Northcliff Resources Ltd.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED
JULY 31, 2019 AND 2018

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

Northcliff Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note	July 31, 2019	October 31, 2018
ASSETS			
Non-current assets			
Mineral property and equipment	3	$ 25,983,576	$ 25,555,783
Investment		18,916	15,133
		26,002,492	25,570,916
Current assets			
Amounts receivable and prepaid expenses	5	25,973	48,149
Cash and cash equivalents	4	1,262,065	2,713,463
		1,288,038	2,761,612
TOTAL ASSETS		$ 27,290,530	$ 28,332,528
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	7 (a)	$ 58,040,328	$ 58,040,328
Reserves		4,428,363	4,285,696
Accumulated deficit		(38,281,707)	(37,217,663)
		24,186,984	25,108,361
Non-controlling interests		2,989,103	2,974,840
TOTAL EQUITY		27,176,087	28,083,201
LIABILITIES			
Current liabilities			
Amounts payable and other liabilities	6	61,200	158,138
Amounts payable to a related party	9 (b)	53,243	91,189
		114,443	249,327
TOTAL EQUITY AND LIABILITIES		$ 27,290,530	$ 28,332,528

Nature and continuance of operations (note 1)

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

These condensed consolidated interim financial statements are approved for issuance on September 12, 2019 by the Audit and Risk Committee of the Company's Board of Directors and are signed on the Company's behalf by the following:

/s/ Peter Mitchell

Peter Mitchell
Director

/s/ Christopher Zahovskis

Christopher Zahovskis
Director

Northcliff Resources Ltd.

Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited – Expressed in Canadian Dollars, except for weighted average number of shares)

		Three months ended July 31,		Nine months ended July 31,	
	Note	**2019**	**2018**	**2019**	**2018**
Expenses					
Project management and financing		$ 112,120	$ 109,715	$ 299,944	$ 302,355
General and administration		191,603	209,338	703,370	744,863
Equity-settled share-based payments	8	65,450	49,609	142,667	163,810
Loss from operations		(369,173)	(368,661)	(1,145,981)	(1,211,027)
Interest income		9,176	4,977	33,571	47,099
Foreign exchange gain (loss)		(3,411)	3,359	1,346	2,332
Loss before income tax		(363,408)	(360,325)	(1,111,064)	(1,161,596)
Income tax		–	–	–	–
Net loss		$ (363,408)	$ (360,325)	$ (1,111,064)	$ (1,161,596)
Other comprehensive loss					
Items that may not be reclassified subsequently to net loss:					
Revaluation of marketable securities		–	(26,482)	3,783	(26,482)
Other comprehensive loss		–	(26,482)	3,783	(26,482)
Total comprehensive Loss		$ (363,408)	$ (386,807)	$ (1,107,281)	$ (1,188,078)
Net loss attributable to:					
Shareholders of the Company		$ (351,722)	$ (343,157)	$ (1,067,827)	$ (1,109,584)
Non-controlling interests		(11,686)	(17,168)	(43,237)	(52,012)
Total		$ (363,408)	$ (360,325)	$ (1,111,064)	$ (1,161,596)
Total comprehensive loss attributable to:					
Shareholders of the Company		$ (351,722)	$ (369,639)	$ (1,064,044)	$ (1,136,066)
Non-controlling interests		(11,686)	(17,168)	(43,237)	(52,012)
Total		$ (363,408)	$ (386,807)	$ (1,107,281)	$ (1,188,078)
Loss per share					
Basic and diluted loss per share attributable to shareholders of the Company		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		173,756,229	173,756,229	173,756,229	172,709,416

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

Northcliff Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited – Expressed in Canadian Dollars, except for share information)

		Attributable to shareholders of the Company								
		Share capital		Reserves						
	Note	Number of shares	Amount	Equity-settled share-based payments	Share purchase warrants	Revaluation	Deficit	Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
Balance at November 1, 2017		171,356,460	$ 57,728,350	$ 4,077,546	$ 84,000	$ 39,723	$ (35,819,946)	$ 26,109,673	$ 2,994,089	$ 29,103,762
Net Loss		–	–	–	–	–	(1,109,584)	(1,109,584)	(52,012)	(1,161,596)
Total comprehensive loss		–	–	–	–	(26,482)	(1,109,584)	(1,136,066)	(52,012)	(1,188,078)
Issuance of common shares pursuant to exercise of share purchase warrants		2,399,769	227,978	–	–	–	–	227,978	–	227,978
Reallocation of share warrant reserve upon warrant exercise		–	84,000	(84,000)	–	–	–	–	–	–
Equity-settled share-based payments	8	–	–	163,810	–	–	–	163,810	–	163,810
Balance at July 31, 2018		173,756,229	$ 58,040,328	$ 4,157,356	$ 84,000	$ 13,241	$ (36,929,530)	$ 25,365,395	$ 2,942,077	$ 28,307,472
Balance at November 1, 2018		173,756,229	$ 58,040,328	$ 4,283,805	$ –	$ 1,891	$ (37,217,663)	$ 25,108,361	$ 2,974,840	$ 28,083,201
Net Loss		–	–	–	–	–	(1,067,827)	(1,067,827)	(43,237)	(1,111,064)
Other comprehensive loss		–	–	–	–	3,783	–	3,783	–	3,783
Total comprehensive loss		–	–	–	–	3,783	(1,067,827)	(1,064,044)	(43,237)	(1,107,281)
Equity-settled share-based payments	8	–	–	142,667	–	–	–	142,667	–	142,667
Capital contributions from non-controlling interests		–	–	–	–	–	–	–	57,500	57,500
Balance at July 31, 2019		173,756,229	$ 58,040,328	$ 4,426,472	$ –	$ 5,674	$ (38,285,490)	$ 24,186,984	$ 2,989,103	$ 27,176,087

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

Northcliff Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

		Nine months ended July 31,	
	Note	**2019**	**2018**
Operating activities			
Net loss		$ (1,111,064)	$ (1,161,596)
Adjustments for:			
Amortization	3	536	962
Equity-settled share-based payments	8	142,667	163,810
Interest income		(33,571)	(47,099)
Changes in non-cash operating working capital:			
Amounts receivable and prepaid expenses		22,177	2,174
Amounts payable and other liabilities		(17,406)	(9,719)
Amounts payable to a related party		(37,946)	16,587
Cash used in operating activities		(1,033,261)	(1,037,213)
Investing activities			
Deferred mineral development costs		(507,862)	(654,023)
Interest received		33,571	47,099
Cash used in investing activities		(474,291)	(606,924)
Financing activities			
Capital contributions from non-controlling interests		57,500	156,459
Cash provided by financing activities		57,500	384,437
Decrease in cash and cash equivalents		(1,450,052)	(1,259,700)
Foreign exchange translation difference on cash held		(1,346)	2,332
Cash and cash equivalents, beginning balance		2,713,463	4,340,409
Cash and cash equivalents, ending balance	4	$ 1,262,065	$ 3,083,041

Supplementary cash flow information: (Note 4)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Northcliff Resources Ltd. ("Northcliff" or the "Company") is a public company listed on the Toronto Stock Exchange under the symbol "NCF" and was incorporated on May 18, 2010 under the laws of the Province of British Columbia, Canada. The address of the Company's corporate office is 15th Floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1.

The Company is primarily engaged in the acquisition and development of mineral properties. The Company holds an 88.5% economic interest in the Sisson Tungsten and Molybdenum Project (the "Sisson Project" or the "Property"), located in New Brunswick, Canada. Todd Minerals Ltd. (the "Todd Group") holds the remaining 11.5% interest in the Sisson Project.

These condensed consolidated interim financial statements (the "Financial Statements") are comprised of the Company and its subsidiaries (together referred to as the "Group") and are prepared for the three and nine months ended July 31, 2019 and 2018. Northcliff is the ultimate parent entity of the Group.

The Group is in the process of advancing and developing the Sisson Project. The Group's continuing operations and the underlying value and recoverability of the amount shown for the mineral property interest, consisting entirely of the Sisson Project, is dependent upon the ability of the Group to obtain the necessary financing to complete the development and construction of the Sisson Project, obtaining the necessary permits to mine, and the future profitable production from the mine or proceeds from the disposition of its mineral property interest.

These Financial Statements are prepared on the basis that the Group will continue as a going concern which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future. The Group's current sources of funding consist of proceeds from the issuance of common shares of the Company as well as contributions by the Todd Group to the Sisson Project Limited Partnership (the "Partnership") to be used to develop the Sisson Project.

Any change in the commitment or timing of debt and equity funding from existing or new shareholders of Northcliff, alternative capital providers, or existing or new limited partners to the Partnership may require Northcliff and the Partnership to curtail planned development activities or seek alternative sources of funding. The recoverability of the carrying value of its mineral property interest is dependent on ongoing access to financing and the successful development and commercial exploitation, or alternatively, the sale of the Sisson Project or the Company's interest in the Partnership. As such, there is material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. Management has concluded that presentation as a going concern is appropriate in these Financial Statements based on the Company's current financial position, and current plans for the Sisson Project for 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These Financial Statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. These Financial Statements should be read in conjunction with the Group's consolidated financial statements as at and for the year ended October 31, 2018. Results for the interim reporting period are not necessarily indicative of future results. The accounting policies and methods of computation applied by the Group in these Financial Statements are the same as those applied by the Group in its most recent annual consolidated financial statements which are filed under the Company's profile on SEDAR at www.sedar.com.

(b) Basis of Presentation and Consolidation

These Financial Statements have been prepared on a historical cost basis, except for marketable securities which are stated at fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Intercompany balances and transactions, including any unrealized income and expenses arising from intercompany transactions, are eliminated in full on consolidation. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

There was no change in the composition of the Group during the current fiscal quarter.

(c) Significant Accounting Estimates and Judgements

The critical judgements and estimates applied in the preparation of these Financial Statements are consistent with those applied in the Group's audited consolidated financial statements as at and for the year ended October 31, 2018.

(d) Financial Instruments

Effective November 1, 2018, the Group adopted IFRS 9, Financial Instruments ("IFRS 9").

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

Under IFRS 9, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income ("FVTOCI") (debt / equity investment); or Fair Value through Profit or Loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at FVTOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(e) Operating Segments

As Northcliff operates the Sisson Project as a single segment, the Financial Statements should be read as a whole for the results of this single reporting segment.

(f) Accounting standards, interpretations and amendments to existing standards

Accounting standards adopted during the current period

Effective for annual periods commencing on or after January 1, 2018

- IFRS 15, *Revenue from Contracts with Customers*
- IFRS 9, *Financial Instruments ("IFRS 9")*

Given that the Group does not currently generate revenue from its operating activities and that its use of financial instruments currently involves only short-term amounts payable and receivable balances originating in normal course of business, these new standards do not have material impact on the Group's financial statements.

The Group has designated its investment in marketable securities, which were previously classified as available-for-sale financial assets, as at Fair Value through Other Comprehensive Income (FVTOCI) under IFRS 9. The changes in fair value of these equity instruments continues to be accumulated in the investment revaluation reserve within equity.

Amounts receivable and amounts payable (including amounts payable to a related party) continue to be carried at amortized cost under IFRS 9, consistent with the their measurement and presentation prior to the adoption of IFRS 9.

Accounting standards issued but not yet effective

Effective for annual periods commencing on or after January 1, 2019

- IFRS 16, *Leases*
- IFRIC 23, *Uncertainty over Income Tax Treatments*

The Group has not early adopted these amended standards and is currently assessing the impact, if any, that these amendments will have on the Group's Financial Statements.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

3. MINERAL PROPERTY AND EQUIPMENT

(a) Nine months ended July 31, 2019

	Mineral property acquisition and development costs	Equipment	Total
Cost			
Balance at November 1, 2018	$ 25,553,481	$ 46,287	$ 25,599,768
Additions during the period	428,329	–	428,329
Balance at July 31, 2019	$ 25,981,810	$ 46,287	$ 26,028,097
Accumulated amortization			
Balance at November 1, 2018	$ –	$ 43,985	$ 43,985
Amortization for the period	–	536	536
Balance at July 31, 2019	$ –	$ 44,521	$ 44,521
Carrying amount			
Net carrying amount at July 31, 2019	$ 25,981,810	$ 1,766	$ 25,983,576

The Company's mineral property interest on the consolidated statement of financial position represents the 100% economic interest in the Sisson Project, located in New Brunswick, Canada.

During the reporting period ended July 31, 2019 and 2018, the following deferred mineral development costs were recorded by the Group as additions to mineral property interest:

	Three months ended July 31,		Nine months ended July 31,	
	2019	2018	2019	2018
Engineering and design	$ 13,111	$ 44,660	$ 55,837	$ 169,226
Environmental and permitting	34,334	59,243	158,384	158,746
Community and sustainability	65,387	74,610	214,108	218,905
Total	$ 112,832	$ 178,513	$ 428,329	$ 546,877

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

(b) Nine months ended July 31, 2018

	Mineral property acquisition and development costs	Equipment	Total
Cost			
Balance at November 1, 2017	$ 24,766,615	$ 46,287	$ 24,812,902
Additions during the period	546,877	–	546,877
Balance at July 31, 2018	$ 25,313,492	$ 46,287	$ 25,359,779
Accumulated amortization			
Balance at November 1, 2017	$ –	$ 42,724	$ 42,724
Amortization for the period	–	962	962
Balance at July 31, 2018	$ –	$ 43,686	$ 43,686
Carrying amount			
Net carrying amount at July 31, 2018	$ 25,313,492	$ 2,601	$ 25,316,093

4. CASH AND CASH EQUIVALENTS

	July 31, 2019	October 31, 2018
Bank demand deposits	$ 1,262,065	$ 1,213,463
Guaranteed investment certificates	–	1,500,000
Total	$ 1,262,065	$ 2,713,463
Cash held in the Partnership included in the total cash balance above	$ 308,242	$ 521,100

Cash held in the Partnership at July 31, 2019 and October 31, 2018 included $185,000 held as a colleteral against a standby letter of credit

5. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	July 31, 2019	October 31, 2018
Prepaid expenses	$ 12,046	$ 14,969
Sales tax receivable	13,927	33,180
Total	$ 25,973	$ 48,149

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

6. AMOUNTS PAYABLE AND OTHER LIABILITIES

Due within 12 months		July 31, 2019		October 31, 2018
Amounts payable	$	10,442	$	124,969
Accrued liabilities		47,830		29,400
Sales tax payable		2,928		3,769
Total	$	61,200	$	158,138

7. SHARE CAPITAL

(a) Authorized share capital

As at July 31, 2019 and October 31, 2018, the authorized share capital was comprised of an unlimited number of common shares ("Common Shares") without par value. All issued shares are fully paid.

(b) Issued share capital

At July 31, 2019, there were 173,756,229 Common Shares outstanding (October 31, 2018 – 173,756,229).

In March 2018, the Company issued 2,399,769 Common Shares pursuant to the exercise of share-purchase warrants.

(c) Reserves

Equity-settled share-based payments reserve

The equity-settled share-based payments reserve relates to equity-settled share-based payments described in note 8.

Revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of marketable securities that have been recognized in other comprehensive income.

8. EQUITY-SETTLED SHARE-BASED PAYMENTS

During the three and nine months ended July 31, 2019 and 2018, the share-based payment expense recorded in the Statement of Comprehensive Loss included the following:

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Three months ended July 31,		Nine months ended July 31,	
	2019	2018	2019	2018
Option-based award (note 8(a))	$ 26,048	$ –	$ 26,048	$ –
Share-based award – Restricted Share Units (note 8(b))	20,512	29,077	56,667	102,216
Share-based award – Deferred Share Units (note 8(c))	18,890	20,532	59,952	61,594
	$ 65,450	$ 49,609	$ 142,667	$ 163,810

(a) Share purchase options (the "Options")

The following summarizes the changes in the Options:

Continuity of Options	Nine months ended July 31, 2019		Nine months ended July 31, 2018	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding – beginning balance	3,569,700	$ 0.16	6,058,100	$ 0.22
Granted	3,586,000	$ 0.07	–	–
Expired	(1,454,900)	$ 0.23	(1,440,200)	$ 0.43
Cancelled	–	–	(9,900)	$ 0.12
Outstanding – ending balance	5,700,800	$ 0.08	4,608,000	$ 0.15
Exercisable – ending balance	2,114,800	$ 0.11	4,608,000	$ 0.15

Awards vest in several tranches ranging from 6 months to 18 months.

The following table summarizes information on the Options outstanding as at the following reporting dates:

Options outstanding	July 31, 2019		October 31, 2018	
Exercise price	Number of Options outstanding	Weighted average remaining contractual life (years)	Number of Options outstanding	Weighted average remaining contractual life (years)
$ 0.07	3,586,000	3.77	–	–
$ 0.09	650,000	1.45	850,000	1.73
$ 0.12	1,464,800	1.03	1,464,800	1.78
$ 0.25	–	–	1,254,900	0.19
	5,700,800	2.80	3,569,700	1.21

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The following table summarizes information on the Options exercisable as at the following reporting dates:

Options exercisable	July 31, 2019		October 31, 2018	
Exercise price	Number of Options exercisable	Weighted average remaining contractual life (years)	Number of Options exercisable	Weighted average remaining contractual life (years)
$ 0.09	650,000	1.45	850,000	1.73
$ 0.12	1,464,800	1.03	1,464,800	1.78
$ 0.25	–	–	1,254,900	0.19
	2,114,800	1.16	3,569,700	1.21

(b) *Restricted Share Units ("RSU")*

The following summarizes the changes in the Company's RSUs:

Number of RSUs	Nine months ended July 31, 2019	2018
Outstanding – beginning balance	1,566,528	790,048
Granted	866,004	540,152
Outstanding – ending balance	2,432,532	1,330,200
Vested – ending balance	–	575,368

(c) *Deferred Share Units ("DSU")*

The following summarizes the changes in the Company's DSUs:

Number of DSUs	Nine months ended July 31, 2019	2018
Outstanding – beginning balance	1,701,169	857,951
Granted	914,803	586,577
Outstanding – ending balance	2,615,972	1,444,528
Vested – ending balance	2,615,972	1,444,528

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

9. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Details of transactions with and amounts due to related parties are discussed below:

(a) *Transactions with Key Management Personnel*

Key management personnel ("KMP") are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly, and by definition include the directors of the Company.

Transactions with KMP were as follows:

	Three months ended July 31,		Nine months ended July 31,	
	2019	2018	2019	2018
Remuneration for services of KMP employed under contract with HDSI (i)	$ 136,000	$ 181,000	$ 457,000	$ 511,000
Remuneration of KMP directly paid by the Group (ii)	24,000	24,000	72,000	72,000
Share-based compensation	65,000	50,000	142,000	164,000
Total	$ 225,000	$ 255,000	$ 671,000	$ 747,000

(i) Certain of the Company's executive directors and senior management are employed by the Company under contract with Hunter Dickinson Services Inc. ("HDSI").

(ii) These payments represent fees paid to independent directors.

(b) *Balances and transactions with related entities*

Certain directors and employees of Hunter Dickinson Services Inc. ("HDSI") are KMP of the Company. Pursuant to certain services agreements between the Company and HDSI, the Group receives geological, engineering, corporate development, administrative, management and shareholder communication services from HDSI. The Group determines the nature, timing and extent of services received from HDSI. HDSI also incurs third party costs on behalf of the Group that are re-imbursed by the Group at cost with no markup.

The following is a summary of transactions with HDSI:

	Three months ended July 31,		Nine months ended July 31,	
	2019	2018	2019	2018
Services requested from HDSI and received based on annually set rates:				
Accounting, legal and administration	$ 39,000	$ 36,000	$ 131,000	$ 136,600
Corporate communications and stakeholder affairs	2,000	2,000	6,000	9,900
Corporate development	22,000	27,000	74,000	83,100
Engineering	50,000	52,000	142,000	141,000
Geology	3,000	–	13,000	3,300
Management and directors' fees	71,800	101,000	251,000	275,100
	187,800	218,000	617,000	649,000
Reimbursement of third party costs incurred by HDSI on behalf of the Group	$ 30,000	$ 41,000	$ 84,000	$ 114,500

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

At July 31, 2019, the Group owed $53,243 to HDSI on account of services rendered and third party costs paid by HDSI (October 31, 2018 – $91,189).

10. EMPLOYMENT COSTS

Employees' salaries(i) and benefits, rounded to the nearest thousand dollars, included in various expenses were as follows:

	Three months ended July 31,		Nine months ended July 31,	
	2019	2018	2019	2018
Project management and financing	$ 78,491	$ 109,715	$ 266,315	$ 302,355
General and administration expenses	133,509	132,286	423,685	415,646
Equity-settled share-based payments	65,000	50,000	142,000	164,000
	$ 277,000	$ 292,000	$ 832,000	$ 882,000

(i) Salaries include remuneration of KMPs and amounts paid to HDSI for services (note 9).