SIXTY NORTH GOLD MINING LTD.

Financial Statements

For the Years Ended October 31, 2018 and 2017

(expressed in Canadian dollars)

SIXTY NORTH GOLD MINING LTD.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2018 AND 2017

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Sixty North Gold Mining Ltd.

We have audited the accompanying financial statements of Sixty North Gold Mining Ltd. which comprise the statements of financial position as at October 31, 2018 and 2017, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained based on our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Sixty North Gold Mining Ltd. as at October 31, 2018 and 2017, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Sixty North Gold Mining Ltd. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 19, 2019

SIXTY NORTH GOLD MINING LTD.

Statements of Financial Position
As at October 31
(Expressed in Canadian Dollars)

		2018		2017
Assets				
Current Assets				
Cash	**$**	**127,021**	$	539,550
GST receivable		**15,736**		19,570
Prepaid expenses (Note 5)		**84,953**		38,379
Total Current Assets		**227,710**		597,499
Exploration and evaluation assets (Note 6)		**2,045,127**		1,271,632
Reclamation deposit (Note 8)		**88,000**		88,000
Total Assets	**$**	**2,360,837**	$	1,957,131
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**39,388**	$	135,889
Equity				
Share capital (Note 9)		**3,188,765**		2,068,823
Equity reserves		**815,395**		535,493
Deficit		**(1,682,711)**		(783,074)
Total Equity		**2,321,449**		1,821,242
Total Liabilities and Equity	**$**	**2,360,837**	$	1,957,131

Nature and Continuance of Operations (Note 1)
Commitments (Note 13)
Subsequent Events (Note 16)

On behalf of the Board:

"John Campbell"
Director

"Grant Block"
Director

See the accompanying notes to the financial statements

SIXTY NORTH GOLD MINING LTD.
Statements of Comprehensive Loss
For the years ended October 31
(Expressed in Canadian Dollars)

	2018	2017
Expenses		
Accounting and audit fees	**$ 34,765**	$ 27,600
Consulting fees	**4,200**	-
Corporate development	**74,205**	25,964
Foreign exchange loss	**3,497**	-
General and administration	**9,653**	3,106
Insurance	**12,769**	8,581
Investor relations (Note 11)	**263,391**	37,696
Management fees (Note 12)	**124,000**	76,000
Meals and entertainment	**1,500**	2,147
Professional fees	**35,340**	143,333
Share-based payments (Notes 9(d)	**277,495**	271,477
Transfer agent and regulatory fees	**58,822**	24,480
Net loss and comprehensive loss for the year	**$ (899,637)**	$ (620,384)
Loss per share, basic and diluted	**$ (0.02)**	$ (0.02)
Weighted average common shares outstanding, basic and diluted	**41,379,908**	34,570,639

See the accompanying notes to the financial statements

SIXTY NORTH GOLD MINING LTD.

Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Shares Subscribed	Equity Reserves	Deficit	Total
Balance at October 31, 2016	31,420,000	$ 1,627,419	$ 10,000	$ 208,401	$ (162,690)	$ 1,683,130
Shares Issued for cash (Note 9(b))	4,783,333	500,000	(10,000)	-	-	490,000
Shares issued for option exercise (Note 9(b))	100,000	7,500	-	-	-	7,500
Shares issued for services (Note 9(b))	400,000	40,000	-	-	-	40,000
Share issuance costs	-	(106,096)	-	55,615	-	(50,481)
Share-based payments	-	-	-	271,477	-	271,477
Net loss for the year	-	-	-	-	(620,384)	(620,384)
Balance at October 31, 2017	36,703,333	$ 2,068,823	$ -	$ 535,493	$ (783,074)	$ 1,821,242
Shares Issued for cash (Note 9(b))	8,500,000	$ 1,275,000	$ -	$ -	$ -	$ 1,275,000
Shares issued for warrant exercise (Note 9(c))	650,000	128,807	-	(63,807)	-	65,000
Share issuance costs	-	(283,865)	-	66,214	-	(217,651)
Share-based payments	-	-	-	277,495	-	277,495
Net loss for the year	-	-	-	-	(899,637)	(899,637)
Balance at October 31, 2018	**45,853,333**	**$ 3,188,765**	**$ -**	**$ 815,395**	**$ (1,682,711)**	**$ 2,321,449**

See the accompanying notes to the financial statements

SIXTY NORTH GOLD MINING LTD.

Statements of Cash Flows
For the years ended October 31
(Expressed in Canadian Dollars)

		2018		2017
Cash Flows from Operating Activities				
Net loss for the year	**$**	**(899,637)**	$	(620,384)
Non-cash items:				
Shares issued for professional fees		**-**		40,000
Share-based payments		**277,495**		271,477
		(622,142)		(308,907)
Changes in non-cash working capital items:				
GST receivable		**3,834**		(6,141)
Prepaid expenses		**(46,574)**		(19,557)
Accounts payable and accrued liabilities		**(100,027)**		39,984
Net Cash Flows used in Operating Activities		**(764,909)**		(294,621)
Cash Flows from Investing Activities				
Exploration and evaluation expenditures, net		**(836,202)**		(897,678)
Exploration advance		**66,233**		147,456
Net Cash Flows Used in Investing Activities		**(769,969)**		(750,222)
Cash Flows from Financing Activities				
Issuance of common shares		**1,340,000**		497,500
Share issuance costs		**(217,651)**		(50,481)
Net Cash Flows Provided by Financing Activities		**1,122,349**		447,019
Change in Cash During the Year		**(412,529)**		(597,824)
Cash, Beginning of Year		**539,550**		1,137,374
Cash, End of Year	**$**	**127,021**	$	539,550
Supplemental cash disclosure:				
Income taxes paid	**$**	-	$	-
Interest paid	**$**	-	$	-
Non-cash transactions in investing and financing activities:				
Shares issued for professional fees	**$**	**-**	$	40,000
Agent warrants for share issuance costs	**$**	**66,214**	$	55,615

See the accompanying notes to the financial statements

1. Nature and Continuance of Operations

Sixty North Gold Mining Ltd. (the "Company") was incorporated on July 7, 2016 in British Columbia under the laws of the Canada Business Corporations Act. On November 9, 2017, the Company became registered as an extra-territorial corporation under part XXI of the Business Corporations Act of the Northwest Territories. On February 20, 2017, the Company changed its name from 1082138 B.C. Ltd. to Sixty North Gold Mining Ltd. The Company's registered office is located at 1750-1185 West Georgia Street, Vancouver, BC V6E 4E6. On April 17, 2018, the Company's shares were listed on the Canadian Securities Exchange under the symbol "SXTY". The Company also began trading on the Frankfurt Stock Exchange under the symbol "2F4" on May 8, 2018 and on the OTCQB Venture Market in the United States under the symbol "SXNTF" on June 21, 2018.

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company entered into an agreement with New Discovery Mines Ltd. ("NDM") on July 8, 2016 and finalized the arrangement on September 2, 2016. On June 14, 2017, the Company and NDM entered into a restated mineral property earn-in agreement effective September 2, 2016. The Company has advanced funds towards the earn-in (see Note 6 - Exploration and Evaluation Assets).

Recovery of the carrying value of the Company's investment in the Mon Property is dependent upon the existence of economically recoverable reserves, obtaining the necessary funding to complete exploration and development, and the attainment of future profitable production. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The financial statements of the Company have been prepared on a going-concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. If the going-concern assumptions were not appropriate for these financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported expenses and the classifications used on the statement of financial position.

The Company will require further funding to continue as a going concern. There is no assurance that the Company will be able to obtain sufficient funding to continue exploration and development on the Mon Property.

As at October 31, 2018, the Company had deficit of $1,682,711 (2017 - $783,074) and has not generated revenue. The Company has cash in the amount of $127,021 (2017 - $539,550). The Company has raised funds through private and public equity issuances to fund the project and expects to continue to raise additional funds through the issuance of shares, or other sources of financing.

2. Statement of Compliance and Basis of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on February 19, 2019.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company is the Canadian dollar.

3. Significant Accounting Policies

Accounting Estimates and Assumptions

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period, in which the estimate is revised, and may affect both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration and Evaluation Assets

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

3. Significant Accounting Policies (continued)

Accounting Estimates and Assumptions (continued)

Site Closure and Reclamation Provisions

The Company assesses its reclamation provision at each reporting date or when new material information becomes available. Exploration, development, and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated. The Company's exploration work to date has resulted in no significant site disturbance and therefore the Company's reclamation provision is limited to the amount posted as a reclamation bond.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Share-Based Payments

Management uses valuation techniques in measuring the fair value of share options granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions for any share options granted could have a material impact on the Company's consolidated financial statements.

3. Significant Accounting Policies (continued)

Accounting Estimates and Assumptions (continued)

Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognized in the consolidated statement of financial position. Deferred tax assets, including those potentially arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognize deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Exploration and Evaluation Assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to the acquisition, exploration and evaluation are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit and loss. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their estimated recoverable amount. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

3. Significant Accounting Policies (continued)

Impairment

All financial assets except those measured at fair value through profit or loss are reviewed for impairment at the financial reporting date. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

Financial Assets

The Company classifies its financial assets into one of the following categories, at initial recognition depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss ("FVTPL") - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value which changes in fair value recognized in the consolidated statement of operations. The Company has classified its cash as FVTPL.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has no assets classified as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations. The Company did not hold any held-to-maturity investments at October 31, 2018.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial Assets (continued)

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale ("AFS"). They are carried at fair value with changes in fair value recognized in equity. Upon de-recognition, accumulated gain or loss is realized and reclassified from accumulated other comprehensive income to profit and loss. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations. The Company did not hold any AFS assets as at October 31, 2018.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Impairment - All financial assets except for those at fair value through profit or loss are subject to review for impairment at least each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Effective interest method - The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

De-recognition of financial assets - A financial asset is derecognized when the contractual right to the asset's cash flows expires, or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial liabilities and equity (continued)

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations. The Company did not hold any fair value through profit or loss financial liabilities as at October 31, 2018.

Other financial liabilities - This category includes accounts payable, all of which are initially recognized at fair value and carried at amortized cost.

De-recognition of financial liabilities - The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Share capital - The Company’s common shares, share warrants and options, and flow-through shares are classified as equity instruments. Incremental costs directly related to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. For equity offerings of units consisting of a common share and warrants, when both instruments are classified as equity, the Company does not bifurcate the proceeds between the common share and the other equity instrument. When warrants are exercised, the corresponding value is transferred from equity reserve to common stock.

Provision for Environmental Reclamation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. The cost of any rehabilitation program is recognized at the time that the environmental disturbance occurs. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset along with a corresponding liability, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect risks specific to the asset are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is adjusted each period for the unwinding of the discount rate, changes to the current market-based discount rate, and for the amount or timing of the underlying cash flows needed to settle the obligation. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

3. Significant Accounting Policies (continued)

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for used tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

4. New Accounting Standards

(a) New Standards and Amendments Effective for the First Time

The Company has adopted the new and revised standards and interpretations issued by the IASB effective November 1, 2017. The adoption of the standard and amendment did not have a material impact on the financial statements of the Company.

(b) New Accounting Standards Issued but not yet Effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

4. New Accounting Standards (continued)

(b) New Accounting Standards Issued but not yet Effective (continued)

<u>New Accounting Standards Effective for Annual Periods on or After January 1, 2018</u>

IFRS 2 - Share-based Payments

In June 2016, the IASB issued the final amendments to IFRS 2 that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.

IFRS 9 - Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Statements, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test. IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued this standard which supersedes IAS 11 - Construction Contracts, IAS 18 - Revenue, IFRIC 13 - Customer Loyalty Programs, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers, and SIC 31 - Revenue - Barter Transactions involving Advertising Services, IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The adoption of these standards is not expected to have a material impact on the Company’s financial statements.

(Expressed in Canadian Dollars)

4. (b) New Accounting Standards Issued but not yet Effective (continued)

New Accounting Standards Effective for Annual Periods on or After January 1, 2019

IFRS 16 - Leases

In June 2016, the IASB issued this standard which establishes principles for recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The Company is currently evaluating the impact of adoption of this standard and interpretation on the financial statements.

5. Prepaid Expenses

Prepaid expenses included in the Statements of Financial Position are comprised of the following amounts:

		2018		2017
Prepaid expenses	**$**	**50,953**	$	38,379
Deposits paid by NDM		**34,000**		-
	$	**84,953**	$	38,379

On November 3, 2017, $34,000 was paid by NDM to the contractor, which represents 10% of the total contract. The deposit is refundable in the event that the permits are not granted and the work does not proceed.

6. Exploration and Evaluation Assets

The Mon Property (“Property”)

On July 8, 2016, the Company signed a letter of intent with NDM and then entered into an option agreement ("Agreement") on September 2, 2016. The Property includes three NDM claims and eleven Mon Property leases, comprised of an aggregate of 1,536.92 acres, and is located in the mining district of the Northwest Territories (the "Property"). The three NDM claims include NDM3 which was subsequently added to the land package. On June 14, 2017, the Company and NDM entered into a restated mineral property earn-in agreement ("restated agreement") effective as of September 2, 2016 with the following terms and conditions:

To earn the 80% interest in the Property, the Company is required to incur $6,000,000 in expenditures on the Property as follows: (a) To incur $2,000,000 expenditures (the "Initial Expenditures") (incurred) on the Property on or before December 31, 2017 which was extended to December 31, 2018;

(b) To incur cumulative expenditures of $6,000,000 on the Property (inclusive of the Initial Expenditures) on or before December 31, 2020; and

(c) To assume all of the obligations of the underlying agreements, relating to the royalty and any advance royalty payments (see Note 13(a)).

On December 17, 2017, In accordance with section a term of the restated agreement, the Company elected to extend the deadline for completion of the initial expenditures from December 31, 2017 to December 31, 2018 by delivering notice in writing and making a payment of the $20,000 extension fee to NDM.

The Company may elect to terminate the agreement at any time during the earn-in period, upon sixty days’ notice to NDM.

(Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

Grant from the Government of the Northwest Territories

On September 10, 2018, the Company announced that it had been awarded a Mining Incentive Program grant in the amount of $59,471 from the Government of the Northwest Territories for exploration activities at the Mon Gold Property. On October 3, 2018, the Company had received $50,551 of the $59,471 total grant. The balance will be paid following receipt and acceptance of final report submission which is due on May 31, 2019. The purpose of the grant is to provide funding to stimulate and sustain mineral exploration activities throughout the Northwest Territories and reduce the risk associated with grass roots mineral exploration. The Company has used the funds to support its 2018 prospecting, biogeochemistry and trenching activities. The grant has been applied as a credit towards the carrying value of the Mon Gold Property.

The Company has funded and incurred the following expenditures on the Property:

The Mon Gold Property	2017	Additions (adjustments)	**2018**
Acquisition Costs:			
Legal costs relating to earn-in	$ 16,614	$ -	**$ 16,614**
Advance royalty payment (Note 13(a))	26,270	25,614	**51,884**
Acquisition of additional claims (NDM3)	-	22,727	**22,727**
	42,884	48,341	**91,225**
Exploration Costs:			
Assaying and shipping	26,585	47,895	**74,480**
Camp costs	73,115	143,959	**216,679**
Camp equipment	-	174,710	**174,710**
Drilling	117,452	-	**117,452**
Exploration advance (Note 7)	100,807	(66,234)	**34,573**
Flights	116,774	22,090	**138,864**
Fuel	6,629	2,069	**8,698**
Geology	-	146,203	**146,203**
Management and supervision	57,459	115,137	**172,596**
Mining equipment	642,532	108,820	**751,352**
Mobilization/Demobilization	13,275	-	**13,275**
Property holding costs	-	2,875	**2,875**
Reports	33,870	8,375	**42,245**
Safety/Medic	14,407	(1,030)	**13,377**
Storage and transport (equipment)	13,641	26,410	**40,051**
Supplies	-	27,128	**27,128**
Travel and accommodation	12,202	17,693	**29,895**
	1,228,748	775,705	**2,004,453**
Grant from the Government of the Northwest Territories	-	(50,551)	**(50,551)**
	1,228,748	725,154	**1,953,902**
Exploration and Evaluation Assets, net	$ 1,271,632	$ 773,495	**$ 2,045,127**

(Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

The Mon Gold Property	2016	Additions (Adjustments)	2017
Acquisition Costs:			
Legal costs relating to earn-in	$ 16,614	$ -	$ 16,614
Advance royalty payment (Note 13(a))	-	26,270	26,270
	16,614	26,270	42,884
Exploration Costs:			
Assaying, prospecting and shipping	789	25,796	26,585
Camp costs	31,643	41,472	73,115
Drilling	76,102	41,350	117,452
Exploration advance (Note 7)	248,263	(147,456)	100,807
Flights	69,440	47,334	116,774
Fuel	6,961	(332)	6,629
Management and supervision	24,265	33,194	57,459
Mining equipment	-	642,532	642,532
Mobilization/Demobilization	6,900	6,375	13,275
Reports	31,500	2,370	33,870
Safety/Medic	5,299	9,108	14,407
Storage and transport (equipment)	-	13,641	13,641
Travel and accommodation	3,634	8,568	12,202
	504,796	723,952	1,228,748
Total Acquisition and Exploration Costs	$ 521,410	$ 750,222	$ 1,271,632

(Expressed in Canadian Dollars)

7. Advances to Project

At October 31, 2018, the Company has an exploration advance of $34,573 (2017 - $100,807) to NDM on the Mon Property, for ongoing expenditures.

8. Reclamation Deposit

As at October 31, 2018, a security deposit of $88,000 (2017- $88,000) was paid to the Department of Lands on behalf of the Government of the Northwest Territories, as required under the land use permit on the Property.

9. Share Capital

(a) Authorized Shares

The Company is authorized to issue an unlimited number of common shares with no par value per share.

(b) Issued and outstanding

As of October 31, 2018, 45,853,333 (2017 - 36,703,333) shares were issued and outstanding.

<u>During the year ended October 31, 2018, the Company had the following transactions:</u>

On April 18, 2018, the Company completed an initial public offering ("IPO") of 8,500,000 units at $0.15 for gross proceeds of $1,275,000. Each unit is comprised of one common share and one half warrant. Each full warrant is exercisable for one common share at a price of $0.25 until April 18, 2020 and is transferable. The Company paid a cash commission of $102,000, legal and other expenses totalling $115,651 and issued 680,000 brokers warrants. Each broker warrant is exercisable to purchase a common share of the Company for $0.15 per share until April 18, 2020. The fair value of the broker warrants was estimated at $66,214 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.15
Risk free interest rate	1.91%
Expected life	2.0 years
Expected volatility	130%
Expected dividend	Nil

(Expressed in Canadian Dollars)

9. Share Capital (continued)

(b) Issued and outstanding (continued)

On August 29, 2018, 650,000 brokers' warrants with a fair value of $63,807 having an expiry date of September 30, 2019 were exercised at $0.10 per warrant for gross proceeds of $65,000.

<u>During the year ended October 31, 2017, the Company had the following transactions:</u>

On December 1, 2016, 400,000 shares previously subscribed for at $0.025 per share were issued.

On December 1, 2016, the Company completed a private placement of 1,800,000 units at $0.10 for gross proceeds of $180,000. Each unit is comprised of one common share and one half warrant. Each full warrant is exercisable for one common share at a price of $0.25 until September 30, 2019. The Company paid a cash commission of $12,600 and issued 180,000 broker warrants. Each broker warrant is exercisable to purchase a common share of the Company for $0.10 per share until September 30, 2019. This expiry date is accelerated to 30 days if the Company's trading price is greater than $0.50 for 10 consecutive trading days. The fair value of the broker warrants was estimated at $10,880 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.10
Risk free interest rate	0.84%
Expected life	2.83 years
Expected volatility	100%
Expected dividend	Nil

Pursuant to an agreement dated December 1, 2016 between the Company and Mackie Research Capital Corporation ("Mackie"), the Company issued 400,000 common shares with a fair market value of $40,000 for making introductions to certain individuals to serve as officers or directors of the Company. The amount of $40,000 was recorded as professional fees for the year ended October 31, 2017 on the Statements of Comprehensive Loss.

On June 28, 2017, the Company completed a private placement of 2,000,000 units and on August 31, 2017 another 583,333 units at $0.12 for gross proceeds of $310,000. Each unit is comprised of one common share and one half warrant. Each full warrant is exercisable for one common share at a price of $0.25 until September 30, 2019. The Company paid a cash commission of $19,200 and issued 200,000 brokers' warrants. Each broker warrant is exercisable to purchase a common share at a price of $0.25 until September 30, 2019. The expiry date is accelerated to 30 days if the Company's trading price is greater than $0.50 for 10 consecutive trading days. The fair value of the broker warrants was estimated at $11,859 using the Black-Scholes pricing model with the following assumptions:

(Expressed in Canadian Dollars)

9. Share Capital (continued)

(b) Issued and outstanding (continued)

Risk free interest rate	0.73%
Expected life	2.26 years
Expected volatility	120%
Expected dividend	Nil

In connection with the private placements noted above, the Company also incurred $18,681 in other share issuance costs associated with the private placements.

(c) Warrants

On June 20, 2017, the Company extended the expiry date to September 30, 2019 for all warrants that were previously issued between September 20, 2016 and December 1, 2016. As a result of this modification, the Company recorded the incremental fair value of $32,876 as share issuance costs for the year ended October 31, 2017 for the 1,638,500 broker warrants using the Black-Scholes Option Pricing model using the following assumptions:

Share price	$0.10
Risk free interest rate	0.73%
Expected life	2.28 years
Expected volatility	120%
Expected dividend	Nil

The Company has issued the following warrants:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2016	9,158,500	$0.23	0.92
Issued for private placements	2,191,666	$0.25	0.92
Issued for brokers' warrants	380,000	$0.18	0.92
Balance, October 31, 2017	**11,730,166**	**$0.23**	**0.92**
Issued for private placements	4,250,000	$0.25	1.47
Issued for brokers' warrants	680,000	$0.15	1.47
Brokers' warrants exercised	(650,000)	$0.10	-
Balance, October 31, 2018	**16,010,166**	**$0.24**	**1.08**

(Expressed in Canadian Dollars)

9. Share Capital *(continued)*

(c) Warrants (continued)

As of October 31, 2018, the outstanding warrants are as follows:

Number of Warrants	Exercise Price	Expiry Date
3,250,000	$0.25	September 30, 2019
4,450,000	$0.25	September 30, 2019
808,500	$0.10	September 30, 2019
900,000	$0.25	September 30, 2019
180,000	$0.10	September 30, 2019
1,291,666	$0.25	September 30, 2019
200,000	$0.25	September 30, 2019
4,250,000	$0.25	April 18, 2020
680,000	$0.15	April 18, 2020
16,010,166		

At October 31, 2018, these warrants have a weighted average exercise price of $0.24 and a weighted average remaining life of 1.08 years.

(d) Options

During the year ended October 31, 2017, upon vesting of the 100,000 options, the Company recorded a share-based payment of $28,859 on the statements of comprehensive loss.

On September 25, 2017, 100,000 of these options were exercised at $0.075 for proceeds of $7,500.

On September 22, 2017 the Company granted 1,870,000 stock options to certain directors, officers and consultants of the Company. Each option is exercisable at a price of $0.15 per share and vested on the grant date. The options are exercisable until April 17, 2023. The fair value of the 1,870,000 stock options was estimated at $242,618 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.15
Weighted risk free interest rate	1.5%
Weighted expected life	5 years
Weighted expected volatility	130%
Weighted expected dividend	Nil
Forfeiture rate	Nil

(Expressed in Canadian Dollars)

9. Share Capital (continued)

(d) Options (continued)

On June 20, 2018 the Company granted 1,035,000 stock options to certain directors, officers and consultants of the Company. Each option is exercisable at a price of $0.20 per share and vested on the grant date. The options are exercisable until April 17, 2023. The fair value of the 1,035,000 stock options was estimated at $177,040 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.20
Weighted risk free interest rate	2.03%
Weighted expected life	5 years
Weighted expected volatility	128%
Weighted expected dividend	Nil
Forfeiture rate	Nil

On July 17, 2018, 100,000 options were granted to a consultant at an exercise price of $0.25 per share, which shall vest and be exercisable as to 25% on each of October 17, 2018, January 17, 2019, April 17, 2019 and July 17, 2019. The options will expire on July 17, 2021. The fair value of the 100,000 stock options was estimated at $2,809 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.08
Weighted risk free interest rate	1.99%
Weighted expected life	3 years
Weighted expected volatility	130%
Weighted expected dividend	Nil
Forfeiture rate	Nil

On August 28, 2018, a total of 600,000 options were granted to two consultants at an exercise price of $0.21 per share, expiring on August 28, 2020. The fair value of the 600,000 stock options was estimated at $81,888 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.21
Weighted risk free interest rate	2.13%
Weighted expected life	2 years
Weighted expected volatility	130%
Weighted expected dividend	Nil
Forfeiture rate	Nil

(Expressed in Canadian Dollars)

9. **Share Capital** (continued)

(d) Options (continued)

On August 31, 2018, 125,000 options were granted to a director of the Company at an exercise price of $0.20 per share, expiring on August 31, 2023. The fair value of the 125,000 stock options was estimated at $15,758 using the Black-Scholes pricing model with the following assumptions:

Share price	$0.15
Weighted risk free interest rate	2.15%
Weighted expected life	5 years
Weighted expected volatility	130%
Weighted expected dividend	Nil
Forfeiture rate	Nil

During the year ended October 31, 2018, the Company recorded a share-based payment of $277,495 (2017 - $271,477) on the statements of comprehensive loss.

The Company had issued the following options:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2016	250,000	$ 0.12	2,84
Options granted	1,870,000	$ 0.15	4.47
Options exercised	(100,000)	$ 0.075	-
Balance, October 31, 2017	**2,020,000**	**$ 0.15**	**4.34**
Options granted	1,860,000	$ 0.21	3.54
Balance, October 31, 2018	**3,880,000**	**$ 0.18**	**3.96**

As of October 31, 2018, the outstanding and exercisable options are as follows:

Number of Outstanding Options	Number of Exercisable Options	Exercise Price	Expiry Date
600,000	600,000	$0.21	August 28, 2020
100,000	25,000	$0.25	July 17, 2021
150,000	150,000	$0.15	September 1, 2021
1,870,000	1,870,000	$0.15	April 17, 2023
1,035,000	1,035,000	$0.20	April 17, 2023
125,000	125,000	$0.20	August 31, 2023
3,880,000	**3,805,000**		

As at October 31, 2018, these options have a weighted average exercise price of $0.18 and a weighted average remaining life of 3.96 years.

(Expressed in Canadian Dollars)

10. Income Tax

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2018	2017
Loss before income taxes	**$ (899,637)**	$ (620,384)
Statutory tax rate	**27.1%**	27%
Expected income tax recovery at the statutory tax rate	**(248,177)**	(167,504)
Non taxable or deductible items for tax purposes	**16,716**	44,943
Change in tax rate	**4,919**	(2,074)
Change in valuation allowance	**226,542**	124,635
Income tax expense	**$ -**	$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	2018	2017
Non-capital loss carry-forwards	**$ 323,107**	$ 128,956
Share Issue costs	**81,986**	49,595
	405,093	178,551
Less: Unrecognized deferred tax assets	**(405,093)**	(178,551)
	$ -	$ -

(Expressed in Canadian Dollars)

11. Investor Relations

	2018	2017
Advertising and promotion	**$ 40,999**	$ 6,670
Annual general meeting	**3,789**	-
Consulting fees	**12,000**	-
Market awareness (media and research agencies)	**177,425**	-
Meals and entertainment	**997**	7,528
News releases	**12,354**	-
Shows and conferences	**14,240**	18,705
Travel and accommodation	**1,587**	4,793
	$ 263,391	$ 37,696

On July 17, 2018, the Company entered into an agreement with MarketSmart Communications (the "Consultant") for a period of six months, with an option for renewal, to provide shareholder and investor communication services. The Consultant is paid $6,000 per month and was granted 100,000 stock options at a price of $0.25 per common share, which shall vest and be exercisable as to 25% on each of October 17, 2018, January 17, 2019, April 17, 2019 and July 17, 2019. The options expire on July 17, 2021 and will be exercisable in accordance with the Company's Stock Option Plan. Either party may terminate the agreement without cause on one months' written notice (see Note 16(d)).

On August 13, 2018, the Company entered into an agreement under which Financial Buzz Media Networks would provide financial news media PR services, editorial placements, a corporate landing page and social media services. A one-time payment of US$50,000 was made for these services.

12. Related Party Transactions

Key management includes directors and officers of the Company. During the year ended October 31, 2018, management fees of $92,000 (2017 - $66,000) were paid to a corporation controlled by the Company's Chief Executive Officer ("CEO"). In addition, $32,000 (2017 - $10,000) was paid to the Chief Financial Officer of the Company.

On May 28, 2018, the board of directors approved a change in compensation for the Chief Executive Officer from $5,000 to $10,000 per month and the establishment of compensation for the Chief Financial Officer in the amount of $5,000 per month, effective from the date of the IPO, April 19, 2018.

On September 22, 2017, the Company granted 1,750,000 options with fair values of $227,049 to the directors and officers of the Company. The Company also recorded an additional share-based payment of $28,859, upon vesting, for 100,000 options granted to the CEO.

On June 20, 2018, the Company granted 1,025,000 options with fair values of $175,329 to the directors and officers of the Company.

On August 31, 2018, the Company granted 125,000 options with a fair value of $15,758 to a director of the Company (see Note 9(d)).

13. Commitments

(a) Pursuant to an agreement (see Note 6) between the Company and NDM, the Company is required to make annual payments of US$20,000 for the advanced NSR to Giauque commencing on January 30, 2017. The advance payments can be credited towards the royalty payments after commencement of commercial production with 20% of the aggregate payments received from the advanced NSR deductible from the royalty payments, commencing in the first completed calendar year of commercial production.

(b) On September 1, 2016, the Company entered into a management agreement with the CEO of the Company whereby the Company will pay a monthly management fee of $5,000 for one year, renewed annually unless notice is given according to termination provisions. Effective April 19, 2018, the monthly fee was increased to $10,000 per month.

(c) On August 28, 2018, the Company entered into an agreement with 558396 BC Ltd. (the "Consultant") whereby the Consultant will provide independent consulting services relating to business development matters. The agreement will terminate six months from the date of the agreement but may be extended or amended by mutual written consent. In consideration, the Company will pay the Consultant cash compensation of a one-time upfront payment of $105,000 inclusive of GST, conditional on receipt of funds in this amount by the Company from the exercise of Mackie Research Capital Corporation broker warrants plus $6,300 inclusive of GST per month. The Company has received to date, and advanced $65,000 from the exercise of warrants. The two principals of the Consultant also received 300,000 options at a price of $0.21 per share, expiring on August 28, 2020.

(d) Pursuant to an agreement (see Note 6) between the Company and NDM, the Company is required to incur $2,000,000 in expenditures on the Property on or before December 31, 2018 (incurred). A further $4,000,000 is required to be incurred by December 31, 2020.

14. Financial instruments and Risks

Financial instruments consist primarily of cash and accounts payable. The fair values of cash and accounts payable approximate their respective carrying values because of their immediate or short-term nature.

The Company’s financial instruments are exposed to certain financial risks, including credit risk, currency risk and liquidity risk.

14. Financial instruments and Risks (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing these financial instruments with reputable and major financial institutions.

(b) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to rate fluctuations is minimal. The Company does not have significant foreign currency denominated monetary liabilities.

(c) Liquidity risk

Liquidity risk is associated with the inability to meet obligations as they become due and is minimized by maintaining sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period.

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs such as quoted prices in active markets

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

14. Financial instruments and Risks (continued)

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at October 31, 2018 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservabl Inputs (Level 3)	Total
	$	$	$	$
Cash	127,021	-	-	127,021

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2018 because of the demand nature or short-term maturity of these instruments.

15. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company manages and adjusts the capital structure based on:

- available funds in order to support the exploration and development of mineral properties and for general operating costs; and
- in light of changing economic conditions and the Company's working capital requirements.

The Company will continue to rely on capital markets to support continued growth. There are no external restrictions on capital.

16. Subsequent Events

(a) On December 28, 2018, the Company had closed the first tranche of its brokered private placement consisting of 2,220,000 flow-through units and 4,100,000 units to raise gross proceeds of $550,000. Of the 4,100,000 units issued, 625,000 units were purchased by a director and officer of the Company. The agent was paid a 7% commission and was issued compensation options to purchase 222,000 units at an exercise price of $0.10 per unit and another 410,000 units at an exercise price of $0.08 per unit until December 28, 2020. The Company issued 3,160,000 share purchase warrants comprising a part of the flow-through units and Units, exercisable at $0.15 per share until December 28, 2020, subject to acceleration provisions. The securities of the offering will bear legends restricting resale until April 29, 2019.

(b) On December 10, 2018, the Company made the annual royalty payment of $26,598 (US$20,000) to Giauque Holdings Ltd, due on January 30, 2019.

(c) On December 28, 2018, the Company advanced a further $60,000 to New Discovery Mines Ltd for continued operations on the Mon Property.

(d) Subsequent to October 31, 2018, the Company and MarketSmart agreed to revise the terms of the agreement whereby, the monthly fee will be adjusted from $6,000 per month to $3,000 per month for the balance of the remaining three months under the agreement and to extend a further three months. In addition, the Company paid $18,000 in advance to MarketSmart for this contract extension following their purchase of 225,000 units at $0.08 in the December 28, 2018 unit private placement.