Common shares**	**Minimum required exploration expenditure**
	$	**#**	**$**
Upon approval	25,000 (paid)	500,000 (issued)	-
September 17, 2019	50,000 (paid)	500,000 (issued)	75,000 (incurred)
September 17, 2020	100,000	500,000	150,000
September 17, 2021	125,000	500,000	375,000
	300,000	**2,000,000**	**600,000**

The project is subject to a 1.0 % NSR of which 100% can be purchased for $500,000. The project also has an underlying NSR of 2.5% of which 1.5% can be purchased for $1,000,000.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

Whisker Valley

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	Cash $	Common shares \#	Minimum required exploration expenditure $
Upon approval	25,000 (paid)	100,000 (issued)	-
March 22, 2018	20,000 (paid)	150,000 (issued)	100,000 (incurred)
March 22, 2019	30,000 (paid)	200,000 (issued)	250,000 (incurred)
March 22, 2020	50,000	250,000	300,000
March 22, 2021	75,000	300,000	500,000
March 22, 2022	100,000	500,000	500,000
	300,000	**1,500,000**	**1,650,000**

The Company is required to make an additional payment to the optionors of $50,000 on each of the first, second and third anniversary upon full exercise of its option having issued all of the payments and shares and incurred all of the expenditures. The property is subject to a 2.5 % NSR, of which 1% can be purchased for $1,000,000 on or before the end of the second anniversary of commencement of commercial production.

On November 16, 2017, the Company further expanded the Whisker Valley project by entering into an agreement to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

	Cash $	Common shares \#
Upon approval	5,000 (paid)	250,000 (issued)
November 23, 2018	10,000 (paid)	250,000 (issued)
November 23, 2019	25,000	250,000
	40,000	**750,000**

Subsequent to September 30, 2019, the Company paid the final option payment of $25,000 and 250,000 common shares to acquire a 100% interest in the El Strato property.

On December 1, 2017, the Company also added to the Whisker Valley project by entering into an agreement to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

	Cash $	Common shares \#	Minimum required exploration expenditure $
Upon approval	2,000 (paid)	10,000 (issued)	5,000 (incurred)
December 27, 2018	3,000 (paid)	15,000 (issued)	25,000 (incurred)
December 27, 2019	10,000	25,000	50,000
December 27, 2020	15,000	50,000	120,000
	30,000	**100,000**	**200,000**

Both the El Strato and Strugglers Pond properties are subject to separate 2% NSR royalties, of which 1% can be purchased for $1,000,000 on or before the end of the second anniversary of commercial production.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

Gull Ridge

In January 2019, the Company staked the new Gull Ridge property claims.

Expenditures incurred on the Company's 100% owned Green Bay, Whisker Valley and Gull Ridge properties, follow:

	Green Bay $	Whisker Valley $	Gull Ridge $	Total $
Balance, December 31, 2017	**6,250,856**	**218,748**	**-**	**6,469,604**
Acquisition costs – cash	25,000	48,000	-	73,000
Acquisition costs – shares	45,000	37,700	-	82,700
Exploration expenses:				
Drilling and assaying	289,772	77,842	-	367,614
Geology and engineering	473,476	146,442	-	619,918
Property	55,991	585	-	56,576
Geophysics	11,208	47,500	-	58,708
Other	13,266	9,611	-	22,877
	913,713	367,680	-	1,281,393
Less: Recoveries and grants	(10,153)	-	-	(10,153)
Net additions	903,560	367,680	-	1,271,240
Balance, December 31, 2018	**7,154,416**	**586,428**	**-**	**7,740,844**
Acquisition costs – cash	50,000	39,320	3,870	93,190
Acquisition costs – shares	42,500	19,000	-	61,500
Exploration expenses:				
Drilling and assaying	718,176	-	-	718,176
Geology	533,870	538,352	31,940	1,104,162
Property	38,854	-	-	38,854
Geophysics	206,968	65,765	25,238	297,971
Pre-feasibility study update	738,438	-	-	738,438
	2,328,806	662,437	61,048	3,052,291
Less: Recoveries and grants	(65,250)	-	-	(65,250)
Net additions	2,263,556	662,437	61,048	2,987,041
Balance, September 30, 2019	**9,417,972**	**1,248,865**	**61,048**	**10,727,885**

During the nine month period ended September 30, 2019, the Company received $65,250 (2018 – $10,153) pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during 2018 and 2017, respectively.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019 **$**	December 31, 2018 $
Accounts payable	**589,480**	83,530
Accrued liabilities	**187,564**	32,500
Due to related parties (Note 13)	**17,500**	5,411
	794,544	121,441

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

10. LEASE LIABILITY

	Lease liability $
Balance – December 31, 2018	**-**
Lease liability recognized as of January 1, 2019	**106,720**
Reduced lease liability due to reduction in lease payments	**(32,036)**
Lease payments during the period	**(57,000)**
Interest expense on lease liability	**2,835**
Balance – September 30, 2019	**20,519**

During the three month period ended September 30, 2019, there was a reduction in monthly lease payments and accordingly the lease liability was reduced by $32,036.

As at September 30, 2019, the Company is required to pay $21,000 in undiscounted lease payments. These payments are due within one year.

During the period ended September 30, 2019, the Company incurred $37,576 for an office lease not included in lease liabilities.

11. LOAN

On April 25, 2017, the Company entered into a loan arrangement ("Bridge Financing Agreement") pursuant to which it received $500,000 and provided for a maturity date of one year (the "Maturity Date"), interest of 8% per annum and was repayable upon earliest of: the maturity date, raising $2,000,000 or more in equity or debt financing, or committing an event of default. In connection with the Bridge Financing Agreement, the lender received a bonus of 333,333 common shares of the Company valued at $46,667, non-transferable warrants valued at $105,387 allowing for the purchase of up to, in the aggregate, 1,666,666 additional common shares of the Company at $0.15 per share, which expired unexercised on April 26, 2018, and cash finders fees of $30,000. The effective interest rate, including bonus shares and warrants was 44%. During the period ended March 31, 2018, the Company recorded accrued interest of $9,315 and accretion expense of $57,360 in the statement of loss and comprehensive loss and the loan balance accreted to $500,000. On March 26, 2018, the loan of $500,000 and related interest of $36,712 was repaid.

12. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

During the nine month period ended September 30, 2019

Private Placements

- Pursuant to a non-brokered private placement on April 24, 2019, the Company raised aggregate gross proceeds of $6,092,500 through the issuance of a combination of units (the "Units") at a price of $0.10 per Unit and flow-through units (the "FT Units") at a price of $0.12 per FT Unit (the "Offering"). The Company issued a total of 56,896,662 Units and FT Units; 36,755,000 Units and 20,141,662 FT Units.

  Each Unit consists of one common share and one-half of one transferable common share purchase warrant

("Warrant"). Each whole Warrant entitles the holder to acquire one common share of the Company at a price of $0.15 per common share for a period of 24 months following the closing date of the Offering (the "NFT Warrants"). Each FT Unit consists of one common flow-through share and one half of one transferable common share purchase warrant ("FT Warrant"). Each whole FT Warrant entitles the holder to acquire one non flow-through common share of the Company at a price of $0.15 per common share for a period of 24 months following the closing date of the Offering (the "FT Warrants").

The flow-through shares were issued at a premium of $402,833. Pursuant to the Company incurring eligible flow-through expenditures during the nine month period ended September 30, 2019, $226,813 was recognized into income.

In connection with this private placement, the Company paid aggregate finders' and advisory fees of $412,909 and 3,863,294 finders' warrants, including $156,532 and 1,563,273 finders' warrants to Dundee Goodman Merchant Partners, a division of Goodman & Company, Investment Counsel Inc. As an advisor, Sprott Capital Partners LP received $156,532 and 1,563,273 finders' warrants, and for certain orders, received finders' fees in the aggregate of $11,995, for services related to its engagement.

Transaction costs relating to the Offering amounted to $594,723, consisting of cash costs of $468,161, which includes an arm's length aggregate finders' and advisory fees totaling $412,909, as well as regulatory and legal fees relating to the offering, and non-cash costs of $126,562 relating to the fair value attributed to 3,863,294 finders' warrants issued as additional compensation. The fair value attributed to the finders' warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 1.63%, expected life of two years, and volatility rate of 80.56%. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per finders' warrant share for a period of 24 months following the closing date of the Offering.

Exploration and evaluation assets (Note 8)

- The Company issued 200,000 common shares valued at $19,000 in connection with the Whisker Valley property.
- The Company issued 500,000 common shares valued at $42,500 in connection with the Inomin property.

During the year ended December 31, 2018

Private Placements

- Pursuant to a private placement on November 7, 2018, the Company issued 25,460,900 non flow-through units ("November 2018 NFT Units") at $0.11 per unit and 5,402,000 flow-through units ("November 2018 FT Units") at $0.13 per unit, for gross proceeds of $3,502,959.

  Each FT Unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant (the "November 2018 FT Warrant"). Each whole November 2018 FT Warrant entitles the holder to purchase one common share of the Company (the "November 2018 FT Warrant Share") at a price of $0.15 per November 2018 FT Warrant Share expiring November 7, 2020. Each November 2018 NFT Unit consisted of one non flow-through common share of the Company and one-half of one common share purchase warrant (the "November 2018 NFT Warrant"). Each whole November 2018 NFT Warrant will entitle the holder thereof to purchase one common share of the Company (the "November 2018 NFT Warrant Share") at a price of $0.15 per November 2018 NFT Warrant Share for expiring November 7, 2020.

  The flow-through shares were issued at a premium of $108,040. During the three month period ended June 30, 2019, the remaining $75,413 of flow-through premium was recognized into income.

In connection with this private placement, the Company issued 2,152,791 finders' units ("November 2018 Finders' Units"), valued at $193,751. Each November 2018 Finders' Unit is comprised of one common share and one-half (1/2) of one non-transferable warrant ("November 2018 Finders' Unit Warrant"). Each whole November 2018 Finders' Unit Warrant is exercisable to purchase one common share of the Company at a price of $0.15 per common share for a period of 24 months expiring November 7, 2020. Also in connection with this private placement, finders' fees of 2,152,791 November 2018 NFT Finders' Warrants were issued. Each November 2018 NFT Finders' Warrant entitles the holder to purchase one common share of the Company at a price of $0.11 per November 2018 NFT Finders' Warrant Share for a period of 24 months expiring November 7, 2020.

The November 2018 Finders' Unit Warrants and the November 2018 NFT Finders' Warrants were valued at $22,344 and $60,365, respectively, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 72.74% and dividend yield of 0% and recorded to share issuance costs.

- Pursuant to a private placement on July 6, 2018, the Company issued 7,600,000 non flow-through units ("July 2018 NFT Units") at $0.10 per unit and 5,166,667 flow-through units ("July 2018 FT Units") at $0.12 per unit, for gross proceeds of $1,380,000, of which $16,000 was receivable at September 30, 2018. Each July 2018 FT Unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 FT Warrant"). Each whole July 2018 FT Warrant entitles the holder to purchase one common share of the Company (the "July 2018 FT Warrant Share") at a price of $0.20 per July 2018 FT Warrant Share expiring January 6, 2020.

  The flow-through shares were issued at a premium of $103,333. The Company recognized the remaining $20,698 into income during the three month period ended March 31, 2019, following the recognition of $82,635 in income during the year ended December 31, 2018 pursuant to the Company incurring eligible flow-through expenditures.

  Each July 2018 NFT Unit consisted of one non flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 NFT Warrant"). Each whole July 2018 NFT Warrant entitles the holder thereof to purchase one common share of the Company (the "July 2018 NFT Warrant Share") at a price of $0.20 per July 2018 NFT Warrant Share for expiring January 6, 2020.

  In connection with this private placement, finders' fees of $30,000 were paid and 480,000 July 2018 NFT Finders' Warrants were issued. Each July 2018 NFT Finders' Warrant entitles the holder to purchase one common share of the Company at a price of $0.20 per share until January 6, 2020. The July 2018 NFT Finders' Warrants were valued at $17,319 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 98.47% and dividend yield of 0% and recorded to share issuance costs.

- On December 15, 2017, the Company announced a non-brokered private placement of up to $2,000,000 through the issuance of a combination of non flow-through units ("December 2017 NFT Units") at $0.10 per Unit and flow-through units ("December 2017 FT Units") at a price of $0.12 per December 2017 FT Unit. Each Unit consists of one common share and one-half of one common share purchase warrant ("December 2017 Warrant"). Each whole December 2017 Warrant entitles the holder to acquire one common share of the Company at a price of $0.20 per common share for 18 months following the closing date of the private placement (the "December 2017 NFT Warrant Share").

  The December 2017 private placement closed in 4 tranches and raised gross proceeds of $608,000 in the first tranche during the year ended December 31, 2017 and $1,134,754 in 3 tranches in each of the January, February and March months of 2018 as follows:

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

Closing Date	**January 11**	**February 15**	**March 21**	**Total**
Gross Proceeds	$326,920	$277,834	$530,000	**$1,134,754**
FT Shares Issued	666,000	250,000	-	**916,000**
NFT Shares Issued	2,470,000	2,478,340	5,300,000	**10,248,340**
Warrants Issued	1,568,000	1,364,170	2,650,000	**5,582,170**
Warrant Exercise Price	$0.20	$0.20	$0.20	
Warrant Expiry Date	July 11, 2019	August 15, 2019	September 21, 2019	
Finders' Fees				
Cash	-	$8,400	$15,000	**$23,400**
NFT Shares Issued	-	488,480	-	**488,480**
Warrants Issued	-	824,886	350,000	**1,174,886**
Exercise Price	-	$0.20	$0.20	
Expiry Date	-	August 15, 2019	September 21, 2019	

The flow-through shares, issued in the January 11 and February 15 tranches, were issued at premiums of $13,320 and $5,000, respectively and were fully recognized into income during the year ended December 31, 2018.

Flow-through premium liability	**$**
Balance – December 31, 2017	**63,982**
Flow-through premium liability additions	229,693
Settlement of flow-through premium to income	(164,937)
Balance – December 31, 2018	**128,738**
Flow-through premium liability additions	402,833
Settlement of flow-through premium to income	(355,551)
Balance – September 30, 2019	**176,020**

Treasury shares

On June 26, 2018, the Company received cash proceeds of $120,000 for the sale of 1,500,000 treasury shares at $0.08 with original cost of $245,000, which resulted in a reversal of $125,000 from treasury shares to deficit.

Exploration and evaluation assets (Note 8)

- The Company issued 150,000 common shares valued at $16,500 in connection with the Whisker Valley property.
- The Company issued 500,000 common shares valued at $45,000 in connection with the Inomin property.
- The Company issued 250,000 common shares, valued at $20,000, in connection with the El Strato property.
- The Company issued 15,000 common shares, valued at $1,200, in connection with the Struggler Pond property.

Royalty units

During fiscal 2016 the Company issued Royalty Units with a price of $0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of $210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project ("Project"). The likelihood of the Project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at $3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

Hostile takeover bid

On April 13, 2018, Anaconda Mining Inc. ("Anaconda") made a formal unsolicited offer to the Company and its shareholders to acquire all of the issued and outstanding shares of the Company. The offer contemplated the exchange of one common share of the Company for consideration of 0.39 of a common share in Anaconda. The Company engaged legal counsel, financial advisors and strategic advisors to evaluate Anaconda's offer and incurred expenditures of $564,928 as of September 30, 2018, relating to this offer. On July 12, 2018, Anaconda withdrew their offer.

Stock options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options, subject to receipt of annual shareholder approval. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX-V, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.

A summary of the Company's stock options as at and during the nine month period ended September 30, 2019 and year ended December 31, 2018 follows:

	September 30, 2019		December 31, 2018	
	Options Outstanding #	**Weighted Average Exercise Price $**	Options Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**12,485,000**	**0.15**	8,205,000	0.17
Granted	**4,850,000**	**0.10**	4,805,000	0.11
Expired/cancelled	**(395,000)**	**0.28**	(525,000)	0.19
Balance, end of period	**16,940,000**	**0.13**	12,485,000	0.15

During the nine month period ended September 30, 2019, the Company granted 4,850,000 stock options to directors, officers, consultants and employees of the Company, of which 4,700,000 have vested and 50,000 will vest every three months, during the next nine months, totaling 150,000. The fair value of the stock options granted as determined by the Black-Scholes pricing model was $332,743 or $0.07 per option. Share based payments recognized during the nine months ended September 30, 2019 of $327,011 (2018 – $nil). 395,000 stock-options expired during the nine month period ended September 30, 2019 resulting in a reversal of $97,571 from reserves to deficit. The total fair value of unvested options that will be recognized in the statement of loss in future periods amounts to $5,732 at September 30, 2019 (December 31, 2018 – $nil).

During the year ended December 31, 2018, the Company granted 4,805,000 stock options to consultants, officers and employees of the Company and vested immediately. The fair value of the stock options granted as determined by the Black-Scholes pricing model was $309,664 or $0.06 per option and was recorded as share based payment in the statement of loss and comprehensive loss. 525,000 stock-options expired during the year ended December 31, 2018 resulting in a reversal of $81,556 from reserves to deficit.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

The Company has estimated the forfeiture rate to be nil%. Expected volatility was determined based on the historical movements in the closing price of the Company's shares for a length of time to the expected life of each option. The weighted-average assumptions used for the Black-Scholes valuation of stock options granted during the nine month period ended September 30, 2019 were risk-free interest rate of 1.33%; expected life of options of 5 and annualized volatility of 106.96% and during the year ended December 31, 2018 were risk-free interest rate of 2.00%; expected life of options of 5 and annualized volatility of 90.02%.

As at September 30, 2019, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Options Outstanding #	Options Exercisable #	Exercise Price $	Remaining Contractual Life years	Expiry
100,000	100,000	0.15	0.04	15-Oct-19
1,685,000	1,685,000	0.15	1.12	13-Nov-20
2,300,000	2,300,000	0.25	1.83	29-Jul-21
200,000	200,000	0.15	2.57	26-Apr-22
500,000	500,000	0.10	3.18	04-Dec-22
2,500,000	2,500,000	0.10	3.21	15-Dec-22
4,805,000	4,805,000	0.11	4.19	6-Dec-23
4,850,000	4,700,000	0.10	4.72	18-Jun-24
16,940,000	**16,790,000**	**0.13**	**3.49**	

Warrants

As at September 30, 2019, the Company had outstanding share purchase warrants, enabling the holders to acquire further shares as follows:

Number of Warrants	Exercise Price	Expiry Date
6,863,333	$0.20	January 6, 2020
16,507,845	$0.15	November 7, 2020
2,152,791	$0.11	November 7, 2020
32,311,627	$0.15	April 12-24, 2021
57,835,596		

Share purchase warrant transactions were as follows:

	September 30, 2019		December 31, 2018	
	Warrants Outstanding #	**Weighted Average Exercise Price $**	Warrants Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**53,192,432**	**0.18**	23,078,073	0.20
Granted	**32,311,627**	**0.15**	32,281,025	0.17
Expired/cancelled	**(27,668,463)**	**0.20**	(2,166,666)	0.15
Balance, end of period	**57,835,596**	**0.15**	53,192,432	0.18

During the nine month period ended September 30, 2019, 27,668,463 warrants expired unexercised, including the reversal of 3,722,5448 finder warrants resulting in the reversal of $327,476 to share capital. During the year ended December 31, 2018, the Company in connection with the private placements, issued warrants allowing for the purchase of up to, in the aggregate, 32,281,025 common shares, including warrants to finders allowing for the purchase of up to, in the aggregate, 4,726,572 common shares, which finders' warrants were valued at $132,341.

For the three and nine month periods ended September 30, 2019 and 2018 (Unaudited, expressed in Canadian dollars)

13. RELATED PARTY TRANSACTIONS

(a) Services

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related as they have directors, as well as the Chief Financial Officer and Corporate Secretary in common. The related corporation also charged Maritime for reimbursement of direct third party purchases of certain office administration services.

Effective July 1, 2014, the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. The AESC ceased to be a related party of the Company effective February 1, 2019.

For the three and nine month periods ended September 30, the Company was charged the following:

	Three month period ended September 30 2019 $	Three month period ended September 30 2018 $	**Nine month period ended September 30 2019 $**	Nine month period ended September 30 2018 $
Rent	**15,826**	-	**37,576**	-
Office administration	**1,133**	-	**3,422**	-
Rent - AESC	**-**	24,860	**-**	74,579
Office administration - AESC	**-**	4,809	**-**	14,678
	16,959	29,669	**40,998**	89,257

(b) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. Compensation to key management personnel for services rendered were as follows for the three and nine months ended September 30:

	Three month period ended September 30 2019 $	Three month period ended September 30 2018 $	**Nine month period ended September 30 2019 $**	Nine month period ended September 30 2018 $
Salaries	**133,610**	-	**354,220**	-
Consulting	**-**	87,000	**24,000**	261,000
Contract wages (1)	**-**	19,500	**6,500**	58,500
Directors' fees	**17,500**	4,500	**52,500**	13,500
Geological consulting (2)	**-**	73,101	**47,800**	219,303
Share based payments	**-**	-	**230,233**	-
Severances	**108,000**	-	**992,497**	-
	259,110	184,101	**1,707,750**	552,303

(1) Included in Administration in the Statement of Loss and Comprehensive Loss
(2) Included in Exploration and Evaluation Assets in the Statement of Financial Position

At September 30, 2019, the Company included in accounts payable and accrued liabilities $17,500 of directors' fees payable to the members of board of directors of the Company for services provided during the three month period ended September 30, 2019.

At September 30, 2018, the Company owed $1,473 to the former CFO and $3,572 to a former director of the Company in respect of expenses incurred on behalf of the Company and was included in accounts payable and accrued liabilities.

During the three months ended March 31, 2019, the Company announced that it had made management changes. Pursuant to the management changes, the Company paid severances totalling $884,497 to the former Chief Executive Officer ($391,496), Chief Financial Officer ($117,000), Chief Operating Officer ($328,001) and Corporate Secretary ($48,000) of the Company.

During the three months ended September 30, 2019, the Company paid Mr. Bernard Kahlert, P.Geo., who served as Vice President of Exploration for the Company, a sum of $108,000 upon his retirement.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. Cash is measured at fair value based on Level 1 of the fair value hierarchy. The fair values of receivables and accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments.

(a) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables. The maximum exposure to loss arising from receivables is equal to their carrying amounts. The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(d) Interest rate risk

Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(f) 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 or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to managing the above risks.

15. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as equity, consisting of common shares, stock options and warrants.

The Company is dependent upon external financings to fund activities. In order to carry out any exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes in the Company's capital management strategy during the period ended September 30, 2019 compared to the previous period. The Company is not subject to externally imposed capital requirements.