GOLDEX RESOURCES CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2019

(Expressed in Canadian dollars)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

GOLDEX RESOURCES CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars
As at

	Unaudited September 30, 2019		Audited December 31, 2018	
ASSETS				
CURRENT				
Cash	$	6,629	$	7,247
Accounts receivable (Note 5)		10,533		8,955
Prepaid expenses and deposits		1,483		230
		18,645		16,432
Reclamation bond (Note 6)		137,176		137,176
Exploration and evaluation assets (Note 7 and schedule)		1,257,910		1,123,937
Equipment (Note 9)		4,248		5,884
	$	1,417,979	$	1,283,429
LIABILITIES AND SHAREHOLDERS' DEFICIT				
CURRENT				
Accounts payable and accrued liabilities (Note 10)	$	542,455	$	564,815
Due to related parties (Note 11)		316,742		194,074
Interest payable on convertible notes		258,155		219,202
Promissory notes payable (Note 12)		683,500		660,529
		1,800,852		1,638,620
Convertible notes (Note 13)		592,024		567,327
		2,392,876		2,205,947
SHAREHOLDERS' DEFICIT				
Capital stock (Note 14)		20,787,750		20,648,026
Obligation to issue shares		11,673		11,673
Reserves (Note 15)		3,425,452		3,572,102
Warrants		131,926		-
Equity portion of convertible notes		76,682		76,682
Deficit		(25,408,380)		(25,231,001)
		(974,897)		(922,518)
	$	1,417,979	$	1,283,429

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

On behalf of the Board:

"Charles Ross" Director "James Ravannack" Director

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

GOLDEX RESOURCES CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Unaudited)
Expressed in Canadian dollars

	Shares issued	Capital stock	Reserve - Share-based payments	Reserve - Warrants	Equity component of convertible notes	Obligation to issue shares	Deficit	Total
Balance at December 31, 2017	11,417,036	$ 20,516,247	$ 2,788,630	$ 158,429	$ 79,038	$ 11,673	$ (24,193,314)	$ (639,297)
Share options vesting	-	-	601,545	-	-	-	-	601,545
Loss for the period	-	-	-	-	-	-	(882,307)	(882,307)
Balance at September 30, 2018	11,417,036	20,516,247	3,390,175	158,429	79,038	11,673	(25,075,621)	(920,059)
Balance at December 31, 2018	12,617,036	20,648,026	3,425,452	146,650	76,682	11,673	(25,231,001)	(922,518)
Warrants exercised	1,250,000	139,724	-	(14,724)	-	-	-	125,000
Loss for the period	-	-	-	-	-	-	(177,379)	(177,379)
Balance at September 30, 2019	13,867,036	$ 20,787,750	$ 3,425,452	$ 131,926	$ 76,682	$ 11,673	$ (25,408,380)	$ (974,897)

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

GOLDEX RESOURCES CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
Expressed in Canadian dollars

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
EXPENSES				
Amortization (Note 9)	$ 545	$ 134	$ 1,635	$ 403
Interest expense (Notes 11, 12 and 13)	28,546	32,401	84,006	88,521
Share based payments (Note 14)	-	-	-	601,545
Management fees (Note 11)	24,000	24,000	72,000	72,000
Office and administrative	698	1,965	2,066	18,087
Professional fees	5,215	7,772	30,701	43,451
Rent	1,860	7,528	5,582	19,827
Travel	915	950	2,579	2,640
Transfer agent and filing fees	2,519	2,986	9,942	10,758
	(64,298)	(77,736)	(208,511)	(857,232)
OTHER ITEMS				
Foreign exchange gain (loss)	(4,977)	21,961	31,119	(12,362)
Impairment of exploration and evaluation assets	-	(65,181)	-	(65,181)
Interest income	-	-	13	13
Write-off of payables	-	-	-	52,455
	(4,977)	(43,220)	31,132	(25,075)
NET LOSS AND COMPREHENSIVE LOSS	$ (69,275)	$ (120,956)	$ (177,379)	$ (882,307)
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.08)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	13,443,123	11,417,036	13,126,194	11,417,036

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

GOLDEX RESOURCES CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
Expressed in Canadian dollars

	Nine months ended September 30, 2019	2018
OPERATING ACTIVITIES		
Net loss for the period	$ (177,379)	$ (882,307)
Items not affecting cash:		
Amortization	1,635	403
Accrued interest	84,006	88,521
Accrued management fees	72,000	72,000
Stock based compensation	-	601,545
Write-off of payables	-	(52,455)
Foreign exchange loss	(8,881)	8,644
Impairment of exploration & evaluation assets	-	65,181
Change in non-cash working capital items:		
Accounts receivable	(1,578)	8,721
Prepaid expenses and deposits	(1,253)	(301)
Accounts payable and accrued liabilities	16,482	68,921
Net cash provided by (used in) operating activities	(14,968)	(21,127)
FINANCING ACTIVITIES		
Shares issued for cash	125,000	-
Warrants exercised	-	-
Proceeds from promissory notes	11,488	310,744
Advances from (repayments to) related parties	49,883	13,302
Net cash provided by financing activities	186,371	324,046
INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(172,021)	(292,300)
Net cash used in investing activities	(172,021)	(292,300)
NET (DECREASE) INCREASE IN CASH FOR THE PERIOD	(618)	10,619
CASH – BEGINNING	7,247	6,402
CASH– ENDING	$ 6,629	$ 17,021

Supplementary disclosure with respect to cashflows (Note 17)

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

GOLDEX RESOURCES CORPORATION
CONSOLIDATED SCHEDULE OF EXPLORATION AND EVALUATION ASSET EXPENDITURES
Expressed in Canadian dollars

	For the nine months ended September 30, 2019		
	Opening balance	2019 expenditures	Ending balance
El Pato, Las Minas, Silimanita, San Juan - Guatemala			
Acquisition of Minera	$ 1,715,402	$ -	$ 1,715,402
Additional consideration	396,000	-	396,000
	2,111,402	-	2,111,402
Deferred exploration costs	4,078,098	133,973	4,212,071
Impairment	(5,065,563)	-	(5,065,563)
Total	$ 1,123,937	$ 133,973	$ 1,257,910

	For the year ended December 31, 2018		
	Opening balance	2018 expenditures	Ending balance
El Pato, Las Minas, Silimanita, San Juan - Guatemala			
Acquisition of Minera	$ 1,715,402	$ -	$ 1,715,402
Additional consideration	396,000	-	396,000
	2,111,402	-	2,111,402
Deferred exploration costs	4,052,021	26,077	4,078,098
Impairment	(5,065,563)	-	(5,065,563)
	1,097,860	26,077	1,123,937
Korokoro – Mali			
Acquisition cost	-	202,869	202,869
Deferred exploration costs	-	73,618	73,618
Impairment	-	(276,487)	(276,487)
	-	-	-
Total	$ 1,097,860	$ 26,077	$ 1,123,937

Details of deferred exploration costs are as follows:

	Nine months ended September 30, 2019	
	El Pato	Total
General exploration	$ -	$ -
Consulting	122,489	122,489
Insurance	-	-
Travel	-	-
Salaries and benefits	7,697	7,697
	$ 130,186	$ 130,186

	Year ended December 31, 2018		
	El Pato	Korokoro	Total
Consulting	$ -	$ 35,066	$ 35,066
License and fees	7,313	23,841	31,154
Insurance	3,364	-	3,364
Travel	-	14,711	14,711
Salaries and benefits	15,400	-	15,400
	$ 26,077	$ 73,618	$ 99,695

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Goldex Resources Corporation (the "Company") was incorporated on April 16, 1987 under the laws of British Columbia. The Company's head office is at 2300 – 1177 West Hastings Street, Vancouver, B.C., Canada, V6E 2K3. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol GDX.

The consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries.

The Company is engaged in the acquisition and exploration of gold exploration and evaluation assets. The recoverability of carrying amounts for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying exploration and evaluation assets, the ability of the Company to obtain necessary financing to complete exploration and development, achievement of future profitable production or proceeds from the disposition thereof. The Company has not determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable.

These financial statements have been prepared under the going concern assumption which contemplates the Company will continue operations and realize the carrying value of its assets and discharge its liabilities in the normal course of business. Should the going concern assumption not continue to be appropriate, adjustments to recorded values may be required. At September 30, 2019, the Company had a working capital deficit of $1,782,207 (December 31, 2018 – $1,622,188) and accumulated deficit of $25,408,380 (December 31, 2018 - $25,231,001). The ability of the Company to continue as a going concern is dependent upon the Company's ability to raise additional capital through the sale of shares or other sources as required to fund ongoing exploration activities and operating losses and ultimately on generating future profitable operations. The Company will need to raise capital to continue operations through its next fiscal year. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved by the Board of Directors on November 29, 2019.

Basis of presentation
The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments, which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation
The condensed interim consolidated financial statements of the Company include the accounts of the Company and its wholly-owned subsidiaries Goldex Resources Mexico S.A. ("Goldex Mexico") incorporated in Mexico, Compania Minera El Condor S.A ("Minera") incorporated in the Republic of Guatemala, and NCS Mercantile Corp. ("NCS") incorporated in Barbados. All inter-company transactions and balances have been eliminated upon consolidation.

Expressed in Canadian dollars

5. ACCOUNTS RECEIVABLE

	September 30, 2019	December 31, 2018
Sales taxes recoverable	$ 1,770	$ 5,596
Trade receivables	8,763	3,359
	$ 10,533	$ 8,955

6. RECLAMATION BOND

During the year ended December 31, 2017, the Company posted a reclamation bond for $137,176 (800,000 Guatemalan Quetzales) in favour of the Ministry of Environment and Natural Resources of Guatemala for the El Pato property. The bond remains outstanding.

7. EXPLORATION AND EVALUATION ASSETS

(a) El Pato Property, Guatemala

The Company owns 100% of the mineral title and rights to explore and extract minerals from a mineral property known as the El Pato Property in Guatemala. The Company has applied for a 25-year exploitation license on the El Pato Property, extendable for an additional 25 years.

The El Pato Property is subject to the following: i) A royaltee fee of $1 US per ounce of gold produced; and ii) a 1% Net Smelter Royalty ("NSR") payable to the Mining Directorate of the Ministry of Energy and Mines (Guatemala).

(b) Las Minas (formerly Cerro Las Minas), Guatemala

In March 2011 a private company applied for an initial 3 year exploration licence on the property and entered into an agreement with the Company to assign its rights under the exploration licence to the Company. The private company's licence may be extended for two additional 2-year periods; and subsequently converted to a 25-year exploitation license, extendable for an additional 25 years.

The Las Minas Property is subject to the following: i) a royalty fee of $1 US per ounce of gold produced; and ii) a 1% NSR payable to the Mining Directorate of the Ministry of Energy and Mines (Guatemala). During the year ended December 31, 2017, the Company relinquished this license as the license area is included in the Silimanita license described in Note 8c.

(c) Silimanita (formerly El Morro) and San Juan (formerly El Mojon), Guatemala

On June 9, 2008, the Guatemalan Ministry of Energy and Mines granted Minera an exploration licence for the area of El Morro. In February 2009 Minera applied to extend the area of the El Morro licence to 100 square kilometres to reacquire 12 of the 15 square kilometres relinquished in the Cerro las Minas extension application. On October 27, 2008, the Guatemalan Ministry of Energy and Mines granted Minera an exploration licence for the area of El Mojon.

During the year ended December 31, 2015, the Company relinquished the licences. Concurrently a private company applied for an initial 3 year exploration licence on the properties under the names Silimanita dn San Juan and entered into an agreement with the Company to assign its rights under the exploration licences to the Company. The private company's licences may be extended for two additional 2-year periods; and subsequently converted to a 25-year exploitation license, extendable for an additional 25 years.

The Silimanita and San Juan properties are subject to a 1% NSR payable to the Mining Directorate of the Ministry of Energy and Mines (Guatemala).

Expressed in Canadian dollars

7. EXPLORATION AND EVALUATION ASSETS (continued)

(d) Korokoro, Mali

On January 11, 2018, the Company signed a joint venture agreement ("JV") to explore and develop a gold license area consisting of 143 square kilometers in Mali, Africa (the "Korokoro"). The agreement entitled the Company to become the operator with a 51% interest in the JV and the license by completing a 43-101 report and paying 400,000 Euros at the rate of 33,000 Euro per month (the "purchase price"). The Company paid $202,869 towards the purchase price. The Company issued a promissory note to a company controlled by the President of the Company, the proceeds which were to be applied toward the purchase price of the Korokoro project. The Company received advances of $202,869 under the promissory note. Under the terms of the promissory note principal and interest are payable only from distributions from the Korokoro project. On October 30, 2018, after extensive review of the project and consideration of the JV terms the Company decided not to proceed with the Korokoro Project. The promissory note was forgiven concurrent with the relinquishment of the property. Consequently, the Company recorded an impairment loss of $276,487 after writing down the carrying value of the property and a gain on settlement of debt of $211,242 for forgiven principal and interest (Note 13).

8. SEGMENTED INFORMATION

The Company determines its reportable segments based on geography.

	September 30, 2019	December 31, 2018
Current Assets		
Canada	$ 13,391	$ 10,184
Guatemala	5,254	6,248
Total	18,645	16,432
Exploration and evaluation assets - Guatemala	1,257,910	1,123,937
Reclamation bond - Guatemala	137,176	137,176
Equipment - Canada	4,248	5,884
Current liabilities		
Canada	1,292,005	1,128,325
Guatemala	432,364	433,811
Mexico	73,586	73,586
Barbados	2,897	2,897
Total	$ 1,800,852	$ 1,638,620

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Comprehensive loss		
Canada	$ (177,379)	$ (760,728)
Mali	-	(637)
Guatemala	-	-
Mexico	-	-
Total	$ (177,379)	$ (882,307)

Expressed in Canadian dollars

9. EQUIPMENT

	Computer Hardware	Computer Software	Furniture and Fixtures	Total
Cost:				
At December 31, 2017	$ 41,667	$ 2,103	$ 10,679	$ 54,449
Acquisition	6,819			6,819
Disposition	(41,667)	(2,103)	-	(43,770)
At December 31, 2018 and September 30, 2019	6,819	-	$ 10,679	$ 17,498
Amortization:				
At December 31, 2017	40,695	2,090	9,505	52,290
Amortization for the year	2,097	6	235	2,337
Dispositon	(40,917)	(2,096)	-	(43,013)
At December 31, 2018	1,875	-	9,740	11,614
Amortization for the period	1,530	-	106	1,636
At September 30, 2019	3,405	-	9,845	13,250
Net book value:				
At December 31, 2018	$ 4,944	$ -	$ 939	$ 5,884
At September 30, 2019	$ 3,415	$ -	$ 833	$ 4,248

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2019	December 31, 2018
Trade payables	$ 199,888	$ 223,567
Accrued liabilities	342,567	341,248
	$ 542,455	$ 564,815

11. RELATED PARTY TRANSACTIONS

During the three and nine months ended September 30, 2019, the Company entered into the following transactions with related parties:

a) The Company incurred management fees of $24,000 and $72,000 (2018 - $24,000 and $72,000) to a company controlled by the President of the Company.
b) The Company incurred interest expense of $254 and $984 (2018 - $387 and $997) on a short-term loan and $306 and $943 (2018 - $4,415 and $9,331) on a promissory note payable to a company controlled by the President of the Company (Note 12).
c) The Company incurred accounting fees of $5,214 and $14,722 (2018 – $nil and $nil) to a Company controlled by the CFO of the Company.
d) The Company incurred interest expense of $784 and $2,328 (2018 - $768 and $2,286) on a promissory note payable to a company controlled by a director, former CEO, of the Company (Note 12).

Expressed in Canadian dollars

11. RELATED PARTY TRANSACTIONS (continued)

Amounts due to related parties are as follows:

	September 30, 2019	December 31, 2018
Due to related parties:		
President and companies controlled by the President for management fees, expenses and accumulated interest	$ 312,093	$ 189,211
President and companies controlled by the President for expenses *	-	-
CEO and companies controlled by a director for expenses	4,649	4,863
	$ 316,742	$ 194,074
Promissory notes payable (Note 13):		
President and companies controlled by the President for principal*	$ -	$ 16,000
President and companies controlled by the President for interest	-	2,001
CEO and companies controlled by a director for principal *	38,941	40,114
CEO and companies controlled by a director for principal	9,484	88,429
CEO and companies controlled by a director for interest	89,078	7,370
	$ 137,503	$ 153,914

* These amounts are subject to 8% interest per annum, unsecured and have no fixed terms of repayment.

12. PROMISSORY NOTES

(a) During the year ended December 31, 2016, the Company received advances under a promissory note from a company controlled by a director, former CEO, in the amount of US$19,950. The note is unsecured, bears interest at a rate of 8% per annum, and has no fixed terms of repayment. During the year ended December 31, 2017, the Company received additional advances amounting to US$9,455. During the three and nine months ended September 30, 2019, the Company recorded interest expense of $784 and $2,328 (2018 - $768 and $2,286). As at September 30, 2019, principal and interest of $48,425 was due on the note.

(b) During the year ended December 31, 2016, the Company issued a promissory note totalling US$15,000 to a third party. During the year ended December 31, 2017, the Company received additional advances amounting to US$22,500. The note is payable on demand and bears interest at a rate of 8% per annum. During the three and nine months ended September 30, 2019, the Company received further advances of US$ 25,000 and recorded interest expense of $2,217 and $3,815 (2018: $979 and $2,916). As at September 30, 2019, principal and interet of $95,320 was due on the note.

(c) During the year ended December 31, 2016 the Company issued a promissory note totalling US$2,005 to a third party. The note is payable on demand and is non-interest bearing. During the year ended December 31, 2017, the Company received additional advances from the third party in the amount of US$135,321. During the year ended December 31, 2018, the Company received additional advances of US$11,874. As at September 30, 2019, principal of $197,586 sas due on the note.

(d) During the year ended December 31, 2017, the Company issued a promissory note totalling $16,000 to a company controlled by the President of the Company. The note is payable on demand and bears interest at a rate of 8% per annum. During the three and nine months ended September 30, 2019, the Company recorded interest expense of and $306 and $943 (2018 - $324 and $958) and repaid the promissory note in full.

(e) During the year ended December 31, 2018, the Company issued a promissory note totalling $202,869 to a company controlled by the President of the Company, the proceeds which were to be applied toward the purchase price of the Korokoro project (Note 8). The promissory note principal and 8% per annum interest were payable only from distributions from the Korokoro project. During the year ended December 31, 2018, the Company recorded interest expense of $8,373. On October 30, 2018, the Company decided to relinquish the project and principal of $202,869 and interest of $8,373 was forgiven.

12. PROMISSORY NOTES (continued)

(f) During the year ended December 31, 2017, the Company issued a promissory note totalling $125,000 to a third party. The note is payable on demand and bears interest at a rate of 8% per annum. During the year ended December 31, 2018, the Company received additional US$93,045 advances. During the three and nine months ended September 30, 2019, the Company recorded interest expense of $4,397 and $13,047 (2018: $4,862 and $10,706). As at September 30, 2019, principal and interest of $251,044 was due on the note.

(g) During the year ended December 31, 2017, the Company issued a promissory note totalling Q520,000 (Guatemalan Quetzales) to a related party. The note is payable on demand and bears no interest. As at September 30, 2019, principal of $89,078 was due on the note.

(h) During the year ended December 31, 2018, the Company issued a promissory note totalling $1,418 to a related party. The note is payable on demand and bears interest at a rate of 8% per annum. During the nine months ended September 30, 2019, the Company received further advances of $472 on the loan. As at September 30, 2019, principal and interest of $2,045 was due on the note.

13. CONVERTIBLE NOTES

On April 15, 2016, the Company issued $1,345,000 in convertible units. Each convertible unit consisting of one convertible secured note and one transferable detachable warrant. Each noteholder has the right to convert the principal amount of the convertible secured note into common shares of the Company for a period of five years after the date of issuance at a conversion price of $0.10 per common share. The warrants are exercisable at $0.10 per common share for five years from the date of issuance. The convertible secured notes have an interest rate of 8% per annum and have a maturity date of five years from closing. The conversion price of interest will be determined by the market price of the Company's common shares at the time of settlement.

The Company classified the notes into debt and equity components based on the residual method. The debt component of $1,028,141 was calculated as the present value of the required interest and principal payment that would have been applicable to non-convertible debt using a market rate of 15% per annum. An amount of $158,429 representing the estimated value of the right of conversion was included in shareholders' equity as the equity component of convertible notes, and the $158,429 was included in warrant reserves.

On May 29, 2017, convertible units in the amount of $220,000 were converted at $0.10 per unit into 2,200,000 shares. On October 29, 2017, convertible units in the amount of $454,000 were converted at $0.10 per unit into 4,540,000 shares. On December 12, 2018, convertible units in the amount of $20,000 were converted at $0.10 per unit into 200,000 shares.

During the the three and nine months ended September 30, 2019, the Company recorded interest expense of $13,127 and $38,953 (2018 - $13,530 and $40,150) on the notes. An additional $8,322 and $24,696 (2018 - $7,459 and 22,135) interest expense was recorded and accreted back to the carrying value of the notes.

14. CAPITAL STOCK

Authorized:

Unlimited common shares without par value.
100,000,000 preferred shares without par value (none issued).

Issued:

On September 19, 2019, the Company issued 500,000 shares upon exercise of 500,000 warrants at $0.10 for cash proceeds amount of $50,000. $2,944, the value of the exercised warrants was transferred from reserves to capital stock.

On May 29, 2019, the Company issued 250,000 shares upon exercise of 200,000 warrants at $0.10 for cash proceeds amount of $25,000. $2,944, the value of the exercised warrants was transferred from reserves to capital stock.

Expressed in Canadian dollars

14. CAPITAL STOCK (continued)

On March 3, 2019, the Company issued 500,000 shares upon exercise of 500,000 warrants at $0.10 for cash proceeds amount of $50,000. $5,890, the value of the exercised warrants was transferred from reserves to capital stock.

On December 12, 2018, the Company issued 200,000 shares upon conversion of convertible notes in the amount of $20,000 (Note 13).

During December 2018, the Company issued 1,000,000 shares upon exercise of 1,000,000 warrants at $0.10 for cash proceeds amount of $100,000. $11,779, the value of the exercised warrants was transferred from reserves to capital stock.

Stock options

On August 9, 2011, the Company's shareholders approved the adoption of a new incentive Stock Option Plan (the "New Plan") to allow the Company to grant options to directors, officers, employees and consultants. Options are to be exercisable over periods of up to 5 years as determined by the Board of Directors of the Company. Options are required to have an exercise price no less than the market price prevailing on the day that the option is granted, less any applicable discount permitted under the rules and policies of the TSX-V. The New Plan provides that the number of common shares which may be issued pursuant to options granted under the New Plan, together with all of the Company's other previously established or proposed share compensation plans, may not exceed 10% of the total number of issued and outstanding common shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis. The Board of Directors may prescribe, at the time of grant of a particular option, vesting provisions as they may deem appropriate and are in compliance with TSX-V Policies.

On February 21, 2018, the Company granted 250,000 stock options to consultants of the Company. The options have an exercise price of $0.55 and life of 4.70 years. The options vested equally on June 30, 2018 and November 1, 2018. The fair value of the options was estimated using the Black-Scholes Option-Pricing Model assuming an expected life of 4.7 years, a risk-free interest rate of 2.10% and an expected volatility of 151%. The Company recorded stock option expense of $136,010.

The following share options were outstanding at September 30, 2019:

Exercise Price Per Share ($)	Expiry Date	Number of Options	Weighted Average Life Remaining (in Years)
0.50	November 1, 2022	780,000	3.34
0.55	November 1, 2022	150,000	3.34

Options transactions and the number of options outstanding are summarized as follows:

	Nine months ended September 30, 2019		Year ended December 31, 2018	
	Number of Options	Weighted Average Exercise Price per Share ($)	Number of Options	Weighted Average Exercise Price per Share ($)
Balance - beginning of period	1,045,000	0.51	795,000	0.50
Granted in the year	-	-	250,000	0.55
Expired / cancelled during the period	(115,000)	0.54	-	-
Balance – end of period	930,000	0.51	1,045,000	0.51

Expressed in Canadian dollars

14. CAPITAL STOCK (continued)

Warrants

The following warrants were outstanding at September 30, 2019:

Exercise Price Per Share ($)	Expiry Date	Number of Warrants	Weighted Average Life Remaining (in Years)
0.10	April 15, 2021	14,350,000	1.79

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

	Nine months ended September 30, 2019		Year ended December 31, 2018	
	Number of Warrants	Weighted Average Exercise Price per Share ($)	Number of Warrants	Weighted Average Exercise Price per Share ($)
Balance - beginning of period	15,600,000	0.10	16,600,000	0.10
Granted in the year	-	-	-	-
Exercised in the period	(750,000)	0.10	(1,000,000)	0.10
Balance – end of period	14,850,000	0.10	15,600,000	0.10

15. RESERVES

Reserves consist of the Company's share-based payment reserve, and warrants reserve. The share-based payment reserve records items recognized as stock-based compensation until such time that the stock option or other equity instrument are exercised, at which time the corresponding amount will be transferred to share capital. The warrants reserve is comprised of the the estimated value of the private placement warrants issued by the Company.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine months ended September 30, 2019	2018
Exploration expenditures included in accounts payable	$ 40,022	$ -

17. RISK MANAGEMENT

Management of Industry Risk

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company's mineral exploration activities expose it to potential environmental liability risk. The Company operates in the mineral exploration industry which is subject to environmental laws and regulations specific to countries in which exploration is conducted. Due to the diversity of these regulations compliance at all times cannot be assured. It is management's policy to review environmental compliance and exposure on an ongoing basis. The Company follows industry standards and specific project environmental requirements. The Company records liability for site restoration in the period of determination. The Company is currently in the exploration stage on its property interests and has not determined whether significant site recovery costs will be required. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

17. RISK MANAGEMENT (continued)

Management of Financial Risk

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, and market risk. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risk in respect to its cash accounts in the event that its counterparties do not meet their obligations. The risk in cash accounts is managed through the use of major financial institutions which have high credit quality as determined by the rating agencies. The Company's other exposure risk is on its accounts receivable. The risk is minimal as receivables consist primarily of refundable government goods and services taxes.

Liquidity risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they became due. To manage liquidity risk, the Company reviews additional sources of capital and replacement debt structures to continue its operations and discharge its commitments as they become due. As at September 30, 2019, the Company had a cash balance of $6,629 to settle current liabilities of $1,800,852. All of the Company's financial liabilities are subject to normal trade terms. Liquidity risk is assessed as high.

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

Currency risk
Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. Current exploration activities occur in Guatemala. Therefore the Company is subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. Currently the Company does not use any hedging or derivative instruments to reduce its exposure to foreign currency risk. The Company does not maintain significant cash or cash equivalents or other monetary assets or liabilities in these foreign countries.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no debt at floating rates and are therefore not exposed to interest rate risk.

Commodity price risk
Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices, particularly gold. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. The Company includes the components of shareholders' equity in its management of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash.

There were no changes in the Company's approach to capital management during the period ended September 30, 2019.

19. SUBSEQUENT EVENT

There are no subsequent events.