Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2019 and year ended December 31, 2018
(Expressed in United States Dollars)
(Unaudited)

NOTICE OF NO AUDIT 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 unaudited interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

(Expressed in United States Dollars)

As at	Notes	September 30, 2019 $	December 31, 2018 $
ASSETS			
Current assets			
Cash		1,169,279	88,942
Accounts receivable	6, 12	79,739	2,111,598
Due from related parties	12	892	-
Royalty fees receivable		55,299	29,078
Prepaid expenses		115,697	27,155
		1,420,906	2,256,773
Mineral, royalty and other interest	9	48,902,150	18,051,303
Exploration and evaluation assets	8	865,573	-
Right of use assets	7	151,644	-
TOTAL ASSETS		51,340,273	20,308,076
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		302,856	79,244
Lease liabilities	16	60,584	-
Due to related parties	12	192,273	6,165
		555,713	85,409
Lease liabilities	16	95,232	-
Loan facility	11	10,839,128	-
TOTAL LIABILITIES		11,490,073	85,409
SHAREHOLDERS' EQUITY			
Share capital	10	31,728,157	12,500,001
Contributed surplus		5,991,240	3,114,779
Accumulated other comprehensive income		(50,740)	-
Retained earnings		2,181,543	4,607,887
		39,850,200	20,222,667
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		51,340,273	20,308,076

Nature of operations and liquidity (Note 1)
Approved on behalf of the Board of Directors:

"Cesar Gonzalez"
Director

"Walter Reich"
Director

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

(Expressed in United States Dollars)

	Notes		Three months ended September 30				Nine months ended September 30		
			2019		**2018**		**2019**		**2018**
			$		**$**		**$**		**$**
Income									
Royalty revenue			55,299		-		97,387		-
Cost of sales									
Depletion	9		(69,130)		-		(131,248)		-
Gross profit (loss)			(13,831)		-		(33,861)		-
Operating and Administrative Expenses									
Director fees	12		11,534		9,750		31,034		31,250
Senior management	12		17,125		6,750		51,375		33,795
Share-based compensation	10		359,137		169,275		923,351		294,391
Consulting fees	12		411,223		-		426,201		-
Shareholder information			272		-		272		-
General office, wages and regulatory fees			63,727		5,550		105,953		36,128
Depreciation	7		10,444		-		10,444		-
Insurance			2,033		-		2,033		9,970
Exploration fees	6,12		292,202		-		514,003		-
Rent	12		4,500		4,500		14,450		15,400
Travel and marketing	12		59,147		2,830		109,734		22,425
Professional fees			163,163		159,674		224,103		345,979
Foreign exchange (loss) gain	12		(51,675)		1,465		(65,586)		3,350
			1,342,832		359,794		2,347,367		792,688
Net operating loss			(1,356,663)		(359,794)		(2,381,228)		(792,688)
Other income (expense)									
Gain on disposal of assets	6,12		-		525,618		101,346		525,618
Finance fees	11,16		(146,551)		-		(146,551)		-
Interest income			89		-		89		43,917
			(146,462)		525,618		(45,116)		569,535
Total (loss) income for the period			(1,503,125)		165,824		(2,426,344)		(223,153)
Other comprehensive income (loss) for the period									
Items that may be reclassified subsequently to net income									
Exchange gains (losses) on translation			(50,740)		-		(50,740)		-
Other comprehensive income (loss) for the period			(50,740)		-		(50,740)		-
Net (loss) income and comprehensive (loss) income for the period			(1,553,865)		165,824		(2,477,084)		(223,153)
Basic (loss) earnings per share			(0.03)		0.00		(0.06)		(0.01)
Diluted earnings (loss) per share		$	(0.03)	$	0.00	$	(0.06)	$	(0.01)
Weighted average number of shares outstanding									
Basic			47,723,948		38,373,566		41,501,819		38,373,566
Diluted			47,723,948		38,373,566		41,501,819		38,373,566

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

(Expressed in United States Dollars)

For the period ended September 30	Notes	2019 $	2018 $
Cash provided by (used for):			
Operating Activities			
Net loss for the period		(2,477,084)	(223,153)
Realized gain on disposal of assets		(101,346)	-
Foreign exchange gain on accounts receivable	6	(18,047)	-
Finance fees		(146,551)	-
Interest income		(89)	(43,917)
Depreciation		10,444	-
Depletion		131,248	-
Share-based compensation	10	923,351	294,391
Changes in working capital			
Accounts receivable		(18,899)	-
Due from related parties	12	(892)	-
Royalty fees receivable		(26,221)	-
Prepaid expenses		(75,247)	(4,883)
Accounts payable and accrued liabilities		(399,152)	(23,431)
Due to related parties	12	186,108	(23,898)
		(2,012,377)	(24,891)
Investing Activities			
Transaction cost on acquisition	5	(397,168)	-
Exploration fees	6	556,206	-
Repayment of convertible debenture		(12,031,055)	-
Cash acquired on acquisition	5	3,112,937	-
Accounts receivable	6	1,674,785	(488,118)
Interest received		89	44,378
		(7,084,206)	(443,740)
Financing Activities			
Principal payments on lease liabilities		(6,272)	-
Proceeds from loan facility		12,031,055	-
Loan commitment fee payable		168,435	-
Purchase of treasury shares	10	(2,005,258)	-
Transaction cost on shares bought back	10	(11,040)	-
		10,176,920	-
Net increase (decrease) in cash		1,080,337	(468,631)
Cash - beginning of period		88,942	535,174
Cash - end of period		1,169,279	66,543

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

(Expressed in United States Dollars)

	Shareholders' Equity					
	Number of shares	Amount $	Contributed surplus $	Accumulated other comprehensive income (loss) $	Retained earnings (deficit) $	Total $
Balance at December 31, 2017	38,373,566	12,500,001	1,411,934	-	(392,821)	13,519,114
Share-based compensation (note 10)	-	-	294,391	-	-	294,391
Net income	-	-	-	-	(223,153)	(223,153)
Balance at September 30, 2018	38,373,566	12,500,001	1,706,325	-	(615,974)	13,590,352
Balance at December 31, 2018	38,373,566	12,500,001	3,114,779	-	4,607,887	20,222,667
Shares bought back on-market but not yet cancelled (note 10)	-	(29,148)	-	-	-	(29,148)
Less: transaction cost on shares bought back (note 10)	-	(11,040)	-	-	-	(11,040)
Shares bought back on-market and cancelled (note 10)	(1,918,678)	(1,976,110)	-	-	-	(1,976,110)
Share-based compensation (note 10)	-	-	923,351	-	-	923,351
Share options issued on acquisition (note 5)	-	-	797,247	-	-	797,247
Shares issued on acquisition (note 5)	22,401,097	21,244,454	-	-	-	21,244,454
Capital contribution (note 11,12)	-	-	1,155,863	-	-	1,155,863
Cumulative translation adjustment	-	-	-	(50,740)	-	(50,740)
Net loss	-	-	-	-	(2,426,344)	(2,426,344)
Balance at September 30, 2019	58,855,985	31,728,157	5,991,240	(50,740)	2,181,543	39,850,200

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

1. NATURE OF OPERATIONS AND LIQUIDITY

Sailfish Royalty Corp. ("Sailfish" or the "Company") is a public company listed on the TSX Venture Exchange ("TSX-V") under the symbol "FISH". The Company was incorporated on February 27, 2014 under the BVI Business Companies Act, 2004 and is domiciled in the British Virgin Islands. The address of its registered and head office is Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands, VG1110. The Company is primarily engaged in the acquisition of royalty and streaming agreements.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Management believes the Company has sufficient funding available to continue royalty operations for the Company's mineral property interests and to continue normal operations over the next 12 months. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for future royalty acquisitions and continuing operations.

The Company's ability to achieve its objectives is partly dependent upon the Company securing financing and collecting royalty income from the El Compas Royalty. The Company also relies on the continued financial support from the Company's controlling shareholder. In the event that the Company is unsuccessful in raising additional funds, it may be forced to curtail expenditures.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

The accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2018, except for those as a result of the adoption of IFRS 16 – Leases ("IFRS 16") at January 1, 2019.

The impact of the adoption of IFRS 16 and the significant accounting policies that have been amended as a result, have been outlined in Note 3.

These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2018 which have been prepared according to IFRS as issued by the IASB. The Board of Directors authorized for publication the condensed interim consolidated financial statements on November 29, 2019.

2. BASIS OF PRESENTATION (Cont'd)

(b) Basis of measurement

These condensed interim consolidated financial statements are expressed in United States dollars and include the accounts of Sailfish Royalty Corp. and its subsidiaries. Subsidiaries are entities over which the company has control. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over its subsidiary.

As of September 30, 2019, the subsidiaries of the Company are as follows:

Company	Location of Incorporation	Ownership Interest	Principal Activity
Sailfish Royalty Management Corp.	United States of America	100%	Management services
Sailfish de Mexico S.A de C.V	Mexico	100%	Gavilanes Property
Terraco Gold Corp.	Canada	100%	Acquisition and exploration of mineral properties and royalty assets
TGC Holdings Ltd.	United States of America	100%	Spring Valley Royalties (NSR)
Western Standard Metals Ltd.	Canada	100%	Owns 100% of Western Standard Metals USA, Inc.
Western Standard Metals USA, Inc.	United States of America	100%	Almaden Property
Terraco Royalties USA, Inc.	United States of America	100%	Moonlight Royalties (NSR)

All inter-company transactions, balances, revenue and expenses are eliminated in full on consolidation.

(c) Functional currency

Items included in the financial statements of each subsidiary are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date, giving rise to foreign exchange gains and losses in the statement of loss.

The functional currency of Sailfish is the United States dollar. Management is required to assess the functional currency of each entity of the Company. Management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates as well as all secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. Any assets and liabilities of the Company held in foreign currencies are expressed in United States dollars using exchange rates prevailing at the end of the reporting period.

2. BASIS OF PRESENTATION (Cont'd)

(c) Functional currency (cont'd)

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period; in this case, the exchange rates at the dates of the transactions are used. Equity transactions are translated using the exchange rate at the date of the transaction. Exchange differences arising from assets and liabilities held in foreign currencies, are recognised in other comprehensive income (loss) as cumulative translation adjustments.

(d) Financial Instruments - Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments.

Gains or losses on financial liabilities at FVTPL are recognized in the consolidated statement of loss.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance fees in the statement of comprehensive income. Gains and losses are recognized when the financial liability is derecognized. The Company recognizes capital contributions directly in contributed surplus when obtaining Interest-bearing debt from a related party with a stated interest rate below the current market interest rate for similar debt.

The Company's financial liabilities at amortized cost include: accounts payable and accrued liabilities; due to related parties; and loan facility.

2. BASIS OF PRESENTATION (Cont'd)

(d) Financial Instruments - Financial liabilities (cont'd)

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive loss.

(e) Borrowing cost

Borrowing costs are expensed as incurred except where they are directly attributable to the financing of acquisition, construction or development of qualifying assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalized up to the date when substantially all the activities necessary to prepare the asset for its intended use are complete.

3. RECENT ACCOUNTING PRONOUNCEMENTS

The IASB issued the following pronouncement that affect the Company's consolidated financial statements.

Adoption of IFRS 16: Leases ("IFRS 16"):

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

3. RECENT ACCOUNTING PRONOUNCEMENTS (Cont'd)

For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain the asset. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. The right-of-use asset is assessed for impairment losses, should a trigger be identified and adjusted for impairment if required.

The lease liability is subsequently measured at amortized cost using the effective interest method. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

We have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Outlined below are some of the areas that require management to make judgements and significant estimates and assumptions in determining carrying values.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT (Cont'd)

i. Income taxes

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.

ii. Share-based compensation

The valuation of share-based compensation and the convertible debenture derivative are determined using the Black-Scholes Option Pricing Model. Option pricing models require the input of subjective assumptions including expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's net loss and equity reserves.

iii. Impairment of assets

The assessment of any impairment of exploration and evaluation assets 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.

Management is required to assess impairment in respect of intangible exploration and evaluation assets, mineral, royalty and other interests and right-of-use assets. The triggering events are defined in IFRS 6, 36 and 16. 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.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's"). Value in use is determined as the present value of future cash inflows expected to be derived from a CGU using a pre-tax discount rate that reflects the current time value of money and the risks specific to that CGU. Impairment losses for other assets or CGU's recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If so, an impairment loss is reversed only to the extent that the related asset or CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT (Cont'd)

iv. Acquisition accounting

The assessment of whether acquisitions are considered business combinations or asset acquisitions requires management judgement, the outcome of which may result in different accounting treatments. Estimates and assumptions were used to allocate the purchase price of the assets and liabilities on the acquisition, specifically to the carrying value of mineral, royalty and other interest and exploration and evaluation assets

v. Decommissioning and rehabilitation provision

Management's determination of the Company's decommissioning and rehabilitation provision is based on the reclamation and closure activities it anticipates as being required and its estimate of the probable costs and timing of such activities and measures.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

vi. Accounting treatment of royalty agreements

The Company's business is the acquisition of royalties. Each mineral, royalty and other interest arrangement has its own unique terms and judgement is required to assess the appropriate accounting treatment.

vii. Leases as a result of adopting IFRS 16

IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. The Company had to apply judgement on certain factors, including whether the supplier has substantive substitution rights, whether the Company obtains substantially all of the economic benefits and who has the right to direct the use of that asset.

IFRS 16 requires that lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The standard defines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment. The Company used its incremental borrowing rate when recording leases initially, since information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

(Expressed in United States Dollars)

5. ACQUISITION

On June 19, 2019, the Company entered into a definitive arrangement agreement with Terraco Gold Corp. ("TGC") pursuant to which Sailfish acquired all of the issued and outstanding common shares of TGC (the "Arrangement Agreement"). Each TGC shareholder received 0.12 of a common share of Sailfish for each share of TGC held. Each stock option of TGC was exchanged in accordance with the Arrangement Agreement. The transaction was approved by the securityholders of TGC on August 13, 2019 and closed on August 19, 2019.

In connection with the plan of arrangement, the Company issued 22,401,097 common shares in exchange of TGC common shares. The Company also issued 1,626,120 stock options to replace TGC stock options. Based on the opening share price of Sailfish on August 19, 2019, the fair value of the consideration, including transaction costs, was $22,438,869.

The transaction is accounted for as an asset acquisition and the allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the time of acquisition.

The allocation of the purchase price to the estimated fair value of the assets and liabilities of TCG is as follows:

Purchase price		
Issuance of 22,401,097 shares to Terraco Shareholders	$	21,244,454
Issuance of 1,626,120 replacement options		797,247
Transaction costs		397,168
	$	**22,438,869**
Fair value of assets and liabilities acquired		
Cash		3,112,937
Accounts receivable		60,840
Prepaid expenses		13,295
Accounts payable and accrued liabilities		(564,816)
Mineral, royalty and other interest		30,982,095
Exploration and evaluation assets		865,573
Convertible debenture		(12,031,055)
	$	**22,438,869**

As part of the transaction, Sailfish repaid in full the US$12,031,055 outstanding senior unsecured convertible debenture held by Solidus Resources, LLC, a wholly-owned subsidiary of Waterton Precious Metals Fund II Cayman, LP (the "Debenture"), with the funds generated from the loan facility (Note 11).The extinguishment of the Debenture provides Sailfish shareholders with an unencumbered royalty ownership, with no future conversion or buy back rights, of up to a 3% NSR on the multi-million-ounce Spring Valley Project.

(Expressed in United States Dollars)

5. ACQUISITION (Cont'd)

As Sailfish was obliged to replace the TGC stock options under the terms of the Arrangement Agreement, it accounted for the exchange of instruments as a modification of share-based payment awards. The purchase consideration includes the portion of the fair value of the Sailfish replacement options that relate to services prior to the acquisition. The fair value of the replacement options was calculated using the Black Scholes option pricing model with the weighted average assumptions of expected volatility ranging from 103.21% to 131.93%, a risk free interest rate of 1.35% and expected life ranging from 0.81 to 4.2 years. The revaluation of the replacement options resulted in a share-based compensation expense of $89,360 during the period.

6. ACCOUNTS RECEIVABLE

During the nine months ended September 30, 2019, the Company received payments of $1,674,785, incurred a gain on the receivable of $101,346, paid exploration expenses of $556,206 and earned a foreign exchange gain of $18,047, leaving a balance of $Nil at September 30, 2019 from Mako Mining Corp. ("Mako"). The balance of accounts receivable at September 30, 2019 is made up of GST receivable and other receivables.

7. RIGHT-OF-USE-ASSETS

As part of the acquisition outlined in Note 5, the Company has entered into contracts for premises in the United States and Canada. The lease terms are between three and five years; each lease is renewable at the end of the lease period at market rates. Lease agreements do not impose any covenants, but lease assets may not be used as security for borrowing purposes.

These office premises in Canada and the United States represent right-of-use assets, which are depreciated on a straight-line basis over the term of the lease.

Cost:		**Offices**		**Total**
Balance as at December 31, 2018	$	-	$	-
Additions during year		161,684		161,684
Effect of translation		408		408
Balance as at September 30, 2019	$	162,093	$	162,093
Accumulated Depreciation:				
Balance as at December 31, 2018	$	-	$	-
Depreciation charge		10,444		10,444
Effect of translation	$	5		5
Balance as at September 30, 2019	$	10,449	$	10,449
Net Book Value				
At September 30, 2019	$	151,644	$	151,644

(Expressed in United States Dollars)

8. EXPLORATION AND EVALUATION ASSETS

Almaden (Nutmeg Mountain) Property

On August 19, 2019, Sailfish acquired all of the outstanding securities of TGC in an all share transaction by way of a plan of arrangement. Existing options to acquire TGC shares were converted into options to acquire Sailfish shares, each in accordance with their terms.

Total consideration paid was $22,438,869 of which $865,573 was allocated to exploration and evaluation assets.

Accordingly, through this transaction, the Company acquired a 100% interest in the Almaden (Nutmeg Mountain) Property comprising 12 leased patented lode mining claims (approximately 248 acres), 208 unpatented lode mining claims (approximately 4,150 acres), 2 unpatented mining claims in the surrounding area and approximately 280 acres of private fee ground located in Washington County, Idaho.

The minimum future payments required to maintain the leased patented lode mining claims over the next 5 years are as follows:

• US$35,520 cash before fiscal year ended July 31, 2020;
• US$24,000 cash before fiscal year ended July 31, 2021;
• US$24,000 cash before fiscal year ended July 31, 2022;
• US$24,000 cash before fiscal year ended July 31, 2023; and
• US$384,000 thereafter

The Almaden Property is subject to a 4% net proceeds royalty interest payable to underlying property owners, a 1% net smelter return ("NSR") royalty (for gold prices equal to or less than US$425/oz.) or 2% (for gold prices greater than US$425/oz.) payable to Royal Gold Inc. and a 0.5% NSR royalty payable to Red Kite Mine Finance.

Exploration and evaluation asset activity during the period:

Almaden (Nutmeg Mountain) Property	Opening Cost	Additions	Ending Cost
Acquisition costs and option payments	-	865,573	865,573
Total Cost	-	865,573	865,573

(Expressed in United States Dollars)

9. MINERAL, ROYALTY AND OTHER INTEREST

As of and for the nine months ended September 30, 2019:

	Cost			Accumulated depletion				
Royalty / other interest	Opening	Additions	Ending	Opening	Depletion	Impairment	Ending	Carrying amount
San Albino (3%) (i)	4,371,291	-	4,371,291	-	-	-	-	4,371,291
El Compass (1.5%) (ii)	1,030,097	-	1,030,097	-	(131,248)	-	(131,248)	898,849
Gavilanes option (iii)	340,926	-	340,926	-	-	-	-	340,926
La Cigarra (1%) (iv)	201,989	-	201,989	-	-	-	-	201,989
TZ Royalty (3.5%) (v)	12,107,000	-	12,107,000	-	-	-	-	12,107,000
Spring Valley (0.5-3.0%) (vi)	-	30,982,095	30,982,095	-	-	-	-	30,982,095
Total	18,051,303	30,982,095	49,033,398	-	(131,248)	-	(131,248)	48,902,150

The Company owns the following royalties and other interests;

(i) San Albino (3%)

The Company has acquired a stream equivalent to a 3% NSR on the original area of interest of the San Albino project operated by Mako.

(ii) El Compass (1.5%)

The Company has acquired a 1.5% NSR on El Compass, located in Zacatecas, Mexico, which is operated by Endeavour Silver Corp ("Endeavour"). Commissioning of El Compass commenced in 2018 and commercial production was achieved in March 2019. During the nine months ended September 30, 2019, $97,387 of royalty revenue was received from this NSR and depletion of $131,248 was expensed.

(iii) Gavilanes option

The Company has acquired an option to assign a 100% ownership interest from Mako for a de minimis amount on the Gavilanes project located in Durango, Mexico. The option was exercised on November 9, 2019.

(iv) La Cigarra (1%)

The Company has acquired a 1% NSR on La Cigarra, located in Chihuahua, Mexico. Kootenay Silver Inc. is the current operator and the project is at the exploration stage.

(Expressed in United States Dollars)

9. MINERAL, ROYALTY AND OTHER INTEREST (Cont'd)

(v) TZ Royalty (3.5%)

The Tocantinzinho Royalty ("TZ Royalty") was acquired as part of the spin-out of Sailfish from Marlin Gold Mining Ltd ("Marlin") in 2017. It is a 3.5% royalty on revenues on the Tocantinzinho Project payable following the commencement of commercial production, which Eldorado Gold Corp ("Eldorado") has the right to reduce to a 1.5% royalty on revenues by payment of US$5.5 million within 30 days of a construction decision to proceed with development of the Tocantinzinho Project. In the event that Eldorado elects to make such a payment and such amount is paid to Sailfish, Sailfish will be obligated, pursuant to the Tocantinzinho Royalty Purchase Agreement to pay such amount to the TZ Royalty Vendors. If Eldorado does not exercise its right to reduce the Tocantinzinho Royalty, then, within 35 days of the announcement by Eldorado of a construction decision to proceed with development of the Tocantinzinho Project, Sailfish shall, at its option, either (i) pay US$5.5 million to the TZ Royalty Vendors or (ii) assign 2% of the TZ Royalty back to the TZ Royalty Vendors. No liability has been recognized for this in the interim consolidated statement of financial position.

(vi) Spring Valley Royalty #1 (0.5% - 3.0%)

The Spring Valley gold project ("Spring Valley Project") is located in Pershing County, Nevada and is 100% owned and controlled by Waterton Global Resource Management. The Company acquired a portfolio of royalties on the Spring Valley Project as part of the Arrangement Agreement and acquisition of TGC (Note 5). The royalties in the portfolio acquired range from a 0.5% NSR royalty on a portion of the Spring Valley Project up to a 3.0% NSR sliding scale royalty on a portion of the Spring Valley Project.

The parameters surrounding of the 3% NSR sliding scale royalty are as follows:

Gold Price (US$ per oz)	Royalty %
<$300	0.84%
$300-$399	1.26%
$400-$499	1.74%
$500-$599	2.16%
$600-$699	2.58%
$700+	3.00%

The Company owns the following royalties and other interests for which no value has been attributed;

(i) San Albino (2%)

The Company has acquired a 2% NSR on the district-scale land package surrounding the original area of interest of the San Albino project, which hosts multiple high-grade targets including Las Conchitas and El Golfo.

(Expressed in United States Dollars)

9. MINERAL, ROYALTY AND OTHER INTEREST (Cont'd)

(ii) Moonlight Property Royalty (2%)

As part of the Arrangement Agreement and acquisition of TGC, Sailfish acquired a 2% NSR on the Moonlight exploration property, located to the north of the Spring Valley Project ("Moonlight Property").

The Moonlight Property is comprised of 95 parcels of private fee lands for 3,760 gross acres (including 1,170 net surface acres and 2,952.5 net mineral acres) as well as 3 mineral leases of private fee lands comprising 180 acres and 3 leases of patented mining claims amounting to 393.8 acres, plus 230 unpatented lode mining claims totaling approximately 4,560 acres for a total property position of approximately 8,894 gross acres (including 6,304 nest surface acres and 8,056 net mineral acres).

Impairments

While assessing whether any indications of impairments exist, consideration is given to both external and internal sources of information. As at September 30, 2019 and 2018 there were no indications of impairments on any of the above assets.

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized – Unlimited number of common shares with no par value.

(b) Issued share capital is as follows:

	Number of shares	Value
December 31, 2018, issued and outstanding	38,373,566	12,500,001
Shares bought back on-market but not yet cancelled (i)	-	(29,148)
Shares bought back on-market and cancelled (ii)	(1,918,678)	(1,976,110)
Less: transaction cost on share bought back	-	(11,040)
Shares issued on acquisition (iii)	22,401,097	21,244,454
September 30, 2019, issued and outstanding	58,855,985	31,728,157

i. During September 2019 the company purchased 35,000 common shares on-market, which have not yet been cancelled. The buy-back was approved by board of directors on June 18, 2019 and an amendment to increase the number of common shares which the Company may repurchase for cancellation was approved on September 5, 2019. The shares were acquired at an average price of \$0.8328 (CAD\$1.1051) per share. The total cost of \$29,148, plus \$225 of after-tax transaction costs, was deducted from shareholder equity.

(Expressed in United States Dollars)

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Cont'd)

(b) Issued share capital (cont'd)

ii. During the period of June to September 30, 2019 Sailfish purchased 1,918,678 common shares on-market, which have been cancelled. The buy-back was approved by board of directors on June 18, 2019 and an amendment to increase the number of common shares which the Company may repurchase for cancellation was approved on September 5, 2019. The shares were acquired at an average price of $1.0356 (CAD$1.3670) per share, with prices ranging from $0.8639 (CAD$1.1) to $1.2158 (CAD$1.6090). The total cost of $1,976,110, plus $10,815 of after-tax transaction costs, was deducted from shareholder equity.

iii. On August 19, 2019, Sailfish issued 22,401,097 common shares to the shareholders of TGC for consideration of $21,244,454 (Note 5).

(c) Stock options

As at September 30, 2019, the Company had outstanding share purchase options enabling holders to acquire common shares of the Company as follows:

Number	Vested	$	CAD Price per share		Expiry date
1,200,000	960,000	$	CAD	0.75	February 5, 2021
2,625,000	875,000	$	CAD	1.00	December 24, 2020
606,120	606,120	$	CAD	1.33	June 9, 2020
486,000	486,000	$	CAD	1.00	November 26, 2021
36,000	36,000	$	CAD	1.50	August 15, 2021
30,000	30,000	$	CAD	1.08	December 29, 2021
468,000	468,000	$	CAD	0.58	October 30, 2023
5,451,120	3,461,120				

(Expressed in United States Dollars)

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Cont'd)

(c) Stock options - (Cont'd)

The continuity of stock options granted and outstanding is as follows:

	Number of Options	Weighted Average Exercise Price $CAD
Granted April 24, 2018 (i)	1,200,000	0.75
Granted December 24, 2018 (ii)	2,625,000	1.00
Outstanding December 31, 2018	3,825,000	0.92
Granted on Acquisition of Terraco Gold Corp (note 5) (iii)	1,626,120	0.99
Outstanding September 30, 2019	5,451,120	0.94

(i) On December 22, 2017, the Company was spun-out of Marlin. As part of the plan of arrangement, stock options were to be issued to the Company's Chief Executive Officer (the "CEO") and Vice President of Corporate Development, entitling them to purchase 1,200,000 common shares over a period of five years, expiring on February 5, 2021. The options were designed to have an initial value equal, when combined with the remaining options in Marlin, to that held by the option holders held in Marlin at the date of the spin out of the Company.

On April 24, 2018, the Company granted a further 900,000 stock options to the CEO and 300,000 stock options issued to the Vice President of Corporate Development of the Company at a price of CAD$0.75 per share in accordance with the calculation described above. On the grant date, 600,000 options vested immediately, and 60,000 options will vest at each quarter commencing on June 30, 2018 with the last tranche vesting on September 30, 2020. The fair value of these options was calculated at CAD$1,783,311 using the Black-Scholes model. The Company recorded share-based compensation of $58,460 during the current quarter (2018 - $Nil) and $75,882 in the previous quarter (2018 - $Nil). During 2018, $625,577 was charged to deficit in the consolidated statement of shareholders' equity due to the fact that of the 600,000 options that vested immediately on April 24, 2018, 540,000 had been incurred on or before December 31, 2017.

The following assumptions and inputs were used to fair value the options on the grant date: expected life- 2.79 years; weighted average expected volatility – 146.83% using comparative companies and competitors given the Company's limited history; expected dividend yield – 0.0%; risk free interest rate – 2.16%; share price- C$1.72.

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Cont'd)

(c) Stock options - (Cont'd)

(ii) On December 24, 2018, the Company granted 1,625,000 stock options to the CEO, 875,000 stock options to the Vice President of Corporate Development, 75,000 stock options to the directors of the Company and 50,000 stock options to the Chief Financial Officer at a price of CAD$1.00 per share in accordance with the calculation described below. The fair value of these options was calculated at CAD$2,325,922 using the Black-Scholes model. The options have a term of 5 years and a vesting schedule of one-third on the date of grant, the next one-third 12 months from the date of grant and the final one-third 24 months from the date of grant.

The following assumptions and inputs were used to fair value the options on the grant date: expected life- 5 years; weighted average expected volatility – 198.62%; expected dividend yield – 0.0%; risk free interest rate – 1.93%; share price- CAD$0.91.

(iii) On August 19, 2019, pursuant to the Arrangement Agreement regarding the acquisition of TCG (Note 5), the Company issued 1,626,120 stock options to replace TGC stock options. The revaluation of the replacement options resulted in a share-based compensation expense of $89,360 during the period which was the difference between the historical valuation of the TGC options and the current valuation of the replacement options.

The following assumptions and inputs were used to fair value the options on the date of the acquisition: expected life - 0.81 to 4.2 years; weighted average expected volatility – ranging from 103.21% to 131.93%, expected dividend yield – 0.0%; risk free interest rate – 1.35%; share price- CAD$0.99.

11. LOAN FACILITY

On August 19, 2019, Sailfish entered into a Loan Facility with Wexford Spectrum Trading Limited ("WST") and Wexford Catalyst Trading Limited ("WCT"). The total amount of the loan was $12,031,055 of which $4,812,422 was loaned from WST and $7,218,633 was loaned from WCT, with a maturity date of August 19, 2022 ("Maturity Date"). The loan bears interest at 8% per year, with no compounding and is payable on the Maturity Date. The loan facility is non-revolving and, accordingly, no principal amounts repaid under the Loan Facility may be re-borrowed and the limit of the Loan Facility will be automatically and permanently reduced by the amount of any principal repayment thereunder. The Company may repay the Loan Facility either in whole or in part at any time and from time to time without penalty. Sailfish incurred a one-time commitment fee to WST and WCT associated with the Loan Facility in the amount of $180,466.

(Expressed in United States Dollars)

11. LOAN FACILITY (Cont'd)

The Company used an effective interest rate of 12.0%, the estimated market interest rate for non-related parties, when valuing the Loan Facility upon initial recognition; as a result, the Company recorded a capital contribution from a related party of $1,155,863 directly in contributed surplus. The Loan Facility is measured at amortized cost and will be accreted to maturity over the term using the effective interest method.

Loan balance - beginning of period	$	-
Additions		10,694,726
Accretion		144,402
Loan balance - September 30, 2019	$	10,839,128

12. RELATED PARTIES

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions are listed below:

(a) Key management compensation

Key management includes directors and senior management. For the nine months ended September 30, 2019 the compensation was as follows:

(b) Related party transactions

(i) Director fees of $31,034 (2018 - $31,250) were recorded in 2019 and are payable semi-annually in advance.

(ii) Senior management fees of $51,375 (2018 - $33,795) and share-based compensation of $923,351 (2018 - $294,391) were incurred.

(iii) During the nine months ended September 30, 2019, the Company received payments of $1,674,785 (2018 -$488,118), paid exploration expenses of $556,206 (2018- $Nil), incurred a gain on the receivable of $101,346 ($2018-525,618) and earned a foreign exchange gain of $18,047 (2018 - $Nil), leaving a balance of $Nil (2018 -$2,111,598) receivable at September 30, 2019 from Mako, a company with a director and officer in common.

(iv) Rent of $13,500 (2018 - $13,500) was paid during the 9-month period to a company related to one of the directors for office space for which there is no long-term commitment.

(Expressed in United States Dollars)

12. RELATED PARTIES (Cont'd)

(v) Travel and marketing expense of $109,650 (2018 - $22,425) was paid during the period to the CEO and Vice President of Corporate Development, of which $11,178 (2018 - $Nil) is included in due to related parties at September 30, 2019.

(vi) Consulting fees pertaining to severance of $178,598 (2018 - $Nil) was paid during the nine month period to the incoming director as a result of the TGC acquisition (Note 5).

(vii) As shown in the consolidated statement of cash flows the Company received (paid) cash from related parties in the amount of $186,108 (2018 – ($23,898)) and paid cash (to) related parties for ($892) (2018- $Nil).

		2019		2018
Due to related parties, beginning of period		6,165		23,898
Due to related parties, end of period		192,273		-
Change in due to related parties	$	186,108	$	(23,898)

		2019		2018
Due from related parties, beginning of period		-		-
Due from related parties, end of period		892		-
Change in due from related parties	$	892	$	-

(c) Financing activities

Sailfish entered into a Loan Facility with related parties: Wexford Spectrum Trading Limited ("WST") and Wexford Catalyst Trading Limited ("WCT"). The total amount of the loan was $12,031,055 of which $4,812,422 was loaned from WST and $7,218,633 was loaned from WCT. See Note 11 for further details. The Company recorded a capital contribution from a related party of $1,155,863 directly in contributed surplus.

13. MANAGEMENT OF FINANCIAL RISK

(a) Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(Expressed in United States Dollars)

13. MANAGEMENT OF FINANCIAL RISK (Cont'd)

(b) Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(c) Fair Value of Financial Instruments

Financial instruments are classified into one of the following four categories: fair-value-through-profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; and available-for-sale. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	**Category**	**September 30, 2019**	**December 31, 2018**
Cash	Amortized cost	1,169,279	88,942
Accounts receivable	Amortized cost	79,739	2,111,598
Due from related parties	Amortized cost	892	-
Royalty fees receivable	Amortized cost	55,299	29,078
Accounts payable and accrued liabilities	Amortized cost	(302,856)	(79,244)
Lease liabilities	Amortized cost	(155,816)	-
Due to related parties	Amortized cost	(192,273)	(6,165)
Loan facility	Amortized cost	(10,839,128)	-

Financial instruments must be classified at one of three levels within a fair value hierarchy according to the relative reliability of the inputs used to estimate their values. The three levels of the hierarchy are as follows:

- Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

- Level 2: Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

- Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

13. MANAGEMENT OF FINANCIAL RISK (Cont'd)

(c) Fair Value of Financial Instruments (cont'd)

The carrying values, fair market values, and fair value hierarchical classification of the Company's financial instruments are that the fair value of all financial instruments approximates their carrying value due to either their short-term maturity and/or capacity of prompt liquidation.

The Company does not have any financial instruments that are measured using level 1, 2 or level 3 inputs.

During the three and nine months ended September 30, 2019 and 2018 there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(d) Credit Risk

Credit risk is the risk of potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash held in bank accounts and accounts receivable. The carrying amount of financial assets recorded in the consolidated financial statements represents the Company's maximum exposure to credit risk.

The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions and by closely monitoring its accounts receivable.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations, anticipated investing and financing activities and through the management of its capital structure. Accounts payable and accrued liabilities, lease liabilities and due to related parties of $555,713 are due in the fourth quarter of fiscal 2019. See note 1.

13. MANAGEMENT OF FINANCIAL RISK (Cont'd)

(f) Market Risk

(i) Foreign Currency Risk

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company's operations and royalty agreements are conducted primarily in US dollars. As a result, the Company is not significantly exposed to fluctuation in exchange rates and foreign currency risk.

At September 30, 2019 and December 31, 2018, the Company's exposure to foreign currency risk is as follows:

	September 30, 2019	December 31, 2018
Accounts receivable (MXN)	-	19,227,779
Accounts payable and accrued liabilities (CAD)	283,202	89,281
Due from related parties (CAD)	1,181	-
Due to related parties (CAD)	833	-

Had the Canadian Dollar or Mexican Peso foreign exchange rates strengthened against the United States dollar by 1%, with all other variables remaining constant, the change in net income would have been insignificant. A weakening of 1% in the Canadian Dollar against the United States dollar, with all other variables held constant, would have had an equal but opposite effect.

(ii) Interest Rate Risk

The interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2019 the Company has no exposure to interest rate risk.

(iii) Commodity price risk

Commodity price risk is the risk that the fair value of financial assets and financial liabilities or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States Dollars, as outlined above. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time. However, the Company is exposed to commodity price risk as it impacts the Company's access to capital and funding.

14. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support its royalty and streaming agreements. The Company considers its capital under management to consist of cash and cash equivalents, royalty interest, advances, share capital, contributed surplus and due to related parties. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

The Company manages and adjusts its capital structure based on available funds in order to support its royalty and streaming agreements. The Company considers its capital under management to consist of cash and cash equivalents, royalty interest, advances, share capital, contributed surplus and due to related parties. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

The Company's objectives of capital management are intended to ensure the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue its obligations under the royalty and streaming agreements, and support any expansionary plans.

To effectively manage the entity's capital requirements, the Company has secured funds from the legal settlement receivable and royalty streams under the new Master Agreement to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company may finance its royalty and streaming agreements through cash flows from operations or additionally from funding from the majority shareholder.

The Board of Directors reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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

(Expressed in United States Dollars)

15. SEGMENT INFORMATION

As at September 30, 2019, the Company has two business segments, the acquiring of royalty and streaming agreements and exploration and evaluation assets. The mineral, royalty and other interest presented in note 9 and the exploration and evaluation assets presented in note 8 reflect the way in which the Company monitors its business performance. The Company's royalty revenue is from Mexico for the period ended September 30, 2019 and year end December 31, 2018.

The Company's significant non-current assets are distributed by geographic locations as follows:

As at	September 30, 2019		December 31, 2018	
	Mineral, royalty and other interest	Exploration and evaluation assets	Mineral, royalty and other interest	Exploration and evaluation assets
Brazil	12,107,000	-	12,107,000	-
Mexico	1,441,764	-	1,573,012	-
United States	30,982,095	865,573	-	-
Nicaragua	4,371,291	-	4,371,291	-
	48,902,150	865,573	18,051,303	-

16. LEASE LIABILITIES

The Company recognized $161,684 of right-of-use assets and $161,684 of lease liabilities upon the acquisition of TGC. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at the date of acquisition. The Company estimates that its incremental borrowing rate is 8%.

Total lease liabilities - beginning of period	$ -
Additions	161,684
Principal payments on lease liabilities	(6,272)
Effect of transaltion	404
Total lease liabilities - end of period	155,816
Less: Current portion	(60,584)
Long-term lease liabilities at end of the period	$ 95,232

The Company's significant lease arrangements consist of contracts for leasing office premises. The Company has a lease commitment for office premises in Vancouver, British Columbia annual rent payments of CAD$38,219 to July 31, 2021, and annual rent payments of CAD$39,575 to July 31, 2023. The Company has a lease commitment for office premises in Weiser, Idaho, requiring basic annual rent payments of US$36,150 subject to the closing price of gold (COMEX) per ounce ("oz") payable to March 31, 2021 as follows:

16. LEASE LIABILITIES (Cont'd)

- Annual rent If the closing price of gold on the last trading day of each month exceeds US$1,400/oz US$42,150
- Annual rent If the closing price of gold on the last trading day of each month exceeds US$1,800/oz US$48,150
- Annual rent If the closing price of gold on the last trading day of each month exceeds US$2,200/oz US$54,150

17. SUBSEQUENT EVENTS

Subsequent to September 30, 2019, the Company purchased 334,500 common shares on-market, of which 261,000 have been cancelled. The buy-back was approved by board of directors on June 18, 2019 and an amendment to increase the number of common shares which the Company may repurchase for cancellation was approved on September 5, 2019. The shares were acquired at an average price of $0.7362 (CAD$0.9679 per share). The total cost of $244,565, plus $1,702 of after-tax transaction costs, was deducted from shareholder equity.

Subsequent to September 30, 2019, 114,000 options were exercised for proceeds of $50,290 (CAD$66,388) which was added to contributed surplus. As of November 29, 2019, options of 412,080 have expired.