PACTON GOLD INC.

Consolidated Financial Statements

November 30, 2018 and 2017

(Expressed in Canadian Dollars)

PACTON GOLD INC.

November 30, 2018 and 2017

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Consolidated Financial Statements

Crowe MacKay LLP
Member Crowe Horwath International

1100, 1177 West Hastings Street
Vancouver, BC V6E 4T5
+1.604.687.4511 Tel
+1.604.687.5805 Fax
+1.800.351.0426 Toll Free
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Pacton Gold Inc.

We have audited the accompanying consolidated financial statements of Pacton Gold Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at November 30, 2018 and November 30, 2017, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pacton Gold Inc. and its subsidiaries as at November 30, 2018 and November 30, 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Pacton Gold Inc. to continue as a going concern.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
March 29, 2019

PACTON GOLD INC.
Consolidated Statements of Financial Position
November 30,
(Expressed in Canadian Dollars)

	2018	2017
Assets		
Current		
Cash	$ 465,734	$ 121,526
Receivables	384,566	97,772
Prepaid expenses	80,986	3,716
	931,286	223,014
Deposits	112,046	-
Equipment (note 7)	4,153	4,315
Exploration and Evaluation Assets (note 8)	8,360,422	1,609,706
	$ 9,407,907	$ 1,837,035
Liabilities		
Current		
Accounts payable and accrued liabilities (notes 10 and 11)	$ 308,536	$ 1,217,268
	308,536	1,217,268
Shareholders' Equity		
Capital Stock (note 10)	21,402,968	9,215,918
Share-based Payments Reserve (note 10)	3,644,586	495,161
Deficit	(15,982,539)	(9,091,312)
Accumulated Other Comprehensive Income – Cumulative Translation Adjustments	34,356	-
	9,099,371	619,767
	$ 9,407,907	$ 1,837,035

Going Concern (note 2)
Subsequent Events (note 15)

Approved on behalf of the Board:

"Richard Boulay" ……………………………… Director
Richard Boulay

"Alec Pismiris" ……………………………… Director
Alec Pismiris

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

PACTON GOLD INC.

Consolidated Statements of Comprehensive Loss
For the Years Ended November 30,
(Expressed in Canadian Dollars)

	2018	2017
Expenses		
Depreciation (note 7)	$ 941	$ 1,079
Consulting fees (note 11)	1,386,956	752,811
Management fees (note 11)	190,500	42,750
Office and miscellaneous	279,811	22,691
Professional fees (note 11)	447,054	81,076
Rent (note 11)	36,000	9,000
Share-based payments (notes 10 and 11)	2,654,646	300,629
Shareholder communications and investor relations	1,228,555	4,874
Transfer agent and filing fees	94,437	64,632
Foreign exchange gain	(10,347)	-
	(6,308,553)	(1,279,542)
Other Items		
Impairment of exploration and evaluation assets (note 8)	(529,000)	(362,269)
Gain (loss) on settlement of accounts payable (note 10)	9,167	(7,857)
Loss on acquisition of non-controlling interest (note 8)	(246,678)	-
Part XII.6 tax (note 9)	(580)	-
Interest income	10,329	-
Net Loss	(7,065,315)	(1,649,668)
Other Comprehensive Income		
Exchange difference on translating foreign operations	34,356	-
Comprehensive Loss for the Year	$ (7,030,959)	$ (1,649,668)
Basic and Diluted Loss Per Share	$ (0.10)	$ (0.03)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	73,385,333	48,586,641

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

PACTON GOLD INC.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Capital Stock									
	Number of Shares		**Capital Stock**		**Share-based Payments Reserve**		**Deficit**		**Accumulated Other Comprehensive Income**		**Total**
Balance, November 30, 2016	**35,411,321**	**$**	**7,381,812**	**$**	**411,207**	**$**	**(7,562,535)**	**$**	**-**	**$**	**230,484**
Private placements	11,328,571		711,000		-		-		-		711,000
Share issue costs	28,000		(20,435)		-		-		-		(20,435)
Shares issued for exploration and evaluation assets	6,450,000		780,500		-		-		-		780,500
Shares issued for settlement of accounts payable	392,857		35,357		-		-		-		35,357
Exercise of stock options	1,108,000		108,550		-		-		-		108,550
Fair value of exercised stock options	-		75,589		(75,589)		-		-		-
Exercise of warrants	599,920		123,350		-		-		-		123,350
Fair value of exercised warrants	-		20,195		(20,195)		-		-		-
Share-based payments (note 10)	-		-		300,629		-		-		300,629
Expiry of stock options	-		-		(120,891)		120,891		-		-
Net loss and comprehensive loss for the year	-		-		-		(1,649,668)		-		(1,649,668)
Balance, November 30, 2017	**55,318,669**		**9,215,918**		**495,161**		**(9,091,312)**		**-**		**619,767**
Private placements	24,132,609		5,550,500		-		-		-		5,550,500
Share issue costs	-		(655,691)		295,568		-		-		(360,123)
Shares issued for exploration and evaluation assets	9,921,355		4,338,631		-		-		-		4,338,631
Shares issued for settlement of accounts payable	1,833,333		540,833		-		-		-		540,833
Exercise of stock options	5,427,000		634,200		-		-		-		634,200
Fair value of exercised stock options	-		401,990		(401,990)		-		-		-
Issuance of warrants for consulting and exploration	-		-		801,277		-		-		801,277
Exercise of warrants	5,603,160		1,350,599		-		-		-		1,350,599
Fair value of exercised warrants	-		25,988		(25,988)		-		-		-
Share-based payments (note 10)	-		-		2,654,646		-		-		2,654,646
Expiry of stock options	-		-		(174,088)		174,088		-		-
Net loss for the year	-		-		-		(7,065,315)		-		(7,065,315)
Exchange difference on translating foreign operations	-		-		-		-		34,356		34,356
Balance, November 30, 2018	**102,236,126**	**$**	**21,402,968**	**$**	**3,644,586**	**$**	**(15,982,539)**	**$**	**34,356**	**$**	**9,099,371**

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

PACTON GOLD INC.
Consolidated Statements of Cash Flows
For the Years Ended November 30,
(Expressed in Canadian Dollars)

	2018	2017
Operating Activities		
Net loss	$ (7,065,315)	$ (1,649,668)
Items not involving cash		
Depreciation	941	1,079
Share-based payments	2,654,646	300,629
Share-based payments included in consulting fees	80,937	-
Impairment of exploration and evaluation assets	529,000	362,269
Foreign exchange gain	(10,347)	-
Loss (gain) on settlement of accounts payable	(9,167)	7,857
Loss on acquisition of non-controlling interest	246,678	-
Changes in non-cash working capital		
Receivables	(286,492)	(95,982)
Prepaid expenses and deposits	(77,270)	(2,966)
Accounts payable and accrued liabilities	(111,501)	606,605
Cash Used in Operating Activities	(4,047,890)	(470,177)
Investing Activities		
Equipment	(779)	-
Exploration and evaluation assets, net	(2,791,221)	(336,904)
Cash Used in Investing Activities	(2,792,000)	(336,904)
Financing Activities		
Net proceeds from share issuances	7,175,176	922,465
Repayment of loans	-	(14,000)
Cash Provided by Financing Activities	7,175,176	908,465
Inflow of Cash	335,286	101,384
Effect of Foreign Exchange on Cash	8,922	-
Cash, Beginning of Year	121,526	20,142
Cash, End of Year	$ 465,734	$ 121,526

Supplemental Disclosure with Respect to Cash Flows (note 12)

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

1. NATURE OF OPERATIONS

Pacton Gold Inc. (the "Company" or "Pacton") was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The Company operates in Canada and Australia. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol "PAC". The Company's shares also trade on the OTC Exchange in the United States under the symbol "PACXF" and on the Frankfurt Stock Exchange under the symbol "2NKN". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

2. GOING CONCERN

These consolidated financial statements (the "financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred a loss during the year ended November 30, 2018 of $7,065,315 (2017 - $1,649,668) and as at November 30, 2018 has a deficit of $15,982,539 (2017 - $9,091,312), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 29, 2019.

3. BASIS OF PRESENTATION (Continued)

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Subsidiaries

These financial statements include all subsidiaries in the accounts of the Company for the periods presented. These subsidiaries are listed as follows:

Subsidiary	Ownership November 30, 2018	Ownership November 30, 2017	Incorporated	Nature
Pacton Pilbara Pty. Ltd. (“Pacton Pilbara”)	100%	Nil	Australia	Mineral exploration
CTTR Gold Pty. Ltd. (“CTTR”)	100%	Nil	Australia	Mineral exploration
Drummond East Pty. Ltd. (“Drummond East”)	100%	Nil	Australia	Mineral exploration
Arrow (Pilbara) Pty. Ltd. (“Arrow Pilbara”)	100%	Nil	Australia	Mineral exploration

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout by the Company for purposes of these financial statements.

a) Cash

Cash includes cash on hand, demand deposits with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b) Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively. Depreciation is provided for using the declining-balance method at the following rate per annum:

Furniture and equipment 20%

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Exploration and evaluation assets

i) Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the amounts upon payment.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures that would otherwise have been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

ii) Impairment

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit and loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount, and at least annually. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Exploration and evaluation assets (continued)

iii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

d) Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance when the fair value of the non-monetary assets cannot be reasonably estimated. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve within share-based payments reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value in warrants reserve is transferred to capital stock. For those warrants that expire the recorded value is transferred to deficit.

e) Foreign currency translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries (Pacton Pilbara, CTTR, Drummond East, and Arrow Pilbara) is the Australian dollar, which is local currency of their home jurisdiction. Each component's functional currency is the currency of the primary economic environment in which the component operates. The Company's consolidated financial statements are presented in Canadian dollars.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Foreign currency translation (continued)

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of income (loss) are translated at the average exchange rates for the reporting period. The exchange differences arising on consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is reclassified to profit or loss.

f) Flow-through shares

Resource expenditures for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. A liability is recognized for the premium on the flow-through shares and is subsequently reversed as the Company incurs qualifying Canadian exploration expenses.

In circumstances where the Company has issued flow-through shares by way of a unit offering, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve first based on the fair value of the warrant component using the Black-Scholes option pricing model on grant date. Any remaining residual value is then recognized as a liability for the premium on the flow-through shares.

g) Financial instruments

i) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss ("FVTPL"), held-to-maturity investments ("HTM"), loans and receivables, and available-for-sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of assets at recognition.

- Financial assets at FVTPL
  Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through income.

- HTM investments
  HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. HTM investments are carried at amortized cost, using the effective interest method, less any impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (continued)

i) Financial assets (continued)

- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost, less any impairment.

- AFS financial assets
  AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income or loss and classified as a component of equity.

  Management assesses the carrying value of AFS financial assets at least annually and any impairment charges are recognized in profit or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments recognized in other comprehensive income or loss are included in profit and loss.

- Effective interest method
  The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

  Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

- Impairment of financial assets
  Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period-end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

  Objective evidence of impairment could include the following:
  - Significant financial difficulty of the issuer or counterparty;
  - Default or delinquency in interest or principal payments; or
  - It has become probable that the borrower will enter bankruptcy or financial reorganization.

  For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (continued)

i) Financial assets (continued)

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit and loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

ii) Financial liabilities

The Company classifies its financial liabilities in the following categories: Other financial liabilities and derivative financial liabilities.

- Other financial liabilities
  Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date.

- Derivative financial liabilities
  Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at each reporting period with changes in the fair value recognized in profit and loss. Derivative financial liabilities include warrants issued by the Company denominated in a currency other than the Company's functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (continued)

iii) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit and loss. When the conversion option is exercised, the consideration received is recorded as capital stock and the equity component of the compound financial instrument is transferred to capital stock.

iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3:	Inputs for assets or liabilities that are not based on observable market data.

h) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves within share-based payments reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. The Company's options and warrants were anti-dilutive in the years ended November 30, 2018 and 2017, as losses were incurred.

k) Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to depreciation to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Impairment of assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

l) Joint arrangements

Certain activities of the Company may be conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Company has a direct ownership interest in jointly controlled assets and obligations for liabilities. The financial statements include the Company's proportionate share of the assets, liabilities, revenues, expenses and cash flows of this type of arrangement.

Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company's share of the joint venture's income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

m) New accounting standards adopted during the year

Amendments to IAS 7 Statement of Cash Flows

These amendments require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This amendment is effective for reporting periods beginning on or after January 1, 2017.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New accounting standards adopted during the year (continued)

The adoption of the above new accounting standard on December 1, 2017 did not have any impact on the Company's financial statements.

n) New accounting standards issued but not yet effective

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities. Additional amendments include introduction of a new hedge accounting model and a new expected-loss impairment model. This standard is effective for annual periods beginning on or after January 1, 2018. Adoption of this accounting standard is not expected to have a material impact on the Company's consolidated financial statements upon adoption on December 1, 2018. Cash will continue to be classified as FVTPL, receivables will change from loans and receivables to amortized cost and accounts payable and accrued liabilities will change from other financial liabilities to amortized cost.

IFRS 16 Leases

On January 13, 2016 the IASB issued IFRS 16. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17 Leases, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16. The Company is currently evaluating the impact that this new accounting standard is expected to have on its consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. 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.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

c) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

d) Acquisition of subsidiaries

The Company's acquisitions of CTTR, Drummond East and Arrow Pilbara have been determined to be asset acquisitions as CTTR, Drummond East and Arrow Pilbara do not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisitions have been accounted for as asset acquisitions, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on relative fair values. The Company's application of the recognition principle may result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its consolidated financial statements, which require management judgment.

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at November 30, 2018, the Company had no known rehabilitation requirements, and accordingly, no provision has been made.

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as financial assets at FVTPL; receivables, as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

November 30, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 465,734	$ -	$ -	$ 465,734

November 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 121,526	$ -	$ -	$ 121,526

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

6. FINANCIAL INSTRUMENTS (Continued)

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. Included in receivables is $384,317 (2017 - $97,772) owing from the Canada Revenue Agency and the Australian Taxation Office. All receivables have been subsequently collected. Accordingly, the Company has minimal credit risk.

b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of November 30, 2018 equal $308,536 (2017 - $1,217,268). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of November 30, 2018.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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 exposure within acceptable parameters, while optimizing the return on capital.

i) Currency risk – Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. The Company does not hold substantial funds in a foreign currency, and only a small amount of its accounts payable and accrued liabilities is denominated in Australian dollars. A fluctuation in the exchanges rates between the Canadian and Australian dollar of 10% would result in a nominal change to the Company's cash, accounts payable and accrued liabilities and other comprehensive income. The Company does not use any techniques to mitigate currency risk.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (Continued)

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

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. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended November 30, 2018. The Company is not subject to externally imposed capital requirements.

7. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2016 and 2017	**$**	**7,717**
Additions		779
Balance, November 30, 2018	**$**	**8,496**
Accumulated Depreciation		
Balance, November 30, 2016	**$**	**2,323**
Depreciation		1,079
Balance, November 30, 2017		**3,402**
Depreciation		941
Balance, November 30, 2018	**$**	**4,343**
Net Book Value, November 30, 2017	**$**	**4,315**
Net Book Value, November 30, 2018	**$**	**4,153**

8. EXPLORATION AND EVALUATION ASSETS

a) Pilbara Project

CTTR

On March 20, 2018, the Company entered into a share purchase agreement to acquire 100% of the issued and outstanding shares of CTTR, an Australian proprietary limited company. CTTR holds applications to nine tenement licenses for a mineral property group in the Pilbara Region of Western Australia.

Under the terms of the share purchase agreement, the Company can acquire 100% of the issued and outstanding shares of CTTR by:

- Paying a $25,000 non-refundable deposit (paid);
- Paying $75,000 (paid) and issuing 916,666 common shares (issued and valued at $238,333) of the Company and 458,333 share purchase warrants (issued and valued at $64,545). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price of $0.45, upon acceptance of the transaction by the TSX-V (issued on March 29, 2018); and
- Paying $50,000 (paid) and issuing 416,666 common shares (issued and valued at $270,833) of the Company and 208,333 share purchase warrants (issued and valued at $72,034). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price to be determined at the date of grant, upon the grant of at least six exploration licenses.

The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

The acquisition of CTTR has been accounted for as an acquisition of assets and liabilities as CTTR does not meet the definition of a business under IFRS 3. The acquisition of the net assets of CTTR was recorded at the fair value of the consideration transferred of $836,370 as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Arrow Pilbara

On May 11, 2018, the Company entered into a share purchase and option agreement whereby the Company could earn up to an 80% interest in Arrow Pilbara, an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia. Under the terms of the agreement, the Company was required to make cash payments and issue common shares and common share purchase warrants of the Company to acquire a 51% interest in Arrow Pilbara as follows:

- Issue 1,086,957 common shares (issued and valued at $695,652) and 1,086,957 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $0.35 for three years and pay $500,000 (paid $300,000, with remaining due upon grant of applications).

To acquire a further 29% interest in Arrow Pilbara, the Company was required to:

- Pay $250,000 or an equivalent number of common shares based on the five-day trailing volume-weighted average price at the time of issue, subject to a floor price of no lower than $0.19 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

The vendor retains a right to explore for, mine and extract lithium, caesium and tantalum from the property.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

A discovery bonus of $500,000 cash is payable if the Company reports a National Instrument ("NI") 43-101-defined "measured mineral resource" or "inferred mineral resource" of at least 100,000 ounces of gold on the property.

The Company also issued 227,941 common shares valued at $58,125 as a finder's fee on the transaction.

The acquisition of 51% of Arrow Pilbara has been accounted for as an acquisition of assets and liabilities as Arrow Pilbara does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Arrow Pilbara was recorded at the fair value of the consideration transferred of $1,637,538 as detailed above. The net assets acquired were as follows:

Net Assets Acquired		
Exploration and evaluation assets	$	3,210,860
Non-controlling interest		(1,573,322)
	$	1,637,538

On August 20, 2018, the Company entered into a share purchase agreement to acquire the remaining ownership interest in Arrow Pilbara. Under the terms of the agreement, the Company will acquire the remaining 49% ownership interest in Arrow Pilbara that it does not already own by paying $1,000,000 (paid) and issuing 2,000,000 common shares (issued and valued at $820,000).

The purchase of the remaining 49% interest was accounted for as follows:

Acquisition of 49% Interest		
Additional consideration paid	$	1,820,000
Elimination of non-controlling interest		(1,573,322)
Loss on acquisition	$	246,678

Drummond East

On August 15, 2018, the Company entered into a share purchase agreement to acquire a 100% interest in Drummond East, an arm's length Australian exploration company wholly owned by Impact Minerals Ltd. ("Impact"). Drummond East holds seven granted tenement licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issued to Impact 2,125,000 common shares of the Company valued at $860,625.

In addition, the Company will pay a bonus to Impact of $500,000 if the Company publishes measured, indicated or inferred gold resources of more than 250,000 ounces on the property. The Company will grant Impact a 2% net smelter royalty ("NSR") in respect of the property on standard industry terms to be agreed between the parties. The parties agree that the Company shall, at all times, retain an exclusive and unlimited right to purchase 50% of the NSR back from Impact for $500,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

The Company paid a finder's fee of 291,875 common shares (issued and valued at $145,938).

The acquisition of Drummond East has been accounted for as an acquisition of assets and liabilities as Drummond East does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Drummond East was recorded at the fair value of the consideration transferred of $1,356,563 as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Friendly Creek

On August 11, 2018, the Company entered into a tenement sale agreement to acquire 100% of the Friendly Creek exploration license and mining leases in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company will purchase a 100% interest in Friendly Creek by paying the vendors a total of $25,000 (paid and included in long-term deposits) and issuing to the vendors 2,500,000 common shares of the Company (issued subsequent to November 30, 2018).

Yandicoogina and Boodalyerrie

On September 25, 2018, the Company entered into a tenement sale agreement to acquire 100% of both the Yandicoogina and Boodalyerrie exploration licences and mining leases from Gardner Mining Pty. Ltd. ("Gardner Mining"), an Australian proprietary limited exploration company.

Under the terms of the agreement, the Company will purchase a 100% ownership interest in projects by paying Gardner Mining $25,000 (paid and included in long-term deposits) and issuing to Gardner Mining 3,000,000 common shares of the Company (issued subsequent to November 30, 2018).

Golden Palms Project

On November 5, 2018 the Company entered into a tenement sale agreement to acquire the Golden Palms tenement license in Western Australia.

Under the terms of the agreement, Pacton can purchase 100% of the property by paying a total of $100,000 ($50,000 paid) and issuing 400,000 common shares on completion of the transaction.

Hong Kong Project

On November 23, 2018, the Company entered into a tenement sale agreement to acquire a 70% interest in the Hong Kong project from Clancy Exploration Ltd. ("Clancy"), an Australian Securities Exchange-listed exploration company.

Under the terms of the agreement, the Company can purchase a 70% interest in the Hong Kong project by paying Clancy $175,000 (paid subsequent to November 30, 2018) and issuing to Clancy 3,780,613 common shares of the Company (issued subsequent to November 30, 2018). In addition, the Company paid a $25,000 deposit included in long-term deposits at November 30, 2018.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Upon completion of the acquisition, the Company and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong project. A minimum of $520,000 AUD must be spent by the Company within two years of completion of the transaction. Clancy will be free carried with respect to expenditures until a decision to mine is made unanimously by both parties.

Keras Project

On October 18, 2018, the Company entered into a grant of gold rights agreement to acquire the conglomerate gold rights of Calidus Resources Ltd. ("Calidus") in both the Marble Bar sub basin and the northeast Pilbara sub basin of Western Australia's Pilbara craton.

Under the terms of the agreement, the Company will acquire the gold rights by issuing Calidus or its nominees 7,000,000 common shares of the Company (issued subsequent to November 30, 2018). The agreement includes a right to deferred compensation whereby Calidus may receive up to 3,000,000 additional common shares of the Company on October 18, 2019 based on the 30-day volume weighted average price of the Company's common shares on the date of such issuance. A minimum of $55,000 AUD must be spent by the Company on each anniversary of the completion of the transaction. In addition, the Company paid a $10,000 deposit included in prepaid expenses at November 30, 2018.

b) Red Lake Project

On May 10, 2017, the Company entered into an option agreement to earn a 100% interest in 34 mineral claims and two mineral patents in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments of $300,000 and issue 4,200,000 common shares of the Company over a period of four years. Of that, 1,200,000 common shares of the Company were issued (valued at $168,000) and $75,000 was paid.

The vendor retained a NSR varying from 0.25% to 2.25%, of which one-half could be repurchased by the Company, at a rate of $250,000 per 0.25%.

On April 18, 2018, the Company provided notice of termination on the option agreement to the vendor. During the year ended November 30, 2018, the Company recorded an impairment of exploration and evaluation assets of $243,000 as a result of the termination.

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 300,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018 (paid);
- Pay $16,000 on or before May 26, 2019; and
- Pay $26,000 on or before May 26, 2020.

The claims are subject to an underlying 2% NSR.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

On May 23, 2017, and as amended November 23, 2017 and June 14, 2018, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 2,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on May 26, 2017 (issued and valued at $350,000);
- Pay $20,000 on or before June 30, 2018 (paid);
- Pay $80,000 on or before January 31, 2019 (paid subsequent to November 30, 2018); and
- Pay $150,000 on or before May 26, 2019.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000.

On November 1, 2018, the Company entered into an option agreement to earn a 100% interest in 12 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $15,000 on or before November 6, 2018 (paid);
- Pay $15,000 (paid subsequent to November 30, 2018) and issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received November 19, 2018 (issued and valued at $25,500);
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2019; and
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2020.

The vendors retain a NSR that ranges from 0.25% to 2.25%, of which one-half can be repurchased by the Company for $250,000.

c) Tully West Gold Property

On January 16, 2017, the Company entered into an option agreement to earn a 100% interest in the Tully West Gold Property, located in Ontario. On January 18, 2018, certain terms were amended. Under the terms of the amended agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 1,300,000 common shares of the Company (issued on January 25, 2017 and valued at $117,000) and pay $25,000 (paid) within five days of approval by the TSX-V, which was received January 25, 2017;
- Issue 1,300,000 common shares of the Company on or before January 25, 2018 (issued on January 25, 2018 and valued at $390,000);
- Pay $80,000 on or before February 15, 2018 (paid); and
- Issue 1,300,000 common shares of the Company (issued on July 24, 2018 and valued at $793,000) and pay $110,000 (paid) on or before January 25, 2019.

The Company completed an equity financing for gross proceeds in excess of $1,000,000 (excluding flow-through proceeds), so the January 25, 2019 common share and cash payments were accelerated.

On December 12, 2018, the agreement was amended to extend the exploration expenditure deadlines. The Company is required to pay an additional $10,000 on or before January 12, 2019 (paid subsequent to November 30, 2018).

8. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Tully West Gold Property (continued)

The Company must now incur exploration expenditures as follows:
- $250,000 on or before January 16, 2018 (incurred);
- An additional $500,000 on or before January 25, 2020; and
- An additional $500,000 on or before January 25, 2021.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for an aggregate $1,000,000.

d) Lincoln Property

On April 21, 2016, and as amended June 15, 2016, the Company entered into an option agreement to acquire a 100% interest in the Lincoln Property, a lithium project in Nevada. Consideration for the option is as follows:
- Issue 1,500,000 common shares to the optionor upon acceptance of the transaction by the TSX-V (issued on July 4, 2016 and valued at $195,000); and
- Cash payment of $50,000 within five days of acceptance by the TSX-V (paid).

At November 30, 2016, the Company determined that the value of the property was impaired. The property was written down to $100,000. On January 1, 2017, and as amended on July 11, 2017 and March 14, 2018, the Company reached an agreement to sell the property for $100,000. The sale price was amended to $40,000 on May 29, 2018 and payment was received. The remaining balance of $60,000 was written off and included in impairment of exploration and evaluation assets.

e) Carpenter Lake

On May 28, 2013, the Company entered into an agreement to acquire a 100% interest in 34 mineral claims located in the Athabasca Basin Region of northern Saskatchewan. Consideration for the acquisition was the issuance of 200,000 common shares (issued and valued at $380,000). The Company paid a finder's fee of 10,000 common shares (issued and valued at $19,000).

The property was subject to a 5% NSR. The NSR could be reduced to a minimum of 2% at the option of either the vendors or the Company in exchange for the issuance of 100,000 common shares for each percentage point bought back (the “Royalty Buyback").

Pursuant to an amending agreement dated June 21, 2013, the Company agreed to file a NI 43-101 Report on or before July 1, 2014 as a condition for approval from the TSX-V to exercise the Royalty Buyback. Failure to receive approval would give the vendors of the property the right to purchase the property for the sum of $200,000 commencing July 1, 2014 for a period of 180 days.

On January 13, 2014, the Company granted an option to Alpha Exploration Inc. (TSX-V: AEX) ("Alpha") to earn a 60% interest in the Company's Clearwater/Carpenter Lake Property. Under the terms of the agreement, Alpha was required to make cash and share payments as follows:

8. EXPLORATION AND EVALUATION ASSETS (Continued)

e) Carpenter Lake (continued)

- Cash payment of $12,500 upon approval of the agreement by the TSX-V (received);
- Issuance of 100,000 common shares within 10 days of approval by the TSX-V (received and valued at $59,000);
- Cash payment of a total of $37,500 and issuance of a total of 300,000 common shares over a three year period ending on the third anniversary of approval by the TSX-V; and
- 1,250,000 in exploration expenditures on the property over a three year period ending on the third anniversary of approval by the TSX-V.

On November 6, 2014, Alpha provided the Company with its Notice of Exercise on the option to earn a 60% interest in the Clearwater/Carpenter Lake Property. The Company received the $37,500 in cash payments due from the first through third anniversaries and the 300,000 common shares (valued at $27,000). A joint venture was formed between Alpha (60%) and Pacton (40%) for the further development of the property, with Alpha serving as the operator.

The property was then subject to a 2% NSR, which was owed to the original vendors (the "Underlying NSR"). The Underlying NSR rate was reduced from 5% to 2% by Pacton through the issuance of 300,000 common shares of the Company on October 27, 2014 (valued at $90,000).

At November 30, 2016, the property was written down to $226,000. At November 30, 2018, the property was written off and included in impairment of exploration and evaluation assets.

f) Birch Gold Project

On March 10, 2017, the Company entered into an option agreement to earn a 100% interest in the Birch Gold Property, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 900,000 common shares of the Company within five days of approval by the TSX-V, which was received on March 22, 2017 (issued and valued at $81,000);
- Pay $75,000 by April 21, 2017 (paid); and
- Issue a further 3,600,000 common shares of the Company and pay a further $300,000 over a four-year period ending March 22, 2021.

The Company was also required to incur exploration expenditures of $1,300,000 over a four-year period ending March 22, 2021. The property was subject to a 2% NSR.

On March 10, 2017, the Company entered into an option agreement to earn a 100% interest in the Uchi Gold Property, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 250,000 common shares of the Company within five days of approval by the TSX-V, which was received on March 22, 2017 (issued and valued at $22,500);
- Pay $15,000 by April 21, 2017 (paid); and
- Issue a further 1,000,000 common shares of the Company and pay a further $60,000 over a four-year period ending March 22, 2021.

The vendor retained a 2.5% NSR, of which two-fifths (1%) could be repurchased by the Company for $1,000,000 within 180 days of a public announcement of a positive feasibility study on the project.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

f) Birch Gold Project (continued)

The Company determined it would not make option payments due on March 22, 2018. An impairment charge of $211,820 was recognized in net loss for the year ended November 30, 2017.

g) Duxbury Property

On June 28, 2016, and as amended March 10, 2017, the Company entered into an option agreement to acquire a 100% interest in the Duxbury Property, a lithium project in Quebec. Consideration for the option was the issuance of 1,000,000 common shares to the optionor within five days of acceptance of the transaction by the TSX-V (issued on July 5, 2016 and valued at $130,000). The vendor retained a 2% NSR, of which the Company may repurchase one-half (1%) for $1,000,000.

At November 30, 2017, the Company determined it would not continue exploration of the Duxbury Property. An impairment charge of $150,448 was recognized in net loss for the year ended November 30, 2017.

h) Corning Creek

On April 20, 2011, and as amended December 31, 2011, the Company entered into an option agreement to acquire a 100% interest in the mineral claims comprising the Corning Creek Property, except for mineral claim 831925, subject to a 2% NSR. Consideration for the option was as follows:

- Cash payment of $35,000 (paid) within 10 days of the Company's shares being listed on the TSX-V (July 17, 2012); and
- Issue 20,000 common shares (issued and valued at $40,000).

The Company had the sole and exclusive option to purchase the NSR at a purchase price of $1,000,000 for each percentage point bought back during the five-year period commencing from the date upon which the property is put into commercial production.

On June 29, 2011, the Company entered into an option agreement to earn a 100% interest in mineral claim 831925, which forms part of the Corning Creek Property. Consideration for the option was a cash payment of $5,000 (paid) within 10 days of the Company's shares being listed on the TSX-V.

The option agreement was subject to a 3% NSR. The Company could acquire the first 2% of the NSR by paying $500,000 for each percentage point bought back. The final 1% could be purchased, for a negotiated amount, after commercial production commences.

During the year ended November 30, 2014, the Corning Creek Property was deemed to be impaired and written down to $1. During the year ended November 30, 2017, the Corning Creek Property was written down to $nil.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Tully West	Lincoln	Carpenter Lake	Birch	Duxbury	Corning Creek	Total
Balance, November 30, 2016	**$ -**	**$ -**	**$ -**	**$ 100,000**	**$ 226,000**	**$ -**	**$ 150,448**	**$ 1**	**$ 476,449**
Property Acquisition Costs									
Acquisition and option payments	-	651,000	142,000	-	-	193,500	-	-	986,500
Claim costs	-	-	313	-	-	-	-	-	313
Total Acquisition Costs	-	651,000	142,313	-	-	193,500	-	-	986,813
Property Exploration Costs									
Assays	-	-	15,285	-	-	-	-	-	15,285
Camp and other	-	-	-	-	-	3,000	-	-	3,000
Drilling	-	-	241,807	-	-	-	-	-	241,807
Geological	-	126,813	106,488	-	-	15,320	-	-	248,621
Total Exploration Costs	-	126,813	363,580	-	-	18,320	-	-	508,713
Impairment	-	-	-	-	-	(211,820)	(150,448)	(1)	(362,269)
Balance, November 30, 2017	**-**	**777,813**	**505,893**	**100,000**	**226,000**	**-**	**-**	**-**	**1,609,706**
Property Acquisition Costs									
Acquisition and option payments	5,453,793	72,500	1,373,000	(40,000)	-	-	-	-	6,859,293
Translation difference	35,600	-	-	-	-	-	-	-	35,600
Claim costs	-	-	312	-	-	-	-	-	312
Total Acquisition Costs	5,489,393	72,500	1,373,312	(40,000)	-	-	-	-	6,895,205
Property Exploration Costs									
Camp and other	120,910	-	-	-	-	-	-	-	120,910
Geological	175,835	68,750	5,750	-	-	-	-	-	250,335
Travel	13,266	-	-	-	-	-	-	-	13,266
Total Exploration Costs	310,011	68,750	5,750	-	-	-	-	-	384,511
Impairment	-	(243,000)	-	(60,000)	(226,000)	-	-	-	(529,000)
Balance, November 30, 2018	**$ 5,799,404**	**$ 676,063**	**$ 1,884,955**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,360,422**

9. FLOW-THROUGH SHARES

During the year ended November 30, 2018, the Company incurred $580 (2017 - $nil) for Part XII.6 tax and other provincial taxes in relation to its December 2016 flow-through share financing.

At November 30, 2018, the Company had no remaining commitment to incur exploration expenditures in relation to its December 29, 2016 flow-through share financing.

10. CAPITAL STOCK

a) Authorized

Unlimited number of common voting shares without par value

b) Issued

During the year ended November 30, 2018

On January 25, 2018, the Company issued 1,300,000 common shares valued at $390,000 for the Tully West Gold Property (note 8(c)).

On March 29, 2018, the Company issued 916,666 common shares valued at $238,333 for the Pilbara Project (note 8(a) - CTTR). The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

On March 21, 2018, the Company issued 1,833,333 common shares valued at $540,833 of the Company to a vendor of the Company to settle accounts payable of $550,000. The Company recorded a gain on settlement of accounts payable of $9,167.

On May 9, 2018, the Company closed a private placement for gross proceeds of $5,550,500. The Company issued 24,132,609 units at a price of $0.23 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.35 for a period of three years from the date of issuance. The Company paid finders' fees of $331,346 and issued 1,096,056 agent warrants with a value of $295,568 (note 10(d)). In addition, the Company incurred share issue costs of $28,777.

On May 22, 2018, the Company issued 1,086,957 common shares valued at $695,652 for the Pilbara Project (note 8(a) – Arrow Pilbara). The Company also issued 227,941 common shares valued at $58,125 as a finder's fee on the transaction.

On July 24, 2018, the Company issued 1,300,000 common shares valued at $793,000 for the Tully West Gold Property (note 8(c)).

On August 8, 2018, the Company issued 416,666 common shares valued at $270,833 for the Pilbara Project (note 8(a) - CTTR).

On September 10, 2018, the Company issued 2,125,000 common shares valued at $860,625 for the Pilbara Project (note 8(a) – Drummond East).

On September 26, 2018, the Company issued 2,000,000 common shares valued at $820,000 for the Pilbara Project (note 8(a) - Arrow Pilbara).

On October 3, 2018, the Company issued 291,875 common shares valued at $145,938 as a finder's fee for the Pilbara Project (note 8(a) – Drummond East).

10. CAPITAL STOCK (Continued)

b) Issued (continued)

On November 27, 2018, the Company issued 100,000 shares valued at $25,500 for the Red Lake Project (note 8(b)).

The Company received $634,200 on the exercise of 5,427,000 stock options. The Company transferred $401,990, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.53 when the stock options were exercised.

The Company received $1,325,420 on the exercise of 5,393,333 warrants. There was no value of the warrants transferred from the share-based payment reserve to capital stock upon exercise of the warrants.

The Company received $25,179 on the exercise of 209,827 agent warrants. The Company transferred $25,988, the value of the agent warrants, from the share-based payment reserve to capital stock upon exercise of the agent warrants.

During the year ended November 30, 2017

On December 29, 2016, the Company closed a private placement and issued 4,100,000 flow-through common shares at a price of $0.05 per share for gross proceeds of $205,000. The Company paid cash share issue costs of $2,375.

On January 25, 2017, the Company issued 1,300,000 common shares valued at $117,000 for the Tully West Gold Property (note 8(c)).

On March 23, 2017, the Company issued 392,857 common shares valued at $35,357 to companies controlled by a current and a former officer of the Company to settle accounts payable of $27,500. The Company recorded a loss on settlement of accounts payable of $7,857.

On March 23, 2017, the Company issued 1,150,000 common shares valued at $103,500 for the Birch Gold Project (note 8(f)).

On April 18, 2017, the Company closed a private placement and issued 7,228,571 common shares at a price of $0.07 per share for gross proceeds of $506,000. The Company issued 28,000 common shares, paid cash share issue costs of $3,290 and paid $14,770 in cash as finder's fees.

On May 23, 2017 and May 29, 2017, the Company issued 4,000,000 common shares valued at $560,000 for the Red Lake Project (note 8(b)).

The Company received $108,550 on the exercise of 1,108,000 stock options. The Company transferred $75,589, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.12 when the stock options were exercised.

The Company received $102,720 on the exercise of 428,000 warrants. There was no value of the warrants transferred from the share-based payment reserve to capital stock upon exercise of the warrants.

The Company received $20,630 on the exercise of 171,920 agent warrants. The Company transferred $20,195, the value of the agent warrants, from the share-based payment reserve to capital stock upon exercise of the agent warrants.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Year Ended November 30, 2018		**Year Ended November 30, 2017**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	5,411,333	$ 0.24	5,839,333	$ 0.24
Issued	25,886,232	0.36	-	-
Exercised	(5,393,333)	0.25	(428,000)	0.24
Expired	(300,000)	0.24	-	-
Outstanding, end of year	25,604,232	$ 0.36	5,411,333	$ 0.24

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**November 30, 2018**
February 8, 2020	1.19	$ 0.97	208,333
September 29, 2019	0.83	$ 0.45	458,333
May 9, 2021	2.44	$ 0.35	23,850,609
May 22, 2021	2.48	$ 0.35	1,086,957
	2.40		25,604,232

d) Agent warrants

Agent warrant transactions and the number of agent warrants outstanding are summarized as follows:

	Year Ended November 30, 2018		**Year Ended November 30, 2017**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	221,227	$ 0.12	393,147	$ 0.12
Issued	1,447,956	0.35	-	-
Exercised	(209,827)	0.12	(171,920)	0.12
Expired	(11,400)	0.12	-	-
Outstanding, end of year	1,447,956	$ 0.35	221,227	$ 0.12

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

d) Agent warrants (continued)

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**November 30, 2018**
May 9, 2021	2.44	$ 0.35	1,447,956

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. Included in consulting fees during the year ended November 30, 2018 was $80,937 (2017 - $nil) in relation to 351,900 agent warrants issued for advisory fees on the same terms as the agent warrants issued on the May 9, 2018 private placement.

The fair value of each agent warrant issued was calculated using the following weighted average assumptions:

	Year Ended November 30, 2018	**Year Ended November 30, 2017**
Expected life (years)	3.00	N/A
Risk-free interest rate	1.95%	N/A
Annualized volatility	130%	N/A
Dividend yield	N/A	N/A
Stock price at issue date	$ 0.35	N/A
Exercise price	$ 0.35	N/A
Weighted average issue date fair value	$ 0.26	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

e) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Year Ended November 30, 2018		**Year Ended November 30, 2017**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	5,377,000	$ 0.11	3,539,000	$ 0.10
Granted	7,350,000	0.44	4,700,000	0.12
Exercised	(5,427,000)	0.12	(1,108,000)	0.10
Expired	(550,000)	0.52	(954,000)	0.12
Cancelled	-	-	(800,000)	0.13
Outstanding, end of year	6,750,000	$ 0.43	5,377,000	$ 0.11

The following stock options were outstanding and exercisable at November 30, 2018:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
September 21, 2019	0.81	$ 0.405	1,000,000	1,000,000
November 15, 2019	0.96	$ 0.22	50,000	50,000
November 15, 2020	1.96	$ 0.22	100,000	100,000
May 10, 2021	2.44	$ 0.35	3,125,000	3,125,000
May 14, 2021	2.45	$ 0.55	100,000	100,000
July 19, 2021	2.64	$ 0.55	2,125,000	2,125,000
July 25, 2021	2.65	$ 0.57	250,000	250,000
	2.25		6,750,000	6,750,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of $2,654,646 (2017 - $300,629) were recognized during the year ended November 30, 2018.

The fair value of each stock option granted was calculated using the following weighted average assumptions:

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)

	Year Ended November 30, 2018	Year Ended November 30, 2017
Expected life (years)	2.65	1.11
Risk-free interest rate	2.05%	0.93%
Annualized volatility	143%	132%
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.48	$ 0.12
Exercise price	$ 0.44	$ 0.12
Weighted average grant date fair value	$ 0.36	$ 0.06

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

During the year ended November 30, 2018, the Company transferred $174,088 from the share-based payments reserve to deficit upon the expiry of 550,000 stock options granted to consultants.

During the year ended November 30, 2017, the Company transferred $120,891 from the share-based payments reserve to deficit upon the expiry of 954,000 and cancellation of 800,000 stock options granted to consultants.

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

	Year Ended November 30, 2018	Year Ended November 30, 2017
Short-term compensation	$ 403,000	$ 95,250
Share-based compensation	602,608	16,010
	$ 1,005,608	$ 111,260

During the year ended November 30, 2018, short-term compensation to related parties consisted of $92,500 (2017 - $nil) in consulting fees, $190,500 (2017 - $42,750) in management fees, $100,000 (2017 - $52,500) in professional fees and $20,000 (2017 - $nil) in evaluation and exploration assets.

Transactions with related parties are included in the amounts shown on the consolidated statements of comprehensive loss as follows:

	Year Ended November 30, 2018	Year Ended November 30, 2017
Related company with a common officer (rent)	$ 36,000	$ 9,000

As at November 30, 2018, the Company has outstanding amounts payable to officers and directors of the Company of $15,000 (2017 - $61,375) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

As at November 30, 2018, the Company had payables of $nil (2017 - $9,585) related to shared administrative expenses with a company related by a common officer.

(Expressed in Canadian Dollars)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	November 30, 2018	November 30, 2017
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 393,730	$ 15,608
Exploration and evaluation expenditures in accounts payable (closing)	$ 146,378	$ 393,730
Fair value of shares issued for settlement of accounts payable and accrued liabilities	$ 540,833	$ 35,357
Fair value of shares issued for exploration and evaluation assets	$ 4,338,631	$ 780,500
Fair value of warrants issued for exploration and evaluation assets	$ 720,340	$ -
Fair value of stock options exercised	$ 401,990	$ 75,589
Fair value of stock options expired	$ 174,088	$ 120,891
Fair value of agent warrants exercised	$ 25,988	$ 20,195

13. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical segment

Non-current assets	Canada	USA	Australia	Total
November 30, 2018	$ 2,565,171	$ -	$ 5,911,450	$ 8,476,621
November 30, 2017	$ 1,514,021	$ 100,000	$ -	$ 1,614,021

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	November 30, 2018	November 30, 2017
Loss for the year before income taxes	$ (7,065,315)	$ (1,649,668)
Statutory income tax rate	26.92%	26.00%
Income tax benefit computed at statutory tax rate	(1,901,748)	(428,914)
Change in income tax rate	727	(87,978)
Items not deductible for income tax purposes	807,058	78,164
Unrecognized benefit of deferred income tax assets	1,093,963	438,728
Income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

14. INCOME TAXES (Continued)

The significant components of the Company's deferred income tax assets and deferred income tax liabilities at November 30, 2018 and 2017 are presented below:

	November 30, 2018	November 30, 2017
Non-capital losses carried forward	$ 2,295,000	$ 1,315,000
Capital losses carried forward	8,000	8,000
Equipment	1,000	1,000
Excess of unused exploration expenditures for Canadian tax purposes over carrying value of mineral property interests	1,125,000	982,000
Share issue costs	88,000	20,000
	3,517,000	2,326,000
Unrecognized deferred income tax assets	(3,517,000)	(2,326,000)
Net deferred income tax assets	$ -	$ -

The Company has non-capital losses of $8,297,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

2031	$ 15,000
2032	375,000
2033	785,000
2034	848,000
2035	1,024,000
2036	724,000
2037	1,092,000
2038	3,434,000
	$ 8,297,000

As of November 30, 2018, the Company has unrecognized deferred tax liabilities of approximately $88,000 (2017 - $nil) due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of CTTR, Arrow Pilbara and Drummond East.

15. SUBSEQUENT EVENTS

a) On December 5, 2018, the Company issued 7,000,000 common shares valued at $1,925,000 for the Pilbara Project (note 8(a) – Keras Project).

b) On December 5, 2018, the Company granted 250,000 stock options to consultants with an exercise price of $0.24 and a term to expiry of one year.

c) On December 10, 2018, the Company paid $175,000 and issued 3,780,613 common shares valued at $1,323,215 for the Pilbara Project (note 8(a) – Hong Kong Project) and issued 300,000 common shares valued at $82,500 as a finder's fee on the project.

d) On December 14, 2018 the Company closed a private placement and issued 5,881,470 flow-through common shares at a price of $0.35 per share for gross proceeds of $2,058,515. The Company paid share issue costs of $11,043.

15. SUBSEQUENT EVENTS (Continued)

e) On January 29, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company issued 192,310 common shares on February 6, 2019 valued at $48,077. The claims are subject to a NSR ranging from 0.25% to 2.25%, of which a portion can be repurchased by the Company for $250,000.

f) On February 12, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company paid $15,000 and on February 28, 2019 issued 75,000 common shares valued at $19,125. The claims are subject to a 2% NSR, of which one-half can be repurchased by the Company for $200,000.

g) On February 20, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:
   - Pay up to $30,000 on behalf of the vendor for exploration expenditures;
   - Issue 125,000 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued on March 6, 2019 and valued at $31,250);
   - Pay $50,000 and issue 100,000 common shares of the Company on or before March 5, 2020; and
   - Pay $50,000 and issue 125,000 common shares of the Company on or before March 5, 2021.

   The claims are subject to a 0.25% to 1.75% NSR, of which a portion can be repurchased by the Company at a rate of $250,000 for each 0.25% portion that is repurchased.

h) On March 8, 2019, the Company issued 3,000,000 common shares valued at $720,000 for the Pilbara Project (note 8(a) - Yandicoogina and Boodalyerrie).

i) On March 13, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:
   - Pay up to $40,000 on behalf of the vendor for exploration expenditures;
   - Issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued on March 22, 2019 and valued at $23,000);
   - Pay $50,000 and issue 100,000 common shares of the Company on or before March 21, 2020; and
   - Pay $50,000 and issue 125,000 common shares of the Company on or before March 21, 2021.

   The claims are subject to a 2.5% NSR, of which a one-half can be repurchased by the Company for $2,000,000.

j) On March 15, 2019, the Company issued 2,500,000 common shares valued at $562,500 for the Pilbara Project (note 8(a) – Friendly Creek).

k) Subsequent to November 30, 2018, the expiry of a total of 1,700,000 stock options were accelerated and expired unexercised.