



Condensed Consolidated Financial Statements

For the Six Months Ended October 31, 2019 and for the Six Months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Note	October 31, 2019	April 30, 2019
ASSETS			
Current assets			
Cash		\$ 35,958	\$ 178,086
Prepaid expenses		298,068	371,094
Receivables		16,371	25,119
Total current assets		350,397	574,299
Non-current assets			
Advance		30,892	31,567
Exploration and evaluation assets	4	5,416,065	5,201,157
Equipment		286,367	320,553
Total assets		\$ 6,083,721	\$ 6,127,576
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 499,424	\$ 343,860
Due to related parties	7	429,623	324,810
Loans payable	5,7	559,130	176,000
Convertible debenture	6	52,521	52,521
Total current liabilities		1,540,698	897,191
Non-current liabilities			
Convertible debenture	6	220,458	215,025
Total liabilities		1,761,156	1,112,216
Shareholders' equity			
Share capital	9	12,697,973	12,697,973
Equity reserves	9	2,293,974	2,209,829
Equity portion of convertible debenture	6	23,217	23,217
Deficit		(10,692,599)	(9,915,659)
Total shareholders' equity		4,322,565	5,015,360
Total liabilities and shareholders' equity		\$ 6,083,721	\$ 6,127,576

Nature and continuance of operations and going concern (Note 1)
Commitment (Note 8)

Authorized and approved by the Board of Directors on December 30, 2019

"Peter Berdusco"
Director

"Scott Davis"
Director

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

		Three months ended		Six months ended	
	Note	October 31, 2019	September 30, 2018	October 31, 2019	September 30, 2018
OPERATING EXPENSES					
Accounting and audit	7	\$ 56,532	\$ 22,500	\$ 79,032	\$ 62,500
Consulting		87,750	151,311	156,000	198,844
Filing and regulatory fees		2,978	(511)	9,055	4,714
Interest		25,397	-	41,433	-
Legal fees		31,111	-	32,652	4,253
Management fees	7	52,500	60,000	105,000	90,000
Marketing		132,039	96,950	217,128	196,836
Office and administration	7	23,716	31,752	60,458	57,614
Rent	7	-	-	-	6,000
Share-based payments	9	3,732	8,246	84,145	30,270
Transfer agent		3,789	2,556	6,384	12,025
		(419,544)	(372,804)	(791,287)	(663,056)
Foreign exchange gain (loss)		8,040	(89,773)	14,347	(121,545)
Loss and comprehensive loss for the period		\$ (411,504)	\$ (462,577)	\$ (776,940)	\$ (784,601)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		58,452,038	52,440,672	58,452,038	52,440,672

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Six months ended October 31, 2019	Six months ended September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (776,940)	\$ (784,601)
Items not involving cash:		
Share based payments	84,145	30,270
Foreign exchange	324	(2,727)
Interest expense	5,433	-
Changes in non-cash working capital:		
Receivables	8,748	6,676
Prepaid expenses	73,026	(339,035)
Due to/from related parties	104,813	209,220
Accounts payable and accrued liabilities	111,886	(25,463)
Net cash used in operating activities	<u>(388,565)</u>	<u>(905,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(136,693)	(1,180,704)
Advance	-	(5,429)
Artisanal mining royalty	-	890
Purchase of equipment	-	(42,379)
Cost recoveries	-	1,070
Net cash used in investing activities	<u>(136,693)</u>	<u>(1,226,552)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs	-	(5,901)
Proceeds from loans payable	413,130	16,506
Repayments of loans payable	(30,000)	-
Net cash provided by financing activities	<u>383,130</u>	<u>10,605</u>
Change in cash	(142,128)	(2,121,607)
Cash, beginning of period	178,086	2,697,563
Cash, end of period	\$ 35,958	\$ 575,956

Supplemental disclosure with respect to cash flows (Note 12)

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Equity Reserves	Equity Portion of Convertible Debenture	Deficit	Total
Balance – March 31, 2018	52,408,172	\$ 11,360,066	\$ 1,666,140	\$ -	\$ (7,031,968)	\$ 5,994,238
Share issuance costs	-	(5,901)	-	-	-	(5,901)
Shares issued for finder's fee	32,500	6,988	-	-	-	6,988
Share-based payments	-	-	30,270	-	-	30,270
Loss for the period	-	-	-	-	(784,601)	(784,601)
Balance – September 30, 2018	52,440,672	\$ 11,361,153	\$ 1,696,410	\$ -	\$ (7,816,569)	\$ 5,240,994
Balance – April 30, 2019	58,452,038	\$ 12,697,973	\$ 2,209,829	\$ 23,217	\$ (9,915,659)	\$ 5,015,360
Share-based payments	-	-	84,145	-	-	84,145
Loss for the period	-	-	-	-	(776,940)	(776,940)
Balance – October 31, 2019	58,452,038	\$ 12,697,973	\$ 2,293,974	\$ 23,217	\$ (10,692,599)	\$ 4,322,565

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

GUYANA GOLDSTRIKE INC.
Notes to the Condensed Consolidated Financial Statements
Unaudited – Prepared by Management
Six months ended October 31, 2019 and six months ended September 30, 2018
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Guyana Goldstrike Inc. (the “Company”) is an exploration company focused on acquiring, exploring and developing mineral resource properties.

The Company was incorporated on September 21, 2006 under the Laws of British Columbia. The Company’s head office address is Suite 510 – 580 Hornby Street, Vancouver, British Columbia V6C 3B6 and registered office address is 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange under the symbol “GYA”.

The Company’s condensed consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the functional currency.

In March, 2017, the Company entered into an agreement to acquire Romanex Guyana Exploration Ltd. (“Romanex”) (the “Transaction”). Romanex is a privately held mineral exploration company incorporated under the laws of the Republic of Guyana. Romanex holds a one hundred percent interest in the Marudi mining license located in Guyana.

Going concern of operations

These condensed consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends on its ability to raise adequate financing and to develop profitable operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on its property. The ability of the Company to realize the costs it has incurred to date on this property is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property. The Company has financed its activities through the issuance of equity securities and debt financing. The Company expects to use similar financing techniques in the future and is pursuing such additional sources of financing as estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. To date, the Company has not earned any revenues. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

These condensed consolidated financial statements, including comparatives have been prepared using accounting policies consistent 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”) and in accordance with the International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

GUYANA GOLDSTRIKE INC.**Notes to the Condensed Consolidated Financial Statements****Unaudited – Prepared by Management****Six months ended October 31, 2019 and six months ended September 30, 2018****(Expressed in Canadian Dollars)**

2. BASIS OF PREPARATION (cont'd)

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

Basis of consolidation

These condensed consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

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 into line with those used by the Company.

The principal subsidiary of the Company is as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest October 31, 2019	Ownership Interest April 30, 2019
Romanex Guyana Exploration Ltd. ("Romanex")	Mineral property exploration	Guyana	100%	100%

Change in Year End

Effective 2019, the Company changed its financial year-end from June 30 to April 30 to align with Romanex's year-end. The change in year-end resulted in the Company filing a one-time, ten-month transition year covering the period July 1, 2018 to April 30, 2019. Subsequent to the transition year, the Company's financial year will cover the period May 1 to April 30.

The information presented in these condensed consolidated financial statements includes six months of the current fiscal period ended October 31, 2019 as compared to the six-month period ended September 30, 2018.

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PREPARATION (cont'd)

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy, which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Classification of investments requires judgment on whether the Company controls, has joint control or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. The Company has classified its investments in Romanex as a subsidiary based on management's judgment that the Company has control, based on its power over Romanex, has exposure or rights to the variable returns from its involvement with Romanex and the ability to use its power over Romanex to affect the amount of its returns.
- (iv) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

2. BASIS OF PREPARATION (cont'd)

- (ii) The assessment of any impairment of evaluation and exploration assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets.
- (iii) The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at April 30, 2019. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the ten months ended April 30, 2019.

New accounting standards adopted during the period

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted, but only in conjunction with IFRS 15. The Company adopted this standard effective May 1, 2019 and it did not have any significant differences upon adopting the standard.

4. 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.

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4. EXPLORATION AND EVALUATION ASSETS (cont'd)

	Marudi Gold Project
Balance - June 30, 2018	\$ 3,594,246
Acquisition costs	15,438
Exploration expenditures	
Camp and field costs	282,077
Consulting and technical fees	130,495
Depreciation	71,384
Environmental engineering	189,972
Geology	196,482
Maintenance	68,052
Management fees	210,334
Office and miscellaneous	140,096
Salaries	314,619
Travel and accommodation	162,780
	1,766,291
Artisanal mining royalty*	(174,818)
Balance – April 30, 2019	\$ 5,201,157

*Under a cooperative agreement between Romanex and artisanal miners, the artisanal miners pay Romanex an in-kind royalty equal to 10% of all gold produced.

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4. EXPLORATION AND EVALUATION ASSETS (cont'd)

	Marudi
	Gold Project
Balance – April 30, 2019	\$ 5,201,157
Exploration expenditures	
Camp and field costs	22,286
Consulting and technical fees	33,157
Depreciation	34,186
Environmental engineering	15,735
Geology	1,020
Maintenance	5,370
Management fees	53,262
Office and miscellaneous	9,987
Salaries	25,992
Travel and accommodation	13,913
	214,908
Balance – October 31, 2019	\$ 5,416,065

Marudi Gold Project, Guyana

During the year ended June 30, 2017, the Company entered into a definitive purchase agreement (the “Definitive Agreement”), pursuant to which the Company has acquired the right to earn in all of the outstanding share capital of Romanex, an arm’s length party (the “Transaction”). Romanex is a privately held mineral exploration company incorporated under the laws of the Republic of Guyana. Romanex holds a 100% interest in the Marudi Mining License (the “Property”) located in Guyana. In consideration for the outstanding share capital of Romanex, the Company agreed to complete cash payments totaling US\$875,000 over a period of three years (see below). The share certificates in Romanex are in escrow and have not been transferred to the Company. The share certificates will be released when the US\$300,000 payment below is completed. The Definitive Agreement granted the Company the full right, power and authority to determine the manner of operations of Romanex and the exploration of the Marudi property including the right and power to nominate directors and officers of Romanex and remove any minerals from the Marudi property as may be permitted pursuant to the mining license. Accordingly, the Company has control over Romanex pursuant to the definition of control under IFRS 10 Consolidated Financial Statements.

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4. EXPLORATION AND EVALUATION ASSETS (cont'd)

The Company agreed to make the following cash payments totaling USD \$875,000 (which are to be applied to the amounts owing to companies owned by the vendor of Romanex):

- a) USD \$125,000 on or before the date which is ten days following the Closing Date (paid);
- b) USD \$100,000 reimbursement of expenses on or before the date which is ten days following the Closing Date (paid);
- c) USD \$100,000 on or before the one year anniversary of completion of the payment in (a) (paid);
- d) USD \$250,000 on or before the two year anniversary of completion of the payment in (a); and
- e) USD \$300,000 on or before the three year anniversary of completion of the payment (a).

Excess of payments over the amounts payable at the time will be recorded as acquisition costs as they are paid.

The Company is subject to pay Finders' shares of 653,437 common shares of the Company as follows:

- a) 442,187 Finders' shares on or before the date which are ten business days following the Closing Date (issued at a fair value of \$88,437 based on the date of issuance);
- b) 32,500 Finders' shares on or before the date which are ten business days following the date in (c) above (issued at a fair value of \$6,988 based on the date of issuance);
- c) 81,250 Finders' shares on or before the date which are ten business days following the date in (d) above (issued at a fair value of \$15,438); and
- d) 97,500 Finders' shares on or before the date which are ten business days following the date in (e) above.

5. LOANS PAYABLE

During the period ended October 31, 2019, the Company issued a promissory note to a third party for \$250,000. The loan is interest bearing at 18% per annum, unsecured, due on demand and has no specific terms of repayment. During the period ended October 31, 2019, the Company accrued \$13,315 of interest payable which is included in accounts payable and accrued liabilities.

During the period ended October 31, 2019, the Company received loans from three arm's length parties totalling \$114,600 and loans from two related parties of \$48,530. The loans are non-interest bearing, unsecured and have no specific terms of repayment. During the period ended October 31, 2019, the Company repaid \$5,000 and \$25,000 respectively on these loans.

During the period ended April 30, 2019, the Company issued promissory notes to two third parties totalling \$160,000. The loans are non-interest bearing, unsecured, due on demand and have no specific terms of repayment. The promissory notes are subject to a one-time fee equivalent to 10% of the indebtedness, which shall be due and payable on the date the repayment of promissory notes are demanded. The promissory notes were subject to a finance fee of \$16,000 to the holders of the promissory notes, which were included in the promissory notes.

6. CONVERTIBLE DEBENTURE

During the period ended April 30, 2019, the Company completed the offering of a debenture (the "Debenture") in the principal amount of \$300,000 to an arms'-length lender. The Debenture has a term of thirty-six months, bears interest at a rate of 15% per annum, payable quarterly, and is secured by a general charge over all the assets of the Company. At the option of the holder, the Debenture is also convertible into common shares of the Company at a price of \$0.20 per share. The Company incurred transaction costs of \$18,783.

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6. CONVERTIBLE DEBENTURE (cont'd)

Upon initial recognition, the Company allocated the net proceeds between the components based on the fair value of the debt and the residual to the equity component. The fair value of the liability component of \$258,000 was determined using a market rate of 20% with \$23,217 assigned to the equity component.

In connection with the issuance of the Debenture, the Company also issued 1,500,000 detachable common share purchase warrants (each, a “Lender Warrant”) to the lender. Each Lender Warrant entitles the holder to acquire a common share of the Company at a price of \$0.30 until February 19, 2022. The fair value of the Warrants was determined to be \$224,304 and recorded in financing fees expense.

7. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2019, the Company incurred the following charges with related parties that include officers, directors, key management or companies with common directors of the Company as follows:

- a) Incurred management fees of \$105,000 (six months ended September 30, 2018 - \$90,000) and corporate administrative fees of \$Nil (six months ended September 30, 2018 - \$7,500) to a company controlled by a director and officer of the Company.
- b) Incurred accounting fees of \$60,000 (six months ended September 30, 2018 - \$37,500) and rent of \$Nil (six months ended September 30, 2018 - \$6,000) to a firm where a director and officer of the Company is a partner.
- c) Incurred management fees of \$53,262 (six months ended September 30, 2018 - \$78,264) which are capitalized to exploration and evaluation assets to a company owned by the operations manager of the Company’s subsidiary.

At October 31, 2019, the Company owed \$18,248 (April 30, 2019 - \$24,408) to a company controlled by a director and officer of the Company, \$116,000 (April 30, 2019 - \$53,000) to a firm where a director and officer of the Company is a partner, and \$295,375 (April 30, 2019 - \$247,402) to a company owned by the operations manager of the Company’s subsidiary.

During the period ended October 31, 2019, loans of \$48,530 were received from two related parties and \$25,000 of the loans were repaid (Note 5). The loans are non-interest bearing, unsecured and have no specific terms of repayment.

8. COMMITMENT

On October 1, 2016 and prior to the acquisition outlined in Note 4, Romanex entered into a management services agreement (the “Agreement”) with a company owned by an officer of Romanex for the provision of management services at a fee of US\$8,500 per month. The Agreement expired on June 30, 2017 and is subject to negotiations between the Company and this company.

9. SHARE CAPITAL

Authorized: Unlimited common shares without par value

There were no share transactions during the period ended October 31, 2019.

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9. SHARE CAPITAL (cont'd)

During the period ended April 30, 2019 the Company:

- a) Issued 627,616 common shares on the exercise of warrants for proceeds of \$141,410. In connection with the exercise of warrants, the Company reclassified the fair value of warrants of \$83,178 from equity reserves to share capital.
- b) Issued 110,000 common shares on the exercise of stock options for proceeds of \$27,500. In connection with the exercise of stock options, the Company reclassified the fair value of stock options of \$30,794 from equity reserves to share capital.
- c) Completed a non-brokered private placement of 5,192,500 units (each, a "Unit"), at a price of \$0.20 per Unit, for total consideration of \$1,038,500. Each Unit consists of one common share of the Company and one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable to acquire one additional common share of the Company at a price of \$0.30 per share for a period of three years.
- d) Issued 81,250 common shares valued at \$15,438 in relation to finder's fees in a share purchase agreement (Note 4).

Share purchase options

The Company has a 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 stock of the Company. Under the plan, the exercise price of each option shall not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years and vest as determined by the board of directors.

A summary of the Company's outstanding share purchase options as at October 31, 2019 and the changes during the period are presented below:

	Number of Options	Weighted Average Exercise Price
Balance – June 30, 2018	3,700,000	\$ 0.25
Granted	1,800,000	0.28
Cancelled	(200,000)	0.25
Exercised	(110,000)	0.25
Balance – April 30, 2019	5,190,000	0.26
Granted	600,000	0.15
Balance – October 31, 2019	5,790,000	\$ 0.25
Exercisable – October 31, 2019	5,727,500	\$ 0.25

The weighted average remaining life of the options outstanding at October 31, 2019 was 3.32 years (September 30, 2018 – 3.76 years).

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9. SHARE CAPITAL (cont'd)

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Expiry Date
2,390,000	2,390,000	0.25	April 24, 2022
1,000,000	1,000,000	0.25	January 12, 2023
1,500,000	1,437,500	0.30	October 30, 2023
50,000	50,000	0.25	February 21, 2024
250,000	250,000	0.20	February 21, 2024
300,000	300,000	0.15	June 20, 2024
300,000	300,000	0.15	June 26, 2024
5,790,000	5,727,500		

The weighted average fair value of each stock option granted during the period ended October 31, 2019 was \$0.12 (six months ended September 30, 2018 - \$nil), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Six months ended October 31, 2019	Six months ended September 30, 2018
Risk-free interest rate	1.36%	-
Expected life of option	5 years	-
Expected dividend yield	0%	-
Expected stock price volatility	157.43%	-

Share-based payments

Total share-based payments recognized for stock options granted during the six months ended October 31, 2019 was \$80,415 (six months ended September 30, 2018 - \$30,270).

Share purchase warrants

A summary of the Company's outstanding share purchase warrants as at October 31, 2019 and the changes during the period are presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding – June 30, 2018	19,575,636	\$ 0.34
Granted	6,692,500	0.30
Exercised	(627,616)	0.23
Expired	(203,600)	0.30
Outstanding – April 30, 2019 and October 31, 2019	25,436,920	\$ 0.33

The weighted average remaining life of the warrants outstanding at October 31, 2019 was 1.04 years (September 30, 2018 – 1.15 years).

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9. SHARE CAPITAL (cont'd)

Number of Warrants	Exercise Price (\$)	Expiry Date
4,283,752	0.30	March 9, 2021
348,334	0.40	December 8, 2019*
212,334	0.40	January 15, 2020
13,900,000	0.35	February 26, 2020
1,500,000	0.30	February 19, 2022 (i)
5,192,500	0.30	March 28, 2022
25,436,920		

*Expired unexercised subsequent to October 31, 2019.

(i) In the event that further warrants were issued in connection with an equity financing transaction was completed following the issuance of these warrants with an exercise price of less than \$0.30, the Company will use its best efforts to obtain approval from the Exchange for a one-time adjustment of exercise price to match the lower exercise price. If the one-time adjustment was not approved by the Exchange or any securities regulatory body, then such adjustment shall be reduced to the maximum permitted price, and any shortfall will be paid to the warrant holder in cash, securities or a combination thereof by the Company.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) 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 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 October 31, 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.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at October 31, 2019, the Company had cash balances of \$35,958 (April 30, 2019 - \$178,086) and current liabilities of \$1,540,698 (April 30, 2019 - \$897,191). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

10. FINANCIAL RISK MANAGEMENT (cont'd)

c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, other assets and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions. The majority of the Company's cash is held with major Canadian based financial institutions. Receivables are comprised of goods and services tax from the Canadian government.

d) Currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities and due to related parties that are denominated in United States dollars ("US\$") and Guyanese dollars ("GYD\$"). A 10% fluctuation in the US\$ and GYD\$ against the Canadian dollar would affect loss and comprehensive loss for the period by approximately \$35,000. The Company does not use derivatives or other techniques to manage foreign currency risk.

e) Interest rate risk

The Company has cash balances. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposit issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company does not hold any financial liabilities with variable interest rates. The loans payable are non-interest bearing and interest bearing at 18%. The convertible debenture has an interest rate of 15% throughout its term.

f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its exploration and evaluation assets and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

g) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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 is measured based on level 1 inputs of the fair value hierarchy.

The fair value of the Company's financial instruments approximates their carrying values due to the short-term nature of these instruments.

11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Guyana. All capital assets and exploration and evaluation assets are located in Guyana.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the six months ended October 31, 2019 were as follows:

- a) Included in exploration and evaluation assets is a balance of \$34,186 of depreciation.
- b) Included in exploration and evaluation assets is a balance of \$169,138 included in accounts payable.

The significant non-cash transactions for the six months ended September 30, 2018 were as follows:

- a) Included in exploration and evaluation assets is a balance of \$29,254 of depreciation.
- b) Included in exploration and evaluation assets is a balance of \$12,649 included in accounts payable.
- c) Issued 32,500 Finder's shares valued at \$6,988 related to an exploration and evaluation asset.