VAL-D'OR MINING CORPORATION

Condensed Interim Financial Statements

For the three and six months ended June 30, 2019 and 2018

(unaudited)

(Expressed in Canadian Dollars)

VAL-D'OR MINING CORPORATION

NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 condensed interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Financial Position
(unaudited)
(Expressed in Canadian Dollars)

	Notes		As at June 30, 2019		As at December 31, 2018
ASSETS					
Current assets					
Cash and cash equivalents	6	**$**	**317,307**	$	627,208
Sales taxes recoverable			**15,966**		44,988
Due from related parties			**11,526**		6,354
Other assets	7		**70,322**		21,287
			415,121		699,837
Non-current assets					
Exploration and evaluation assets	8		**1,319,506**		1,086,803
Right-of-use assets	4		**5,838**		-
TOTAL ASSETS		**$**	**1,740,465**	$	1,786,640
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**30,619**	**$**	15,943
Lease liabilties	4		**1,164**		-
Due to related parties	14		**-**		20,880
			31,783		36,823
Non-current liabilities					
Lease liabilties	4		**4,361**		-
Total liabilities			**36,144**		36,823
EQUITY					
Share capital	9		**4,369,715**		3,733,656
Shares to be issued	9		**-**		416,667
Contributed surplus			**505,875**		462,772
Warrants	10		**652,874**		701,336
Deficit			**(3,824,143)**		(3,564,614)
Total equity			**1,704,321**		1,749,817
TOTAL LIABILITIES AND EQUITY		**$**	**1,740,465**	$	1,786,640

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"	*"Dr. C. Jens Zinke"*
(signed Glenn J. Mullan)	(signed C. Jens Zinke)
Director	Director

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Net loss and Comprehensive loss

(unaudited)

(Expressed in Canadian Dollars)

		For the three months ended June 30,		For the six months ended June 30,	
	Notes	**2019**	2018	**2019**	2018
Operating expenses					
Share-based payments	11	**$ 28,763**	$ -	**$ 28,763**	$ 256,925
Office expenses		**25,118**	35,287	**36,123**	57,210
Audit and accounting fees		**9,774**	8,569	**41,518**	27,037
Consulting fees	14	**19,125**	43,793	**39,675**	84,463
Salaries and other employee benefits		**20,561**	36,219	**30,615**	53,546
Legal fees		**10,568**	11,695	**25,441**	25,672
Travel and entertainment		**5,645**	7,660	**24,016**	13,456
Impairment of exploration and evaluation assets	8	**-**	-	**23,072**	-
Regulatory and transfer agent fees		**348**	3,983	**8,363**	15,322
Amortization of rights of use assets		**973**	-	**973**	-
Exploration and evaluation expenses		**(2,410)**	20,690	**-**	19,595
Operating loss		**118,465**	167,896	**258,559**	553,226
Other expenses (income)					
Interest income		**-**	(10)	**(282)**	(38)
Interest expense		**585**	582	**1,252**	1,313
		585	572	**970**	1,275
Net loss and total comprehensive loss for the period		**$ 119,050**	$ 168,468	**$ 259,529**	$ 554,501
Basic and diluted net loss per common share	12	**$ 0.003**	$ 0.005	**$ 0.006**	$ 0.017
Weighted average number of common shares outstanding		**42,434,700**	33,533,002	**40,989,773**	33,344,210

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Changes in Equity

(unaudited)

(Expressed in Canadian Dollars)

	Notes	Share capital Number	Share capital	Contributed Surplus	Warrants	Deficit	Total
Balance as at January 1, 2019		**36,340,977**	**$ 3,733,656**	**$ 462,772**	**$ 701,336**	**$ (3,564,614)**	**$ 1,333,150**
Issuance of shares for grant of mining option	8	**4,166,667**	**416,667**	**-**	**-**	**-**	**416,667**
Issuance of shares on exercise of stock options	9	**52,500**	**6,161**	**(2,636)**			**3,525**
Issuance of shares on exercise of share purchase warrants	10	**1,938,461**	**213,231**	**-**	**(48,462)**	**-**	**164,769**
Share-based payments	11	**-**	**-**	**45,739**	**-**	**-**	**45,739**
Share issue expenses		**-**	**-**	**-**	**-**	**-**	**-**
Net loss and comprehensive loss for the period						**(259,529)**	**(259,529)**
Balance as at June 30, 2019		**42,498,605**	**$ 4,369,715**	**$ 505,875**	**$ 652,874**	**$ (3,824,143)**	**$ 1,704,321**

		Share capital Number	Share capital	Contributed Surplus	Warrants	Deficit	Total
Balance as at January 1, 2018		33,150,655	$ 3,499,139	$ 158,071	$ 609,030	$ (2,957,722)	$ 1,308,518
Issuance of shares on exercise of stock options		15,000	1,673	(698)	-	-	975
Issuance of shares on settlement of debt		857,142	90,000	-	-	-	90,000
Share issue expenses		-	(1,354)	-	-	-	(1,354)
Share-based payments	11	-	-	256,925	-	-	256,925
Net loss and comprehensive loss for the period		-	-	-	-	(554,501)	(554,501)
Balance as at June 30, 2018		34,022,797	$ 3,589,458	$ 414,298	$ 609,030	$ (3,512,223)	$ 1,100,563

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Cash Flows

(unaudited)

(Expressed in Canadian Dollars)

	Notes		For the six months ended June 30, 2019		2018
OPERATING ACTIVITIES					
Net loss for the period		**$**	**(259,529)**	$	(554,501)
Adjustments:					
Share-based payment	11		**45,739**		256,925
Impairment of exploration and evaluation assets			**23,072**		-
Finance costs			**98**		-
Amortization of rights-of-use asset			**973**		-
			(189,647)		(297,576)
Change in non-cash working capital items					
Sales taxes recoverable			**29,022**		(18,226)
Due to related parties,net			**(26,052)**		-
Other assets			**(49,035)**		(11,983)
Accounts payable and accrued liabilities			**14,676**		40,467
			(31,389)		10,258
Cashflows used by operating activities			**(221,036)**		(287,318)
INVESTING ACTIVITIES					
Additions to exploration and evaluation assets	8		**(267,515)**		(38,766)
Tax credits received			**11,740**		2,541
Cashflows used by investing activities			**(255,775)**		(36,225)
FINANCING ACTIVITIES					
Proceeds from exercise of stock options	11		**3,525**		975
Proceeds from exercise of warrants	10		**164,769**		-
Repayment of lease liabilities			**(1,384)**		-
Share issue expenses			**-**		(1,354)
Cashflows from financing activities			**166,910**		(379)
Decrease in cash			**(309,901)**		(323,922)
Cash and cash equivalents, beginning of period			**627,208**		1,355,967
Cash and cash equivalents, end of period		**$**	**317,307**	$	1,032,045

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

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Val-d'Or Mining Corporation (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trades on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

2) GOING CONCERN

These condensed interim financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future. As at June 30, 2019, the Company has accumulated deficit of $3,824,143 (As at December 31, 2018 - $3,564,614).

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3) BASIS OF PRESENTATION

These condensed interim financial statements, approved by the Board of Directors on August 28, 2019, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, "Interim Financial Reporting". These condensed interim financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2018.

4) SIGNIFICANT ACCOUNTING POLICIES

a) Overall considerations

The significant accounting policies followed in these unaudited condensed interim financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2018, except in relation to policies adopted in the six months period ended June 30, 2019. The accounting policies set out below are in accordance with IFRS and have been applied to these unaudited condensed interim financial statements.

Leases

The Company leases an office space and equipment. Lease agreements are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Prior to January 1, 2019, leases of offices and equipment were classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the lease liabilities and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liabilities for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets tends to comprise of computer equipment and small items of office furniture.

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended after December 31, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded from the summary below.

IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23")

In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it uses or plans to use in its income tax filing. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and permits early adoption. The adoption of IFRIC 23 did not have a material impact on the financial statements.

IFRS 16, "Leases" ("IFRS 16")

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after January 1, 2019.

The Company applied IFRS 16 on January 1, 2019 and selected the modified retrospective transition approach which does not require restatement of comparative periods, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules were therefore recognized on the opening balance sheet on January 1, 2019. On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases, which had previously been classified as "operating leases" under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate of 5% implicit in the lease as at January 1, 2019.

The following table reconciled the differences between the operating lease commitments as at December 31, 2018 and lease liabilities recognized on January 1, 2019:

Reconciliation		
Operating lease commitments as at December 31, 2018	$	9,691
Discounted using the interest rate implicit in the lease		(2,880)
Lease liabilties recognized as at January 1, 2019	$	6,811

(Expressed in Canadian dollars unless otherwise noted)

4) SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 16, "Leases" ("IFRS 16") (continued)

The associated right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized on the balance sheet as at December 31, 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognized right-of-use assets relate to the following types of assets:

		As at June 30, 2019		As at January 1, 2019
Equipment	$	**5,838**	$	6,811
Office space [a]		**-**		-
	$	**5,838**	$	6,811

a) In applying IFRS 16 for the first time, the Company used the practical expedients permitted by the standard relating the Company's lease office space whereby the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in note 5 to the Company's audited financial statements for the year ended December 31, 2018.

6) CASH AND CASH EQUIVALENT

		As at June 30, 2019		As at December 31, 2018
Cash	$	**287,307**	$	597,208
Demand deposits		**30,000**		30,000
	$	**317,307**	$	627,208

The deposit is due on demand and bears interest at 1.65% per annum and maturing on February 5, 2020.

(Expressed in Canadian dollars unless otherwise noted)

7) OTHER ASSETS

		As at June 30, 2019		As at December 31, 2018
Deposits [(a)]	$	**48,701**	$	-
Advances [(b)]		**13,891**		7,500
Prepaid insurance		**7,080**		11,580
Other		**650**		2,207
	$	**70,322**	$	21,287

a) Deposits of $48,701 consist of $21,758 held with Ministère de l'Énergie et des Ressources Naturelles for claims staking and management on corporate owned properties and of $26,943 held with Golden Valley for claim renewal and maintenance fees on optioned properties under the mining option agreement with Golden Valley.

b) Advances of $13,891 include an amount of $11,604 held with one of the Company's suppliers for geophysics services.

8) EXPLORATION AND EVALUATION ASSETS

The following table presents a summary of exploration and evaluation assets by prospects:

Prospect		As at June 30, 2019		As at December 31, 2018
Prospects optioned from Golden Valley (a)				
Province of Québec		**1,200,959**		**1,005,444**
Province of Ontario		**81,506**		**52,854**
		1,282,465		1,058,298
Boston Bulldog (b)		**-**		-
Shoot-out (c)		**-**		-
Fortin (d)		**-**		-
Marymac (e)		**-**		-
Other		**37,041**		28,505
	$	**1,319,506**	$	1,086,803

8) EXPLORATION AND EVALUATION ASSETS (continued)

a) Abitibi Greenstone Belt Prospect - Québec and Ontario

On April 18, 2017, the Company signed a Mining Option Agreement ("Option") with Golden Valley to acquire a 100% interest in 61 grassroots properties in the Abitibi Greenstone Belt Prospect. Pursuant to the terms of the Option, the Company must incur $4,000,000 of expenditures with respect to exploration and other mining operations on the properties before December 31, 2021 (with $500,000 to be incurred on or before December 31, 2018, $750,000 to be incurred on or before the December 31, 2019, $1,000,000 to be incurred on or before December 31, 2020, and $1,750,000 to be incurred on or before December 31, 2021). As consideration for the Option, the Company will issue 16,666,668 common shares to Golden Valley at a deemed price of $0.12 per share for an aggregate deemed value of $2,000,000 (issuable as to 4,166,667 common shares on or before each of December 31, 2018, 2019, 2020 and 2021).

In addition, the Company has granted Golden Valley a royalty equal to 1.25% of the net smelter returns ("NSRs") from the 61 properties on the terms set out in the option agreement of which 1% may be bought back by the Company by paying Golden Valley $5,000,000, at the Company option, in cash or shares at a deemed price per share equal to the market price of the Company's shares at the time of such election. If the Company has issued the common shares and incurred the expenditures provided for in the option agreement, it may exercise the option on or before December 31, 2021.

The Company has exceeded its obligation to incur $500,000 of expenditures on or before December 31, 2018 as required under the Option agreement. Consequently, the Company issued 4,166,667 of its common shares valued at $416,667 as required under the Option Agreement (note 15c).

Prospects optioned from Golden Valley include Oregon, Magoma and Ducros Sill, all located Val-d'Or, Québec, with carrying values of $454,206 (December 31, 2018 -$423,517), $440,080 (December 31, 2018 - $386,760) and $175,589 (December 31, 2018 - $174,337), respectively.

b) Boston Bulldog Prospect - Kirkland Lake, Ontario

The Boston Bulldog Prospect is comprised of 15 claim cells located in Kirkland Lake, Ontario, in which the Company was granted an option to acquire a 100% interest.

On February 16, 2015, the Company entered into a Mining Option Agreement, amended on March 6, 2015, March 24, 2017, January 19, 2018 and March 5, 2019, pursuant to which it has been granted by 2973090 Canada Inc., a Canadian private company wholly-owned and controlled by the president and director of the Company, an option to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, subject to a 3% NSR royalty. In consideration of the grant of the option, the Company paid 2973090 Canada Inc. a sum of $5,000 in cash to cover the cost of staking the property and issued 300,000 common shares (issued in April 2015).

8) EXPLORATION AND EVALUATION ASSETS (continued)

b) Boston Bulldog Prospect - Kirkland Lake, Ontario (continued)

To maintain and exercise the option, the Company must keep the property in good standing and incur minimum mining operations expenditures of $50,000 by April 7, 2020. In accordance with the terms of the option, the Company has the right to reduce the royalty from 3% to 2% of the NSR by paying 2973090 Canada Inc. $1,000,000 at any time on or before February 16, 2022.

This prospect was impaired as the Company was not planning any work in the near future.

c) Shoot-Out Prospect - Northern Québec

The Shoot-Out Prospect is the combination of two properties, Shoot-Out East and Shoot-Out West, and is located in the Raglan Belt of northern Québec. The Company has a 100% ownership interest in this property that is subject to a 3% NSR in favor of the original vendors, one of which is a director and President of the Company.

This prospect was impaired as the Company was not planning any work in the near future.

d) Fortin Prospect - Abitibi, Québec

The Fortin Prospect is located in the central part of Ducros Township, approximatively 80 kilometres northeast of the City of Val-d'Or, Québec, and consists of 5 contiguous mining claims. The Company holds a 100% interest in this property that is subject to a 1.5% NSR in favour of the original vendors. The Company retains the right to buyback the NSR at anytime; 0.5% buyback for $500,000 and 1% buyback for $1,000,000. This prospect was impaired in 2013.

e) Marymac Prospect - Labrador Trough, Québec

The Marymac Prospect located in the Labrador Trough of Québec. The Company holds a 100% interest in the Marymac Prospect that is subject to a 2% net smelter royalty ("NSR") interest in favour of Capex Group Inc. (formerly 862539 Alberta Ltd.), which was granted pursuant to an agreement dated March 1, 2001. This prospect was impaired in 2016.

(Expressed in Canadian dollars unless otherwise noted)

8) EXPLORATION AND EVALUATION ASSETS (continued)

The following table presents a summary of exploration and evaluation assets by expenditures:

	As at December 31, 2018	Additions	Impairment	Credits	As at June 30, 2019
Claims Staking	$ 1,236,267	$ 14,550	(12,016)	-	$ **1,238,801**
Claim Maintenance	121,938	9,241	(10,327)	-	**120,852**
Technical and Field staff	75,490	62,846	-	-	**138,336**
Reporting	7,073	3,314	-	-	**10,387**
Geophysics	103,724	803	-	(10,093)	**94,434**
Airborne Geophysical Surveys	390,461	-	-	-	**390,461**
Remote Sensing Studies	5,600	23,000	-	-	**28,600**
Sampling & Testing	1,150	-	-	-	**1,150**
Program management/consultant	122,270	36,718	-	-	**158,988**
Transportation Travel and Camp	595	-	-	-	**595**
Exploration Software	6,180	1,305	-	-	**7,485**
Aboriginal Consultation	1,116	1,711	-	-	**2,827**
General and Administration	47,512	20,175	-	-	**67,687**
Geology	130,270	93,852	(729)	-	**223,393**
Prospecting	33,931	-	-	-	**33,931**
Shares issued for option agreement	416,667	-	-	-	**416,667**
Government assistance	(140,757)	-	-	(1,647)	**(142,404)**
Impairment	(1,472,684)	-	-	-	**(1,472,684)**
	$ 1,086,803	$ 267,515	$ (23,072)	$ (11,740)	$ **1,319,506**

9) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

2019 transaction on share capital

Issuance of shares for grant of mining option

On January 22, 2019, the Company issued 4,166,667 of its common shares valued at $416,667 as required under the Option Agreement (note 8(a)).

9) EQUITY (continued)

2019 transaction on share capital (continued)

Incentive stock option

On January 22, 2019, the Company issued 52,500 of its common shares for a total consideration of $3,525 from the exercise of stock options at prices of $0.065 per share (45,000 shares) and $0.08 per share (7,500 shares).

Share capital to be issued from exercise of share purchase warrants

On March 28, 2019, the Company issued 1,938,461 of its common shares pursuant to the exercise of 1,938,461 warrants share purchase warrants for a total consideration of $164,769.

2018 transactions on share capital

Incentive stock option

On March 15, 2018, a total of 15,000 stock options were exercised at a price of $0.065 per share for total proceeds of $975.

Issuance of shares on settlement of debt

On October 1, 2010, the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley, pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in-house legal counsel for day to day general enquiries, services of a consultant and investors relations services to the Company in consideration of $96,000 per year, payable on a monthly basis, plus applicable taxes. However, Golden Valley suspended the management fees of Val-d'Or Mining in 2012 to enable the Company to conserve cash for operations.

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which the Company agreed to terminate the Management Agreement, in exchange of a settlement fee of $60,000 payable by the Company as consideration for its failure to pay the management fees since the date of suspension of the Management Agreement.

On April 6, 2018, the Company announced that, subject to acceptance by the TSX Venture Exchange ("Exchange") and with the intent of preserving its cash resources for operations, it proposed issuing approximately 857,142 common shares at a deemed per share price of $0.105 in settlement of an aggregate of $90,000 in accrued debt owing to Golden Valley. Of the aforementioned debt to Golden Valley, $30,000 is an outstanding loan and $60,000 relates to consideration payable under the terms of a termination agreement entered into effective January 1, 2018. On April 30, 2018, the Exchange accepted the shares for debt submission.

(Expressed in Canadian dollars unless otherwise noted)

10) WARRANTS

The following table shows the changes in warrants:

	For the six months ended June 30, 2019			For the year ended December 31, 2018		
	Number of warrants		**Weighted average exercise price**	Number of warrants		Weighted average exercise price
Outstanding, beginning of period	**14,517,751**	**$**	**0.120**	13,358,661	$	0.12
Issued	**-**		**-**	1,159,090		0.15
Exercised	**(1,938,461)**		**0.085**	-		-
Expired	**(2,640,200)**		**0.085**	-		-
Outstanding, end of period	**9,939,090**	**$**	**0.140**	14,517,751	$	0.12

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	As at June 30, 2019			As at December 31, 2018		
Expiration date	**Number of outstanding warrants**		**Exercise price**	Number of outstanding warrants		Exercise price
March 30, 2019	**-**	**$**	**-**	4,578,661	$	0.085
November 30, 2020	**1,380,000**		**0.10**	1,380,000		0.10
November 30, 2020	**7,400,000**		**0.15**	7,400,000		0.15
October 18, 2021	**1,159,090**		**0.15**	1,159,090		0.15
	9,939,090	**$**	**0.14**	14,517,751	$	0.12

(Expressed in Canadian dollars unless otherwise noted)

11) SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock options is presented as follows:

	For the six months ended June 30, 2019			For the six months ended June 30, 2018		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise pric
Outstanding, beginning of period	**3,630,097**	**$**	**0.104**	565,000	$	0.070
Granted	**722,263**		**0.075**	2,600,000		0.105
Exercised	**(52,500)**		**0.070**	(15,000)		0.065
Forfeited	**(100,000)**		**0.105**	(30,000)		0.070
Outstanding, end of period	**4,199,860**	**$**	**0.096**	3,120,000	$	0.104

On June 17, 2019, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 722,263 common shares at an exercise price of $0.075 per share. The options are exercisable for a period of 5 years until June 17, 2024. All options are exercisable immediately. The fair value of the 722,263 stock options has been estimated on the date of issue at $45,739, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.075; expected dividend yield: nil; expected volatility:125.39%; risk-free interest rate: 1.34%; expected life: 5 years and exercise price at the date of grant: $0.075 per share. For the three and six months ended June 30, 2019, an amount of $28,763 has been expensed as share-based payments in the statement of net loss and of $16,976 has been capitalized to Exploration and Evaluation Assets.

(Expressed in Canadian dollars unless otherwise noted)

11) SHARE-BASED PAYMENTS (continued)

Stock option plan (continued)

For the six months ended June 30, 2018, the Company granted to its directors, officers, employees and consultants incentive stock options entitling the purchase of an aggregate 2,600,000 common shares at an exercise price of $0.105 per share. The options are exercisable for a period of 5 years until February 5, 2023. All options are exercisable immediately. The fair value of the 2,600,000 stock options has been estimated on the date of issue at $256,925, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.11; expected dividend yield: nil; expected volatility:166.95%; risk-free interest rate: 2.03%; expected life: 5 years and exercise price at the date of grant: $0.105 per share.

The expected volatility used above in the assumptions was determined by reference to historical data of the Company's shares over the expected average life of the stock options. No special features inherent to the stock options granted were incorporated into measurement of fair value.

The number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiration date	Number of options		Exercise price
November 20, 2019	43,199		0.080
May 16, 2021	424,301		0.065
February 5, 2023	2,500,000		0.105
October 24, 2023	510,097		0.110
June 17, 2024	722,263		0.075
	4,199,860	$	0.096

(Expressed in Canadian dollars unless otherwise noted)

11) SHARE-BASED PAYMENTS (continued)

Restricted Share Unit Plan

At the annual general and special meeting of shareholders held on June 27, 2016, the shareholders approved the adoption and implementation of a Restricted Share Unit Plan (the "RSU Plan"). The RSU Plan will be adopted and implemented by the Company's Board upon receipt of acceptance by the TSX Venture Exchange. The RSU Plan provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be decided at the grant date. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 1,288,199 common shares. The Company's RSU Plan was approved by the TSX Venture Exchange.

No restricted shares units were issued for the three and six months ended June 30, 2019.

12) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding for the three and six months ended June 30, 2019 and 2018 as follows:

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Net loss for the period	$ **119,050**	$ 168,468	$ **259,529**	$ 554,501
Weighted average number of common shares - Basic	**42,434,700**	33,533,002	**40,989,773**	33,344,210
Dilutive effect of stock options and warrants	**-**	-	**-**	-
Weighted average number of common shares - Diluted	**42,434,700**	33,533,002	**40,989,773**	33,344,210
Basic loss per share	$ **0.003**	$ 0.005	$ **0.006**	$ 0.017
Diluted loss per share	**0.003**	0.005	**0.006**	0.017

For the three and six months ended June 30, 2019 and 2018, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

(Expressed in Canadian dollars unless otherwise noted)

13) ADDITIONAL CASH FLOW INFORMATION

Significant non-cash transactions included in the Statements of Cash Flows for the six months ended June 30, 2019 and 2018 are as follows:

		2019		2018
Accounts payable and accrued liabilities included in exploration and evaluation assets	**$**	**3,017**	$	1,784
Tax credits deducted from exploration and evaluation assets		**11,740**		2,541
Issuance of common shares on settlement of debt		**-**		90,000

14) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

For the three months ended June 30, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of $17,057 (2018 - $30,839), of which $5,322 (2018 - $8,193) was capitalized as Exploration and Evaluation assets and the remaining $11,735 (2018 - $22,796) was recorded in the statement of net loss.

For the six months ended June 30, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of $33,151 (2018 - $67,402), of which $8,340 (2018 - $22,843) was capitalized as Exploration and Evaluation assets and the remaining $24,811 (2018 - $38,886) was recorded in the statement of net loss.

For the three and six months ended June 30, 2019, the Company incurred consultant fees of $6,000 and $12,000 respectively (for the three and six months ended June 30, 2018 - $3,000 and $3,000, respectively) from Golden Valley relating to the services of the Company's CFO.

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which Golden Valley agrees to terminate the Management Agreement in exchange of a settlement fee of $60,000. As described in note 9, this amount, including the promissory note of $30,000, has been settled through the issuance of common shares.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at June 30, 2019, the Company had net receivable of $18,470 (December 31, 2018 –$nil) due from Golden Valley.

14) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management

Key management personnel of the Company comprise of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

For the three and six months ended June 30, 2019, the Company incurred fees of $24,000 and $48,000 (for the three and six months ended June 30, 2018 - $24,000 and $48,000) with the COO of which $18,000 and $36,000 was capitalized as Exploration and Evaluation asset and $6,000 and $12,000 was recorded under consulting fees in the statement of net loss for the three and six months ended June 30, 2019, respectively. As at June 30, 2019, the amount of $8,000 is due to the COO and is included in due from related parties.

For the three and six months ended June 30, 2019, the Company incurred fees of $28,827 and $54,915, respectively (for the three and six months ended June 30, 2018 - $7,756 and $19,750, respectively) with the VP Exploration. These fees were recorded under Exploration and Evaluation asset. As at June 30, 2019, the amount of $11,546 is due to the VP Exploration and is included in due from related parties.

For the three and six months ended June 30, 2018, the Company incurred fees of $7,500 and $15,000 with the former CFO of the Company. These fees are recorded under audit and accounting fees in the interim condensed statement of loss and comprehensive loss.

For the six months ended June 30, 2019, the Company granted stock options to key management personnel to purchase an aggregate 547,263 common shares of the Company. The Company recorded a stock-based compensation of $34,657 as part of this transaction.

For the six months ended June 30, 2018, the Company granted stock options to key management personnel to purchase an aggregate 2,000,000 common shares of the Company. The Company recorded a stock-based compensation of $197,635 as part of this transaction.

c) Transactions with related parties

For the three and six months ended June 30, 2019, the Company incurred fees of $10,500 (2018 – $6,500) and $21,000 (2018 -$17,000) with an individual, the spouse of the President, as part of a consulting agreement for corporate finance and advisory services. These fees were recorded under consulting fees in the statement of net loss.

For the three and six months ended June 30, 2019, the Company incurred rent and occupancy fees of $5,877 (2018 – $5,715) and $8,877 (2018 - $10,074) with a company controlled by the President of which $2,250 and $4,500 was recorded under Exploration and Evaluation asset and $750 and $1,500 was recorded in the statement of net loss.

(Expressed in Canadian dollars unless otherwise noted)

14) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with related parties (continued)

For efficiency reasons, where the Company and related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at June 30, 2019, the Company had receivables of $35,102 (December 31, 2018 –$6,354) of which $18,470 (December 31, 2018 – $nil) was due from Golden Valley, $16,102 (December 31, 2018 – $5,913) due from companies related by common management and $530 (December 31, 2018 – $530) due from a company controlled by the President. In addition , the Company had payables of $23,576 (December 31, 2018 - $20,880) of which $11,546 (December 31, 2018 - $11,641) was due to the VP Exploration of the Company, $8,000 (December 31, 2018 - $nil) is due to the COO and $4,024 (December 31, 2018 - $nil) due from the spouse of the President, as part of a consulting agreement for corporate finance and advisory services.

15) COMMITMENTS

a) The Company entered into a corporate finance and advisory services consulting agreement, with a related party, the spouse of the President, expiring February 5, 2020, which will require total payments of $84,000. The payments for the next years are $42,000 in 2019 and $3,500 in 2020.

b) The Company has entered into a long-term agreement for the lease of an equipment expiring on July 25, 2022, which will require total lease payments of $11,768. The minimum lease payments for the next years are $2,769 in 2019, 2020 and 2021 and $1,384 in 2022.

c) The Company has the following commitments in connection with its Option Agreement with Golden Valley:

	Exploration work	Issuance of shares
2019	750,000	4,166,667
2020	1,000,000	4,166,667
2021	1,750,000	4,166,667
	3,500,000	12,500,001

d) On March 5, 2019, the Company amended its Option Agreement on the Boston Bulldog Prospect to extend the deadline to incur minimum exploration and evaluation expenditures of $50,000 to April 7, 2020.

e) The Company has also entered into a consulting agreement with the VP Exploration for an annual payment of $66,950. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company, and $100,000 if the consulting agreement is terminated by the VP Exploration within six months from the date of change of control.