PRIZE MINING
CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended February 28, 2019 and 2018

(Unaudited)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards by the Chartered Professional Accountants of Canada for a review of the interim consolidated financial statements.

PRIZE MINING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - expressed in Canadian dollars)

		February 28, 2019		August 31, 2018
ASSETS				
Current assets				
Cash	$	300,189	$	2,433,373
Marketable securities (Note 3)		7,142		35,363
Receivables (Note 7)		329,850		1,492,451
Prepaid expenses and advances (Note 8)		66,995		49,913
		704,176		4,011,100
Non-current assets				
Equipment (Note 10)		95,241		30,725
Loan receivable (Note 4)		52,900		53,862
Deposits		24,000		13,000
Reclamation bonds		174,700		174,700
Exploration and evaluation assets (Note 9)		17,971,264		15,621,815
TOTAL ASSETS	$	19,022,281	$	19,905,202
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	430,202	$	288,575
Accounts payable to related parties (Note 11)		1,944		59,081
Flow-through share premium liability (Note 13)		-		68,922
		432,146		416,578
Shareholders' equity				
Share capital (Note 12)		64,106,758		63,691,132
Reserves (Note 12)		5,094,788		4,420,231
Deficit		(50,611,411)		(48,622,739)
		18,590,135		19,488,624
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	19,022,281	$	19,905,202

Nature and continuance of operations (Note 1)
Commitments (Note 18)
Subsequent events (Note 20)

Approved and authorized by the Board on April 29, 2019

Michael McPhie Director *Jose Aviña* Director

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

PRIZE MINING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - expressed in Canadian dollars)
FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28,

	Three months ended February 28, 2019	2018	Six months ended February 28, 2019	2018
GENERAL AND ADMINISTRATIVE EXPENSES				
Accounting and audit	$ 62,750	$ 52,077	$ 79,750	$ 76,077
Administration (Note 11)	10,000	9,000	23,000	18,000
Consulting fees (Note 11)	93,875	61,442	118,755	121,442
Depreciation (Note 10)	2,141	2,141	4,282	4,282
Foreign exchange loss	-	7,587	104	7,587
Interest and bank charges	941	703	2,054	1,640
Investor relations	31,740	189,199	271,163	692,691
Legal	385,390	26,011	411,915	74,802
Management and directors' fees (Note 11)	70,979	137,400	237,134	180,900
Office and miscellaneous	14,402	25,396	19,077	27,155
Property investigation costs	141,083	-	141,083	6,447
Rent (Note 18)	11,000	10,650	41,250	24,575
Shareholder communications	5,204	-	12,570	2,264
Share-based payments (Note 12)	1,603	420,284	699,428	553,030
Transaction costs and business development	1,290	10,186	8,790	41,714
Transfer agent and regulatory fees	34,673	25,743	48,221	41,923
Travel and related costs	33,899	27,189	55,664	37,175
OPERATING EXPENSES	(900,970)	(1,005,008)	(2,174,240)	(1,911,704)
Interest income	4,136	2,881	5,467	8,665
Settlement of flow-through premium liability (Note 13)	78,249	78,163	208,322	251,028
Unrealized gain (loss) on marketable securities (Note 3)	(7,285)	32,583	(28,221)	27,448
Net loss and comprehensive loss for the period	$ (825,870)	$ (891,381)	$ (1,988,672)	$ (1,624,563)
Basic and diluted loss per common share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding	124,310,562	58,751,308	123,672,247	54,842,555

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

PRIZE MINING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - expressed in Canadian dollars)
FOR THE SIX MONTHS ENDED FEBRUARY 28,

		2019		2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	$	(1,988,672)	$	(1,624,563)
Items not affecting cash:				
Share-based payments		699,428		553,030
Accrued interest income on loan receivable		-		(640)
Depreciation		4,282		4,282
Unrealized loss (gain) on marketable securities		28,221		(27,448)
Settlement of flow-through share premium liability		(208,322)		(251,028)
Changes in non-cash working capital items:				
Decrease (increase) in receivables		1,162,601		(124,544)
Decrease (increase) in prepaid expenses and deposits		(28,082)		286,129
Increase in accounts payable and accrued liabilities		141,626		85,402
Increase (decrease) in accounts payable to related parties		(57,137)		72,646
Net cash used in operating activities		(246,055)		(1,026,734)
CASH FLOWS FROM INVESTING ACTIVITIES				
Reclamation bond		-		(80,200)
Payment received from GreenScience loan		962		713
Purchase of equipment		(68,798)		(36,935)
Exploration and evaluation expenditures		(2,310,073)		(1,375,947)
Net cash used in investing activities		(2,377,909)		(1,492,369)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of capital stock		592,450		1,150,000
Share issuance costs		(101,670)		(111,206)
Net cash provided by financing activities		490,780		1,038,794
Net change in cash during the period		(2,133,184)		(1,480,309)
Cash, beginning of period		2,433,373		2,850,157
Cash, end of period	$	300,189	$	1,369,848

Supplemental disclosure with respect to cash flows (Note 17)

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

PRIZE MINING CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - expressed in Canadian dollars)
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2019 and 2018

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, August 31, 2017	**50,741,864**	**51,974,163**	**2,962,631**	**(41,293,288)**	**13,643,506**
Shares issued for cash	2,300,000	1,150,000	-	-	1,150,000
Shares issuance costs - cash	-	(111,206)	-	-	(111,206)
Shares issued to acquire property (Note 9)	375,000	106,876	-	-	106,876
Shares issued to acquire subsidiary (Note 6)	6,000,000	2,100,000	-	-	2,100,000
Share-based payments	-	-	553,030	-	553,030
Flow-through share premium	-	(322,000)	-	-	(322,000)
Loss and comprehensive loss for the period	-	-	-	(1,624,563)	(1,624,563)
Balance, February 28, 2018	**59,416,864**	**54,897,833**	**3,515,661**	**(42,917,851)**	**15,495,643**
Shares issued for cash	60,983,698	9,147,555	-	-	9,147,555
Share issuance costs - cash	-	(314,491)	-	-	(314,491)
Share issuance costs - finder's warrants	-	(47,765)	47,765)	-	-
Shares issued to acquire property (Note 9)	50,000	8,000	-	-	8,000
Share-based payments	-	-	856,805	-	856,805
Loss and comprehensive loss for the period	-	-	-	(5,704,888)	(5,704,888)
Balance, August 31, 2018	**120,450,562**	**63,691,132**	**4,420,231**	**(48,622,739)**	**19,488,624**
Shares issued for cash	3,485,000	592,450	-	-	592,450
Share issuance costs - cash	-	(101,670)	-	-	(101,670)
Share issuance costs - finder's warrants	-	(11,129)	11,129	-	-
Shares issued to acquire property (Note 9)	375,000	39,375	-	-	39,375
Share-based payments	-	36,000	663,428	-	699,428
Flow-through share premium	-	(139,400)	-	-	(139,400)
Loss and comprehensive loss for the period	-	-	-	(1,988,672)	(1,988,672)
Balance, February 28, 2019	**124,310,562**	**64,106,758**	**5,094,788**	**(50,611,411)**	**18,590,135**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Prize Mining Corporation (the "Company") was incorporated under the Business Corporations Act (Alberta) on August 16, 1996. The Company's head office and registered and records office address is Suite 2301 – 838 West Hastings Street, Vancouver, British Columbia, V6C 0A6. The Company is a resource exploration company focused on acquiring and exploring resource properties.

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

On April 11, 2017, the Company completed its acquisition of 1994854 Alberta Ltd. ("199"). 199 entered into an option agreement with Apex Resources Inc. ("Apex"), pursuant to which it has an option to earn up to a 100% interest in Apex's Kena and Daylight properties (the "Kena and Daylight Project") located in the Nelson area of British Columbia, Canada.

On December 7, 2017, the Company closed the acquisition of Scion Mines S.A. de C.V. ("Scion"). Scion owns a 100% interest in the Manto Negro Copper Project, which consists of seven mining concessions in the State of Coahuila, Mexico.

These condensed interim consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. At February 28, 2019, the Company had a working capital of $272,030 had not yet achieved profitable operations and has an accumulated deficit of $50,611,411 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed interim consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements for the six months ended February 28, 2019 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's August 31, 2018 annual consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The condensed interim consolidated financial statements have been prepared under the historical cost convention.

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's August 31, 2018 annual consolidated financial statements.

Basis of consolidation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified at fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(Unaudited - expressed in Canadian dollars)

2. BASIS OF PREPARATION (cont'd…)

Basis of consolidation (cont'd…)

All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

The principal subsidiaries of the Company as of February 28, 2019 are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest February 28, 2019	Ownership Interest August 31, 2018
1994854 Alberta Ltd. ("199")	Mineral exploration	Canada	100%	100%
Scion Mines S.A. de C.V. ("Scion")	Mineral exploration	Mexico	100%	100%

Foreign currency translation

The presentation currency of the Company is the Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The Company considers the functional currency for its parent entity and subsidiaries to be the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, the Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the date of transaction. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation of foreign operations with functional currencies different from the present currency are included in the statement of comprehensive loss.

Change in accounting policies

Financial instruments

The Company has adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of September 1, 2018. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

2. BASIS OF PREPARATION (cont'd…)

Change in accounting policies (cont'd…)

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at September 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	FVTPL	FVTPL
Marketable securities	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Loan receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive loss on September 1, 2018.

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

2. BASIS OF PREPARATION (cont'd…)

Change in accounting policies (cont'd…)

Financial instruments (cont'd…)

Measurement (cont'd…)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of net income (loss). Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net income (loss) in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net income (loss).

2. BASIS OF PREPARATION (cont'd…)

Change in accounting policies (cont'd…)

Revenue from contracts with customers

IFRS 15, *Revenue from Contracts with Customers ("IFRS 15")*

The new revenue standard introduces a single principles-based, five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. IFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. As the Company has no revenue, no impact on the Company's consolidated financial statements has resulted.

New standards, interpretation and amendments not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16, *Leases*
IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as required by IAS 17 and instead introduces a single lessee accounting model.

The Company has initially assessed that there will be no material reporting changes as a result of adopting the above new standards; however, enhanced disclosure requirements are expected.

3. MARKETABLE SECURITIES

Marketable securities consist of 542,343 common shares (August 31, 2018 - 542,343) of NexGen Mining Corporation ("NexGen"), formerly Brilliant Sands Incorporated and 1 common share (August 31, 2018 - 1) of Athabasca Nuclear Corp. NexGen is a related party by virtue of a common director with the Company.

During the six months ended February 28, 2019, the Company recorded an unrealized loss of $28,221 (2018 - gain of $27,448), and a realized gain of $Nil (2018 - $Nil), related to the marketable securities.

4. LOAN RECEIVABLE

The Company entered into an exclusivity agreement dated September 10, 2015 and a non-binding letter of intent dated May 12, 2015 which together set out the basic terms and conditions for the acquisition (the “Transaction”) by the Company of all of the issued and outstanding shares of GreenScience Technologies Inc. (“GreenScience”) in exchange for common shares of the Company.

On September 11, 2015, the Company entered into a loan agreement with GreenScience in the amount of $50,000 with interest rate of 5.7% per annum and is secured by a security interest in all of the assets of GreenScience. Interest will begin to accrue on the principal as of the date of the advance thereof by the Company and will be compounded quarterly. All interest on becoming overdue will be treated, as to payment of further interest, as principal and will bear compound interest at the rate of the loan rate both before and after the obtaining of any judgment by the Company against GreenScience to the extent permitted by law.

The Principal Sum and interest due will be payable as follows:

(a) Four (4) consecutive quarterly installments of interest, each in the amount of $713 will be payable, in arrears, commencing on the earlier of September 11, 2016 and the third business day following the completion by GreenScience of a financing (each, an "Interest Payment Date"), subject to adjustment and prepayment of the Principal Sum as permitted pursuant to the terms of the Agreement.

(b) Followed by twelve (12) consecutive equal quarterly installments of principal and interest, in arrears, commencing on September 11, 2017 (each, a “Principal Payment Date”, Interest Payment Date and Principal Payment Date are together referred to as a “Payment Date”), subject to adjustment pursuant to terms hereof and prepayment of the Principal Sum as permitted pursuant to the terms of the Agreement.

(c) GreenScience will repay the loan in full on the earlier of September 11, 2020 and any date of acceleration or prepayment in full of the loan pursuant to the terms of the agreement, at which time GreenScience will repay in full, if any, the aggregate of the then-outstanding Principal Sum plus all accrued and unpaid interest thereon and all other fees, expenses or other amounts owed related to the loan.

(d) If any payment due is not received within five (5) days of its due date, GreenScience will pay a late charge equal to five (5%) percent of the amount in arrears.

As at February 28, 2019, the Company recorded $2,900 (August 31, 2018 - $3,985) of interest on the Principal Sum, which is included in the loan receivable balance. Interest payment of $962 (2018 - $713) was paid during the period. The principal payments due in the current fiscal year totaling $16,667 have not been made and as a result an interest rate of 7.7% is payable. The Company is currently in discussions with GreenScience in regards to the overdue principal payments and has granted a one-year extension to GreenScience to repay the loan.

(Unaudited - expressed in Canadian dollars)

5. ACQUISITION OF 1994854 ALBERTA LTD.

During the year ended August 31, 2017, the Company entered into an agreement, pursuant to which the Company has acquired all of the outstanding share capital of 1994854 Alberta Ltd. ("199"), an arm's length party (the "Acquisition"). 199 Alberta is a privately held mineral exploration company that holds an option with Apex to earn up to a 100% interest in the Kena and Daylight Project (Note 9). In consideration for the outstanding share capital of 199 Alberta, the Company issued 28,525,000 common shares with a value of $9,983,750

The acquisition of 199 was treated as an acquisition of exploration and evaluation assets. The fair value of the assets acquired and liabilities assumed as at the date of acquisition were as follows:

Net assets acquired		
Cash	$	122,481
Amounts receivable		12,457
Exploration and evaluation assets		540,364
Advance due from Prize Mining Corporation		45,000
Accounts payable		(13,530)
Net assets acquired:	**$**	**706,772**

Consideration		
Value of 28,525,000 common shares issued	$	9,983,750
Less: net assets		(706,772)
Excess consideration paid over the net assets of 199	**$**	**9,276,978**

The excess of the consideration over the net assets of 199 has been added to the exploration and evaluation assets to reflect the fair value of the Kena and Daylight Project.

6. ACQUISITION OF SCION MINES S.A. DE C.V.

In December 2017, the Company closed the acquisition of Scion Mines S.A. de C.V. ("Scion"), an arm's length party, pursuant to a share purchase agreement dated November 22, 2017. Scion owns a 100% interest in the Manto Negro Copper Project which consists of seven mining concessions in the State of Coahuila. In consideration for the outstanding share capital of Scion, the Company issued 6,000,000 common shares ("Acquisition Shares") with a value of $2,100,000. The Acquisition Shares are subject to contractual resale restrictions. These restrictions expire in respect of 10% of the Shares on the closing date and in respect of an additional 15% of the Acquisition Shares on each of the six, twelve, eighteen, twenty-four and thirty-six month anniversaries of the closing date.

The acquisition of Scion was treated as an acquisition of exploration and evaluation assets. At the time of acquisition, there were no assets and liabilities in Scion except for the 100% ownership in the Manto Negro Copper Project. The consideration paid for Scion of $2,100,000 has been added to the exploration and evaluation assets to reflect the fair value of the Manto Negro Copper Project.

(Unaudited - expressed in Canadian dollars)

7. RECEIVABLES

		February 28, 2019		August 31, 2018
GST Receivable	$	-	$	234,132
VAT Receivable		329,850		138,319
Other*		-		1,120,000
Total	$	329,850	$	1,492,451

*Included in other receivables are refunds of $1,120,000 from parties that the Company had engaged to perform advertising, marketing, investor relations, mergers and acquisitions ("M&A") financial advisory and other consulting services. The parties agreed to terminate the service agreements and the refunds were received during the period ended February 28, 2019.

8. PREPAID EXPENSES AND ADVANCES

As at November 30, 2018, the Company had prepaid expenses and advances totaling $66,995 (2018 - $49,913) which comprised of deposits on various services. During the quarter ended August 31, 2018, the Company entered into agreements, for one year period, with several parties for advertising, marketing, investor relations, M&A financial advisory and other consulting services with contract values totaling $5,380,000. The fees under these agreements were paid in July 2018 and no amounts were recognized as expenses for the year ended August 31, 2018. Several of these parties also subscribed to the private placement completed by the Company in July 2018. Subsequent to year end the British Columbia Securities Commission issued a temporary cease trade order and notice of hearing for several of the parties which the Company had service agreements with and had subscribed to the private placement completed by the Company in July 2018. This provided uncertainty regarding the ability and intent of the service providers to continue fulfilling their obligations. As such, the Company cancelled service agreements, totaling $5,380,000, and requested repayment of funds for services not rendered. Repayment of $1,120,000 (Note 7) was received during the period ended February 28, 2019 and the remaining prepaid amount of $4,260,000 has been fully provided for and recorded as a provision during the year ended August 31, 2018. In the future, should the Company recover any further amounts from the parties, such amounts will be recorded as a recovery.

9. EXPLORATION AND EVALUATION ASSETS

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

Kena - Daylight Project

On April 11, 2017, the Company completed its acquisition of 1994854 Alberta Ltd. ("199"). 199 entered into an option agreement with Apex pursuant to which it has an option (the "Option") to earn an 80% interest in Apex's Kena and Daylight properties located in the Nelson area of British Columbia, Canada. The Option has a term of 4 years commencing from October 3, 2016 (the "Effective Date"). The obligations and rights of 199 under the Option have been assigned to the Company. To exercise the Option and earn its 80% interest in the Kena Project, the Company will:

i. Make the following cash option payments to Apex:
   a. $500,000 within 5 business days from the Effective Date; (paid by 199 prior to the Acquisition)
   b. an additional $250,000 within twelve months from the Effective Date; (paid October 4, 2017)
   c. an additional $250,000 within twenty-four months from the Effective Date; and (paid September 28, 2018)
   d. an additional $250,000 within thirty-six months from the Effective Date;

   for total cash option payments of $1,250,000; and

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Kena - Daylight Project (cont'd…)

ii. issue common shares to Apex as follows:
   a. 375,000 shares within 5 business days from the Effective Date; (issued by 199 prior to the Acquisition)
   b. an additional 375,000 shares within twelve months from the Effective Date; (issued with a value of $106,876)
   c. an additional 375,000 shares within twenty-four months from the Effective Date; and (issued with a value of $39,375)
   d. an additional 375,000 shares within thirty-six months from the Effective Date.

   for a total of 1,500,000 shares; and

iii. incur exploration expenditures on the Kena Project as follows:
   a. $100,000, within twelve months from the Effective Date; (completed)
   b. an additional $400,000 within twenty-four months from the Effective Date; (completed)
   c. an additional $1,000,000 within thirty-six months from the Effective Date; and
   d. an additional $1,500,000 within forty-eight months from the Effective Date.

   for total exploration expenditures of $3,000,000.

After earning its 80% interest in the Kena-Daylight Project, the Company has a second option to earn and acquire up to an additional 20% undivided interest in the Kena-Daylight Project by making a $2,000,000 cash payment to Apex and granting a 1% net smelter returns royalty (the "NSR Royalty") on the Kena-Daylight Project to Apex on or before the date that is 180 days following the date of exercise of the 80% option. 199 has the right to purchase one half of the 1% NSR for a purchase price of $5,000,000 on or before the date in which commercial production commences. If the 20% option is not exercised, 199 and Apex will establish an 80:20 joint venture for the further management, exploration and development of the Kena-Daylight Project.

Toughnut Property

As of July 4, 2017, the Company entered into an option agreement to acquire a 100% interest in the Toughnut property, located in southeastern British Columbia. To acquire the Toughnut property, the Company must pay $150,000, issue 250,000 common shares and incur $750,000 of exploration expenditures over a five-year period:

a. Pay $30,000 cash (paid) and issue 50,000 common shares on or before five business days following the effective date (June 30, 2017) (issued);
b. Pay $30,000 cash (paid) and issue 50,000 common shares on or before June 30, 2018 (issued with a value of $8,000);
c. Pay $30,000 cash and issue 50,000 common shares on or before June 30, 2019;
d. Pay $30,000 cash and issue 50,000 common shares on or before June 30, 2020;
e. Pay $30,000 cash and issue 50,000 common shares on or before June 30, 2021;
f. Incur $750,000 in exploration expenditures on or before June 30, 2022.

The Toughnut property will be subject to a 2% NSR on its acquisition by the Company. The Company shall have the right to purchase one-half of the 2% NSR for the purchase price of $2,000,000 on or before the date on which commercial production commences. The property is also subject to a 0.5% NSR from the production of metals until the $1,000,000 cap has been attained on the underlying royalty to the original sellers of the property.

(Unaudited - expressed in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Manto Negro Copper Project

On December 7, 2017, the Company closed the acquisition of Scion Mines S.A. de C.V. ("Scion"), an arm's length party, pursuant to a share purchase agreement dated November 22, 2017. Scion owns a 100% interest in the Manto Negro Copper Project which consists of seven mining concessions in the State of Coahuila.

The Company also agreed to issue up to an additional six million common shares (the "Bonus Shares") to Scion's original shareholders upon the satisfaction of certain conditions:

a. 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI43-101) is equal to or greater than 500 million pounds
b. 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI43-101) is equal to or greater than 750 million pounds
c. 2,000,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI43-101) is equal to or greater than one billion pounds

	Kena-Daylight	Toughnut	Canada Total	Mexico Manto Negro	Total
Acquisition Costs					
Balance, beginning at August 31, 2018	$10,174,217	$ 101,500	$ 10,275,717	$ 2,100,000	$12,375,717
Incurred during the period	289,375	-	289,375	-	289,375
Balance, ending at February 28, 2019	10,463,592	101,500	10,565,092	2,100,000	12,665,092
Deferred Exploration Costs					
Balance, beginning at August 31, 2018	893,205	983,517	1,876,722	1,369,376	3,246,098
Drilling	-	292,401	292,401	319,690	612,091
Water for drilling	-	-	-	66,560	66,560
Equipment rental	-	16,265	16,265	380,193	396,458
Geological and Geophysical	1,500	9,302	10,802	152,229	163,031
Management fees	-	-	-	83,000	83,000
Project preparation and support	420	3,144	3,564	81,532	85,096
Sampling and analysis costs	-	79,592	79,592	12,502	92,094
Travel and accommodations	-	67,007	67,007	15,909	82,916
Report and data compilation	-	2,106	2,106	99,834	101,940
Environmental consulting	-	-	-	20,951	20,951
Taxes and mineral claims	-	-	-	207,206	207,206
Land rental payments	-	-	-	35,835	35,835
Camp costs and field expenses	-	-	-	106,201	106,201
Miscellaneous	-	-	-	6,695	6,695
Balance, ending at February 28, 2019	895,125	1,453,334	2,348,459	2,957,713	5,306,172
Total exploration and evaluation	$11,358,717	$1,554,834	$ 12,913,551	$ 5,057,713	$ 17,971,264

(Unaudited - expressed in Canadian dollars)

10. EQUIPMENT

	Computer equipment	Office furniture & equipment	Vehicle	Building	Total
Cost					
Balance at August 31, 2018	$ 33,496	$ 2,491	$ 36,935	$ -	$ 72,922
Additions	-	-	-	68,798	68,798
Balance at February 28, 2019	33,496	2,491	36,935	68,798	141,720
Accumulated depreciation					
Balance at August 31, 2018	32,319	2,491	7,387	-	42,197
Additions	588	-	3,694	-	4,282
Balance at February 28, 2019	$ 32,907	$ 2,491	$ 11,081	$ -	$ 46,479
Carrying amounts					
Balance, at August 31, 2018	$ 1,177	$ -	$ 29,548	$ -	$ 30,725
Balance, at February 28, 2019	$ 589	$ -	$ 25,854	$ 68,798	$ 95,241

11. RELATED PARTY TRANSACTIONS

During the period ended February 28, 2019, the Company carried out the following transactions with related parties:

a. Purchase of services:

	February 28, 2019	February 28, 2018
Administration and accounting fees to a company controlled by an officer and director of the Company	$ 15,000	$ 48,000
Administration and accounting fees to a company controlled by a former officer and director of the Company	$ 50,000	$ -
Consulting fees to a company controlled by a director	$ -	$ 30,000
Consulting fees to former directors	$ 75,000	$ 30,000
Management fees	$ 140,298	$ -
Legal fees and share issue costs to a firm of which the former Corporate Secretary is a partner	$ 49,577	$ 88,980

b. Key management compensation:

Key management includes the President & CEO and the CFO. The compensation paid or payable to key management or companies controlled by them for director and/or management services is shown below:

	February 28, 2019	February 28, 2018
Fees reported as management fees to directors and companies controlled by an officer and director	$ 140,298	$ 180,900
Directors' fees	$ 108,000	$ -
Share-based compensation	$ 530,098	$ -

(Unaudited - expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (cont'd…)

a. Prepaid expenses:

		February 28, 2019		August 31, 2018
Prepaid expenses to a company controlled by a director and an officer for consulting services	$	-	$	24,500

b. Accounts payable to related parties:

		February 28, 2019		August 31, 2018
Consulting fees to a director and officer of the Company	$	1,944	$	59,081

Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

12. SHARE CAPITAL

Authorized shares

Unlimited number of voting common shares without par value
Unlimited number of preferred shares, issuable in series

Issued and outstanding

At February 28, 2019, the Company had 124,310,562 (August 31, 2018 - 120,450,562) common shares and no preferred shares outstanding

Six months ended February 28, 2019

a. On October 2, 2018, the Company closed the final tranche of a brokered private placement of 3,485,000 flow-through shares at a price of $0.17 per share for gross proceeds of $592,450. In connection with the offering, the Company incurred $101,670 in share issue costs and issued 243,949 brokers warrants at an exercise price of $0.15 per share, exercisable up to any time on or before October 1, 2019. The fair value of the brokers warrants was $11,129 calculated using the Black-Scholes method with the following weighted average assumptions:

Risk-free interest rate	2.27%
Expected life of warrant	1 year
Expected dividend yield	0%
Expected stock price volatility	101.30%

b. On September 20, 2018, the Company issued 375,000 shares valued at $39,375 in relation to the Kena Project (Note 9)

Year ended August 31, 2018

a. On September 8, 2017, the Company announced that the exercise price of the 7,142,642 common share purchase warrants originally issued on April 11, 2017 has been reduced from $0.75 to $0.50 per share. Further, the trading price that triggers an accelerated expiry date for these warrants has been reduced from $0.85 to $0.65.

(Unaudited - expressed in Canadian dollars)

12. SHARE CAPITAL (cont'd…)

Year ended August 31, 2018 (cont'd…)

b. On October 3, 2017, the Company issued 375,000 shares valued at $106,876 in relation to the Kena Project (Note 9).

c. On December 5, 2017, the Company issued 6,000,000 shares valued at $2,100,000 in relation to a share purchase agreement (Note 6).

d. On December 12, 2017, the Company issued 2,300,000 flow-through units at a price of $0.50 per unit for aggregate gross proceeds of $1,150,000. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. The Company recognized a deferred flow-through premium of $322,000. Each whole warrant was exercisable into one common share at a price of $0.65 per share for a period of twenty-four months from the closing date of the offering. In February 2018, the warrant exercise price was reduced to $0.50 per share. The Company incurred $111,207 in share issue costs in connection with this private placement.

e. On June 20, 2018, the Company issued 50,000 shares valued at $8,000 in relation to the Toughnut Project (Note 9).

f. On July 4, 2018, the Company issued 43,333,333 units at a price of $0.15 per unit for aggregate gross proceeds of $6,500,000. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.25 per share for a period of twelve months from the closing date of the offering.

g. In August 2018, the Company issued 17,650,365 units at a price of $0.15 per unit for aggregate gross proceeds of $2,647,555 in three separate closings. Each unit consisted of one common share of the Company and one half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of $0.25 per share for a period of twelve months from the closing date of the offering. There were 810,950 warrants issued with fair value of $47,765 calculated using the Black-Scholes method with the following weighted average assumptions:

Risk-free interest rate	2.05%
Expected life of warrant	1 year
Expected dividend yield	0%
Expected stock price volatility	94.8%

Of the total warrants issued, 96,950 warrants are exercisable into common shares of the Company at a price of $0.25 and 714,000 warrants ("Compensation warrant") are exercisable into one unit of the Company at an exercise price of $0.15. Each Compensation warrant consists of one common share and one-half of warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.85 for a period of 12 months.

Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, August 31, 2018	40,476,784	$ 0.31
Issued	243,949	0.15
Balance, February 28, 2019	40,720,733	$ 0.31

(Unaudited - expressed in Canadian dollars)

12. SHARE CAPITAL (cont'd…)

Share purchase warrants (cont'd…)

The following share purchase warrants to acquire common shares of the Company were outstanding at February 28, 2019:

Number of Warrants	Exercise Price ($)	Expiry Date
7,142,642	0.50	April 11, 2019
881,343	0.75	April 11, 2019
21,666,666	0.25	July 4, 2019
2,155,467	0.25	August 16, 2019
1,666,667	0.25	August 23, 2019
5,099,999	0.25	August 24, 2019
714,000	0.15	August 24, 2019
1,150,000	0.50	December 13, 2019
243,949	0.15	October 1, 2019
40,720,733	0.31	

The weighted average life of the share purchase warrants are 0.34 year.

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option shall not be less than the market price permitted by any stock exchange on which the Company's common shares are listed or any other regulatory body having jurisdiction. The options can be granted for a maximum term of 10 years and are subject to vesting provisions determined by the board of directors.

On October 19, 2018, the Company granted 4,825,000 options to purchase common shares of the Company to directors, officers, employees and consultants of the Company. The options have an exercise price of $0.20 per common share and has an expiry date of October 18, 2023. Of the total options granted on this day, 3,225,000 options were granted to directors and officers of the Company.

In addition, the Company granted the CEO of the Company, an award consisting of 2,400,000 restricted share units ("RSUs"). An initial grant of 400,000 RSUs vest immediately upon issuance valued at $36,000 and the remaining 2,000,000 RSUs vest upon the achievement of certain performance criteria.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at August 31, 2018	5,500,000	$ 0.52
Granted	4,825,000	0.20
Cancelled	(5,425,000)	0.51
Outstanding at February 28, 2019	4,900,000	$ 0.21
Options exercisable at February 28, 2019	4,875,000	$ 0.20

(Unaudited - expressed in Canadian dollars)

12. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

The following incentive stock options were outstanding to directors, officers and employees at February 28, 2019:

Number of Options Outstanding	Exercise Price ($)	Expiry Date	Number of Options Exercisable
75,000	0.50	October 18, 2022	50,000
4,825,000	0.20	October 18, 2023	4,825,000
4,900,000	0.21		4,875,000

The weighted average life of the stock options are 4.61 years.

The fair value of stock options granted during the six months ended February 28, 2019 was estimated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	October 18, 2018	August 31, 2018
Risk-free interest rate	2.38%	1.81%
Expected life of option	5 years	5 years
Expected dividend yield	0%	0%
Expected stock price volatility	267.77%	88.3%

Share-based payments

Total share-based payments recognized for stock options granted and vested using the graded vesting method during the six months ended February 28, 2019 was $663,428(2017 - $533,030).

13. FLOW-THROUGH SHARE PREMIUM LIABILITY

		Total
Balance at August 31, 2017	$	178,349
Liability incurred on flow-through shares issued		322,000
Settlement of flow-through share liability on expenditures incurred during the year		(431,427)
Balance at August 31, 2018	$	68,922
Liability incurred on flow-through shares issued		139,400
Settlement of flow-through share liability on expenditures incurred during the period		(208,322)
Balance at February 28, 2019	$	-

During the year ended August 31, 2018, the Company issued 2,300,000 (2017 - 2,222,444) flow-through shares and estimated the value of the flow-through premium associated with those shares to be $322,000 (2017 - 222,244).

During the six months ended February 28, 2019, the Company issued 3,485,000 flow-through shares and estimated the value of the flow-through premium associated with those shares to be $139,400.

(Unaudited - expressed in Canadian dollars)

14. LOSS PER SHARE

The calculation of basic and diluted loss per share for the six months ended February 28, 2019 was based on the loss attributable to common shareholders of $1,988,672 (2018 - $1,624,563) and a weighted average number of common shares outstanding of 123,672,247 (2018 - 54,842,555).

15. CAPITAL MANAGEMENT

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity (deficiency) as 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. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at February 28, 2019, the Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period.

16. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. The Company's geographical segments information is as follows:

	Canada	Mexico	Total
Balance at February 28, 2019			
Mineral properties	$ 12,913,551	$ 5,057,713	17,971,264
Other non-current assets	278,043	68,798	346,841
Balance at August 31, 2018			
Mineral properties	$ 12,152,439	$ 3,469,376	$ 15,621,815
Other non-current assets	272,287	-	272,287

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the six months ended February 28, 2019, there were no significant non-cash transactions that affected cash flows from operating, investing and financing activities.

During the six months ended February 28, 2018, the Company:

a) Accrued interest of $641 on the loan receivable, which was added to the loan receivable amount (Note 4).
b) Applied $409,511 of exploration and evaluation deposits to exploration and evaluation assets (Note 6).

18. COMMITMENTS

The Company has obligations under an operating lease for its office premises, which was transferred to a third-party prior to August 31, 2018. As a result, the Company does not have any commitments at February 28, 2019.

There is an office sharing arrangement between the Company and another company that has a director in common. The parties have agreed the Company will be reimbursed $4,350 monthly ($52,200 per year) toward the Company's lease payments, resulting in a reduced office rent expense. During the six months ended February 28, 2019, the Company recovered office lease payments of $Nil (2018 - $13,425).

19. FAIR VALUE MEASUREMENT AND RISK

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, receivables and loan receivable. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The loan receivable from Green Science is secured by a security interest in all of the assets of Green Science.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2019, the Company had a cash balance of $300,189 (August 31, 2018 - $2,433,373) to settle current liabilities of $432,146 (August 31, 2018 - $416,578). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

The Company has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt and therefore is not exposed to risk in the event of fluctuations.

(b) Foreign currency risk

The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in United States dollars ("US$") and Mexican pesos ("MX$"). The Company does not use derivatives or other techniques to manage foreign currency risk.

19. FAIR VALUE MEASUREMENT AND RISK (cont'd…)

Market risk (cont'd…)

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Fair Value

The carrying value of marketable securities, receivables, accounts payable and accounts payable to related parties approximate fair value because of the short term nature of their investments.

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The fair value of cash and marketable securities are based on level 1 inputs of the fair value hierarchy.

20. SUBSEQUENT EVENT

On April 11, 2019, TSX Venture Exchange has accepted for filing documentation in relation to an option agreement dated April 1, 2019, between the Company and Denton Resources Ltd., whereby the Company entered into a performance-based option agreement with Denton Resources Inc., a private corporation, to acquire a 100-per-cent interest in the 62 mineral claims comprising the Carscallan property in the district of Cochrane near Timmins, Ontario.

The company may exercise the option by paying the vendor $30,000 and issuing one million common shares and one million common share purchase warrants for each geophysical anomaly that successfully meets the test criteria on at least one of the first two test holes drilled in such anomaly. Each common share purchase warrant may be exercised for a period of 24 months from the date of issuance at an exercise price of five cents per warrant share.