CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2019

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

BLUE RIVER RESOURCES LTD.
INDEX TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2019
(Expressed in Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

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

BLUE RIVER RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

	April 30, 2019	October 31, 2018
	$	$
ASSETS		
Current assets		
Cash	**4,876**	195
Receivables	**1,881**	1,566
Prepaid expenses	**3,917**	2,104
Available-for-sale financial asset (Note 3)	**14,555**	25,123
	25,229	28,988
Equipment, net	**977**	1,065
Exploration and evaluation assets (Note 4)	**7,220**	7,220
Due from related party (Note 13)	**70,218**	75,805
Reclamation bond (Note 5)	**10,000**	10,000
Investment in equity accounted investee (Note 6)	**37,462**	48,676
TOTAL ASSETS	**151,106**	171,754
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Demand loan payable (Note 13)	**16,346**	15,216
Accounts payable and accrued liabilities (Note 7)	**731,208**	619,595
Due to related parties (Note 13)	**506,011**	384,324
Promissory note (Note 8)	**41,836**	40,348
	1,295,401	1,059,483
Shareholders' equity		
Share capital (Note 9)	**10,137,837**	10,137,837
Reserves (Note 9)	**161,070**	161,070
Deficit	**(11,443,202)**	(11,186,636)
	(1,144,295)	(887,729)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**151,106**	171,754

Nature of Operations and Going Concern (Note 1)

Approved and authorized on behalf of the Board:

"Griffin Jones", Director *"Nadwynn Sing"*, Director

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

BLUE RIVER RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended April 30,		For the six months ended April 30,	
	2019	2018	**2019**	2018
	$	$	**$**	$
OPERATING EXPENSES				
Consulting fees	**66,000**	129,900	132,000	245,847
Depreciation	**43**	54	87	108
Financing fees (Note 13)	**1,442**	727	2,928	2,659
Management fees (Note 13)	**45,000**	45,000	90,000	90,000
Office expenses	**197**	3,560	556	3,889
Professional fees	**6,477**	10,120	8,477	18,660
Regulatory and shareholder services	**2,935**	7,172	5,692	18,378
Rent	**-**	11,802	-	23,605
Travel and related	**-**	701	-	701
OPERATING LOSS	**(122,094)**	(209,036)	**(239,740)**	(403,847)
OTHER ITEMS				
Impairment of available-for-sale financial asset (Note 3)	**(2,662)**	-	**(10,568)**	-
Recovery (impairment) of exploration and evaluation assets (Note 4)	**5,006**	(10,000)	**5,006**	(10,000)
Loss on equity accounted investee (Note 6)	**(1,523)**	-	**(11,214)**	-
Gain on foreign exchange	**(50)**	1,220	**(50)**	2,447
	771	(8,780)	**(16,826)**	(7,553)
NET LOSS FOR THE PERIOD	**(121,323)**	(217,816)	**(256,566)**	(411,400)
OTHER COMPREHENSIVE LOSS				
Net change in fair value of available-for-sale financial asset, net of tax (Note 3)	**-**	(6,317)	**-**	(15,890)
	-	(6,317)	**-**	(15,890)
COMPREHENSIVE LOSS FOR THE PERIOD	**(121,323)**	(224,133)	**(256,566)**	(427,290)
BASIC AND DILUTED LOSS PER SHARE:				
Net loss for the period	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Comprehensive loss for the period	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING	**191,751,470**	191,751,470	**191,751,470**	191,751,470

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

BLUE RIVER RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(Expressed in Canadian Dollars - Unaudited)

	Common shares			Reserves					
	Number	Amount	Share subscriptions	Warrants	Stock options	Revaluation reserve	Total	Deficit	Total
		$	$	$	$	$	$	$	$
Balance at October 31, 2017	141,751,470	9,644,287	40,000	59,824	151,532	40,988	252,344	(10,504,857)	(568,226)
Shares issued in private placement	50,000,000	500,000	-	-	-	-	-	-	500,000
Share issuance costs	-	(3,200)	-	-	-	-	-	-	(3,200)
Forfeiture of warrants	-	-	-	(5,919)	-	-	(5,919)	5,919	-
Comprehensive loss for the period	-	-	-	-	-	(15,890)	(15,890)	(411,400)	(427,290)
Balance at April 30, 2018	191,751,470	10,141,087	40,000	53,905	151,532	25,098	230,535	(10,910,338)	(498,716)
Share issuance costs	-	(3,250)	-	-	-	-	-	-	(3,250)
Forfeiture of warrants	-	-	-	(44,367)	-	-	(44,367)	44,367	-
Subscriptions reclassified to payables	-	-	(40,000)	-	-	-	-	-	(40,000)
Comprehensive loss for the period	-	-	-	-	-	(25,098)	(25,098)	(320,665)	(345,763)
Balance at October 31, 2018	191,751,470	10,137,837	-	9,538	151,532	-	161,070	(11,186,636)	(887,729)
Comprehensive loss for the period	-	-	-	-	-	-	-	(256,566)	(256,566)
Balance at April 30, 2019	**191,751,470**	**10,137,837**	**-**	**9,538**	**151,532**	**-**	**161,070**	**(11,443,202)**	**(1,144,295)**

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

BLUE RIVER RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars - Unaudited)

	For the six months ended April 30,	
	2019	2018
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(256,566)**	(411,400)
Depreciation	**88**	108
Accrued interest	**2,618**	2,618
Impairment of available-for-sale financial asset	**10,568**	-
Loss on equity accounted investee	**11,214**	-
Unrealized foreign exchange gain	**-**	(2,024)
	(232,078)	(410,698)
Changes in non-cash working capital:		
Receivables	**(315)**	(459)
Prepaid expenses	**(1,813)**	(5,422)
Accounts payable and accrued liabilities	**111,613**	6,029
CASH USED IN OPERATING ACTIVITIES	**(122,593)**	(410,550)
INVESTING ACTIVITY		
Exploration and evaluation asset expenditures	**-**	(5,000)
CASH USED IN INVESTING ACTIVITIES	**-**	(5,000)
FINANCING ACTIVITIES		
Shares issued for cash	**-**	500,000
Share issuance costs	**-**	(3,200)
Bank indebtedness	**-**	(5,279)
Net funds received (paid) to related parties	**127,274**	(62,521)
CASH RECEIVED FROM FINANCING ACTIVITIES	**127,274**	429,000
NET CHANGE IN CASH	**4,681**	13,450
CASH, BEGINNING OF PERIOD	**195**	-
CASH, END OF PERIOD	**4,876**	13,450

Supplemental Disclosure with Respect to Cash Flows (Note 14)

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Blue River Resources Ltd. (the "Company") was incorporated on September 26, 2008 under the Business Corporations Act (British Columbia) and the Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BXR". The Company is in the business of acquisition, exploration and development of mineral properties.

The head office and principal address of the Company are located at Suite 501 – 525 Seymour Street, Vancouver, B.C., V6B 3H7. The Company's records office and registered address is Suite 700 – 401 West Georgia Street, Vancouver, B.C., V6B 5A1.

Going concern

The Company's mineral properties are at the exploration stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation assets represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2019, the Company had a working capital deficit of $1,270,172 (October 31, 2018 – $1,030,495), had not advanced its properties to commercial production, and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with proceeds from the exercise of options and warrants and further private placements.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Condensed Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

This condensed interim consolidated financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended October 31, 2018.

The condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on June 28, 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Statement of compliance – *continued*

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended October 31, 2018, except for the following:

Financial instruments
On November 1, 2018, the Company adopted IFRS 9 *Financial Instruments* which replaced IAS 39, *Financial Instruments: Classification and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities as the Company has elected under IFRS 9 to account for its available-for-sale investment through other comprehensive income.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.

- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings and the investment in the available-for-sale financial asset is an investment in a publicly listed entity where the future cash flows from the investment equate to the entity's share price.

Basis of presentation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable and are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Blue River Resources Inc., incorporated under the Laws of the State of Wyoming. All material intercompany balances and transactions have been eliminated upon consolidation.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Use of estimates and judgments - ***continued***

The most significant accounts that require estimates and assumptions as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based compensation and other equity based payments and the recoverability and measurement of deferred tax assets and liabilities. Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of 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 earnings and equity reserves.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Critical judgments exercised in apply accounting policies that have the most significant effects on the amounts recognized in the condensed interim consolidated financial statements are as follows:

Determination of functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) 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 fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Receivables, due from related parties, and reclamation bonds are measured at amortized cost with subsequent impairments recognized in profit or loss, available-for-sale financial assets are classified as FVOCI, and cash and Investment in equity accounted investee are classified as FVTPL.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Financial instruments - *continued*

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) at amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Demand loan payable, accounts payable and accrued liabilities, due to related parties, and promissory note are classified as at amortized cost and carried on the statements of financial position at amortized cost.

As at April 30, 2019, the Company does not have any derivative financial liabilities.

New and Future Accounting Pronouncements

The following pronouncements and amendments are effective for the Company's annual periods beginning on or after November 1, 2019 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the condensed interim consolidated financial statements.

a. IFRS 16 – Leases: specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

b. IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

(Expressed in Canadian Dollars - Unaudited)

NOTE 3 – AVAILABLE-FOR-SALE FINANCIAL ASSET

In March 2014, the Company closed an agreement with Global Resources Investment Ltd., an arm's length party to the Company, pursuant to which the Company subscribed to 359,515 shares of Global Resources Investment Trust PLC ("GRIT shares") at a subscription price of £1 per share. In consideration of the purchase of the GRIT shares, the Company issued to GRIT 10,000,000 common shares at a price of £0.0360 per share, which was the equivalent of $0.067 per share.

On acquisition, the GRIT shares were valued at $670,000. The GRIT shares have been designated as an available-for-sale financial asset and are recorded at fair value with the unrealized gains and losses being recognized in other comprehensive income (loss). Fair value is determined by reference to the closing market price at each reporting date. The cumulative unrealized gain or loss that is recognized in other comprehensive income is recognized in the statement of profit or loss when the available-for-sale financial asset is sold or impaired.

As at April 30, 2019, the remaining 332,809 (October 31, 2018 – 332,809) GRIT shares had a fair value of $14,555 (October 31, 2018 - $25,123). Management determined that the GRIT shares were impaired and, therefore, recorded an impairment of $10,568.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

	Castle Project (Canada)	Mazama Copper Project (USA)	Total
	$	$	$
Balance, October 31, 2017	**1**	**-**	**1**
Acquisition costs	-	10,000	10,000
Deferred costs			
Consulting – geological	7,219	5,741	12,960
Write off	-	(15,741)	(15,741)
Balance, October 31, 2018	**7,220**	**-**	**7,220**
Deferred costs			
General exploration expenditures recovery	-	(5,004)	(5,004)
Recovery	-	5,004	5,004
Balance, April 30, 2019	**7,220**	**-**	**7,220**

Title to mineral properties

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and to the best of management's knowledge, title to all of its properties are in good standing and free of material defect.

CASTLE PROJECT – British Columbia, Canada

The Castle Project was comprised of four mineral claim groups located in the Similkameen area of British Columbia: RATS Claim, Claimbank Claim, South Castle Claim, and Delorme claim. Certain of the claims are subject to a net smelter return royalty ("NSR") on any ore production from the property. The Company continues to hold an interest in one claim.

As at October 31, 2017, the Castle Project was carried at a nominal carrying value of $1 as management did not have further plans to explore the property. Recent exploration activity in the area has renewed interest in the Princeton / Nicola area; as such, management commenced exploration on the project during the year ended October 31, 2018.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS – *continued*

MAZAMA COPPER PROJECT – Washington, USA

On February 25, 2013, as amended on February 25, 2015, the Company signed an option agreement to acquire a 100% beneficial right, title, and interest in and to a property located in Okanogan County, Washington State, USA. Certain terms of the agreement were amended on February 25, 2015 and February 16, 2017. On June 20, 2013, the TSX-V approved the transaction.

Under the terms of the amended option agreement, the Company will earn a 100% interest in the property subject to the following:

- The Company must pay a total of $260,000 cash as follows:
  - $5,000 upon approval by the TSX-V (paid);
  - $10,000 on or before July 30, 2013 (paid);
  - $20,000 on or before August 19, 2013 (paid);
  - $50,000 on or before June 20, 2014 (paid);
  - $70,000 on or before September 30, 2015 (paid); and
  - $105,000 on or before May 28, 2017 ($10,000 paid).
- The Company must issue a total of 6,000,000 common shares of the Company to the vendor:
  - 500,000 common shares before July 20, 2013 (issued for a value of $42,500);
  - 500,000 common shares every three months from February 25, 2013 for a total of 4,500,000 shares (2,000,000 common shares issued at a value of $160,000, 500,000 issued at a value of $32,500 and 2,000,000 common shares issued at a value of $90,000);
  - 500,000 shares on or before July 30, 2016 (issued at a value of $22,500); and
  - 500,000 shares on or before March 7, 2017 (issued for a value of $22,500) (Note 9).

Further to the terms of the amended option agreement, the Company agreed to incur minimum exploration and development expenses of $125,000 by June 20, 2014 (incurred); a further $150,000 by December 27, 2017 (incurred); and a further $175,000 by December 27, 2018.

The vendor retained a 3.0% NSR on any ore production from the property. The Company is eligible to purchase a 1% NSR at anytime by making a cash payment of $1,000,000 and an additional 1% for $2,000,000.

In connection with the amended agreement dated February 16, 2017, the Company also entered into a Debt Settlement Agreement to settle $100,000 of the cash owed for 2,000,000 shares. The Company issued the shares to settle the obligations in June 2017 (Note 9).

As at October 31, 2017, the property had lapsed and as a result, the Company abandoned the option and recorded an impairment of $59,349. During the year ended October 31, 2018, the Company recorded an impairment of $15,741 relating to the payment of unpaid acquisition costs paid to the optionors and other expenses during the year. During the six months ended April 30, 2019, the Company recorded a recovery of $5,004 relating to the refund of a deposit.

NOTE 5 – RECLAMATION BOND

As at April 30, 2019, the Company held a reclamation bond of $10,000 (October 31, 2018 - $10,000) in connection with the Castle Project.

(Expressed in Canadian Dollars - Unaudited)

NOTE 6 – INVESTMENT IN EQUITY ACCOUNTED INVESTEE

In July 2018, the Company entered into an Investment Agreement (the "Agreement") with an arms' length party, Global Satellite Integration Ltd. ("GSIL"), a private company incorporated under the laws of British Columbia, whereby the Company would acquire 30% of the voting shares of GSIL through the purchase of 42 units of GSIL for $50,000 with each unit consisting of 1 Class A common share and 1 Class C common share of GSIL. Under the Agreement, the Company has the right, but not the obligation, to participate in any future financings of GSIL to ensure the Company maintains its 30% ownership.

As at April 30, 2019, the Company had paid GSIL $50,000 (October 31, 2018 - $50,000) for 42 (October 31, 2018 – 42) units of GSIL representing 30% of the outstanding voting shares.

During the year ended October 31, 2018, the Company recorded a loss on the equity accounted investee of $1,324 which represented the Company's portion of GSIL's loss for the period from August 1, 2018 to October 31, 2018.

During the six months ended April 30, 2019, the Company recorded a loss on the equity accounted investee of $11,214 which represented the Company's portion of GSIL's loss for the period; as a result, the carrying value of the investment as at April 30, 2019 was $37,462 (October 31, 2018 - $48,676).

Summarized financial information in respect of GSIL is as follows:

	April 30, 2019	October 31, 2018
	$	$
Current assets	**11,984**	35,120
Non-current assets	**106,632**	106,632
Total assets	**118,616**	141,752
Current liabilities	**53,734**	147,300
Non-current liabilities	**108,445**	-
Total liabilities	**162,179**	147,300
Net and comprehensive loss for the six months ended	**37,379**	-
Company's share of net and comprehensive income	**11,214**	-

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2019	October 31, 2018
	$	$
Trade payables	**706,060**	576,947
Accrued liabilities	**25,148**	42,648
	731,208	619,595

NOTE 8 – PROMISSORY NOTE

In May 2015, the Company received a promissory note for $30,000 from an arm's length lender which matured on May 21, 2017 and bears interest at 10% per annum, payable on maturity.

As at April 30, 2019, the loan remains outstanding and is now due on demand. The Company owes the lender $41,836 (October 31, 2018 - $40,348) which includes $11,836 (October 31, 2018 - $10,348) of accrued interest.

(Expressed in Canadian Dollars - Unaudited)

NOTE 9 – SHARE CAPITAL

Authorized common shares

Unlimited common shares without par value.

Issued shares

The Company did not issue any shares during the six months ended April 30, 2019.

During the year ended October 31, 2018 the Company:

a) Closed a private placement by issuing 50,000,000 units at $0.01 per unit for total gross proceeds of $500,000. Each unit consists of one common share and one share purchase warrant with each warrant exercisable for $0.05 per share for a period of two years. No value was assigned to the warrants. In connection with this private placement the Company incurred share issue costs of $6,450.

During the year ended October 31, 2018 $40,000 previously received for share subscriptions were reclassified to payables as the funds will be repaid and no shares will be issued.

Stock options

The Company has an incentive stock options plan in place whereby, the maximum number of shares reserved for issue under the plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time. The maximum number of common shares reserved for issue to any individual director or officer under the plan cannot exceed 5% of the issued and outstanding number of common shares in any twelve-month period, the maximum number of common shares reserved for issue to all consultants cannot exceed 2% of the issued and outstanding number of common shares in any twelve-month period, and the maximum number of common shares reserved for issue to employees cannot exceed 2% of the issued and outstanding number of common shares in any twelve-month period. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable, and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire by the earlier of within one year thereafter or the expiry date of the option. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

The Company did not have any stock option transactions during the six months ended April 30, 2019 or the year ended October 31, 2018.

The following table summarizes the options outstanding and exercisable at April 30, 2019:

Exercise price	Number outstanding	Expiry date
$		
0.05	2,150,000	May 9, 2021
0.05	200,000	June 16, 2021
0.05	800,000	July 18, 2021
0.05	1,700,000	August 17, 2021
	4,850,000	

The weighted average life of stock options outstanding at April 30, 2019 is 2.16 years.

(Expressed in Canadian Dollars - Unaudited)

NOTE 9 – SHARE CAPITAL – *continued*

Warrants

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted average exercise price
		$
Balance, October 31, 2017	41.196.060	0.08
Issued	50,000,000	0.05
Forfeited	(17,693,039)	0.10
Balance, October 31, 2018	73,503,021	0.06
Forfeited	(8,125,000)	0.09
Balance, April 30, 2019	**65,378,021**	**0.05**

A summary of the share purchase warrants outstanding at April 30, 2019 is as follows:

Exercise price	Number outstanding	Expiry date
$		
0.15	754,707	October 15, 2019
0.06	14,623,314	June 30, 2019
0.05	50,000,000	January 5, 2020
	65,378,021	

The weighted average life of warrants outstanding at April 30, 2019 is 0.56 years.

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS

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 the Company's receivables, accounts payables, due from and to related parties, demand loan and promissory note approximates their carrying values. The Company's other financial instruments, being cash, reclamation bond, and available-for-sale financial asset are measured at fair value using Level 1 inputs.

NOTE 11 – FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's primary exposure to credit risk is on its cash accounts. Cash accounts are held with major banks in Canada. The Company has deposited its cash with two major banks from which management believes the risk of loss is low.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at April 30, 2019, the Company had a cash balance of $4,876 to settle liabilities of $1,295,401. Liquidity risk is assessed as high.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and it has one property: the Castle Project, located in Canada. The Company is not exposed to foreign currency risk on its property.

The Company's available-for-sale financial asset is trading on the London Stock Exchange in British pounds (£). Each 1% change in the Canadian dollar versus the British pound will result in a gain/loss of approximately $145. Additionally, for every £0.01 change in the price of GRIT shares, the Company will realize a £3,300 net change in fair value, before taxes, on its investment.

Commodity Price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper. The Company monitors copper prices to determine the appropriate course of action to be taken.

(Expressed in Canadian Dollars - Unaudited)

NOTE 12 – CAPITAL DISCLOSURE AND MANAGEMENT

The Company considers its cash and share capital as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. There was no change in the Company's approach to capital management during the six months ended April 30, 2019.

NOTE 13 – RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Related party transactions are as follows:

a) As at April 30, 2019, the Company owes certain officers, directors and related companies $505,774 (October 31, 2018 - $384,324) for unpaid management fees and loans advanced to the Company.

b) As at April 30, 2019, the Company was owed $69,981 (October 31, 2018 - $75,805) from a company with a common director.

c) As at April 30, 2019, the Company owes a shareholder who owns more than 10% of the Company's outstanding shares $16,346 (October 31, 2018 - $15,216) for the demand loan payable which includes interest of $6,846 (year ended October 31, 2018 - $5,716). The demand loan bears interest at 24% per annum and has no specific date of repayment.

Amounts due from and owing by the Company are unsecured, non-interest bearing and have no specified terms of repayment. The summary of related party transactions is as follows:

	For the six months ended April 30,	
	2019	2018
	$	$
Financing fees	**1,131**	1,131
Management fees	**90,000**	90,000

NOTE 14 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company entered into certain non-cash transactions that have been excluded from the statements of cash flows as follows:

	For the six months ended April 30,	
	2019	2018
	$	$
Non-cash investing and financing activities:		
Exploration and evaluation expenditures in accounts payable and accrued liabilities	**131,307**	126,651
Value of expired warrants transferred to deficit	**-**	5,919
Net change in fair market value of available-for-sale financial asset	**-**	(15,890)