Carube Copper Corp.

(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the three and six month periods ended February 28, 2019 and 2018

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of Carube Copper Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's Audit Committee and Board of Directors has reviewed and approved these condensed consolidated interim financial statements.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements.

Carube Copper Corp.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Financial Position

(expressed in Canadian dollars)

	February 28, 2019 $	August 31, 2018 $
Assets		
Current assets:		
Cash and cash equivalents	416,088	1,220,668
Restricted deposits (note 4)	15,452	15,302
Amounts receivable (note 5)	60,417	64,773
Prepaid expenses	48,283	47,283
	540,240	1,348,026
Equipment	34,816	40,312
Exploration advances	-	15,687
Mineral exploration properties (note 6)	7,033,782	7,029,676
Deferred exploration expenditures (note 6)	5,498,582	5,037,740
	12,567,180	12,123,415
Total assets	13,107,420	13,471,441
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	108,891	154,375
Total liabilities	108,891	154,375
Shareholders' equity		
Capital stock (note 9)	18,564,304	18,392,195
Warrants (note 9)	708,112	708,112
Contributed surplus	1,615,679	1,728,459
Accumulated deficit	(7,661,703)	(7,078,506)
Accumulated other comprehensive loss	(227,863)	(433,194)
Total shareholders' equity	12,998,529	13,317,066
Total liabilities and shareholders' equity	13,107,420	13,471,441

Going concern (note 1)

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

Approved by the Board of Directors:

/s/ Antony Manini
Director

/s/ Alar Soever
Director

Carube Copper Corp.

(An Exploration Stage Company)

Unaudited Consolidated Interim Statements of Operations and Comprehensive Loss

(expressed in Canadian dollars)

	Three months ended February 28, 2019 $	Three months ended February 28, 2018 $	Six months ended February 28, 2019 $	Six months ended February 28, 2018 $
Expenses				
Promotion and investor relations	50,511	92,925	83,279	157,157
Regulatory authority and transfer agent fees	5,047	4,854	9,856	8,226
Legal, accounting, audit and financial advisory	10,771	21,612	23,587	30,987
Office, general and administrative	103,001	98,605	234,110	243,848
Project generation and evaluation	85,499	-	178,767	-
Share based compensation (note 9)	29,377	77,111	59,329	187,602
	284,206	295,107	588,928	627,820
Interest income	(2,278)	(89)	(6,483)	(489)
Interest expense	-	16,109	-	33,806
Other income	-	-	-	(1,913)
Foreign exchange loss	710	19	752	214
	(1,568)	16,039	(5,731)	31,618
Net loss for the period	282,638	311,146	583,197	659,438
Other comprehensive loss (income)				
Items that may be subsequently reclassified to operations				
Foreign currency translation adjustment	113,484	50,910	(205,331)	(66,122)
Total comprehensive loss (income) for the period	396,122	362,056	377,866	593,316
Loss per common share:				
Basic and diluted	0.00	0.00	0.00	0.01
Weighted average number of common shares outstanding:				
Basic and diluted	170,509,646	110,107,186	170,390,456	109,803,663

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

Carube Copper Corp.

(An Exploration Stage Company)

Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity

(expressed in Canadian dollars)

	Capital stock #	Capital stock $	Share subscriptions $	Warrants #	Warrants $	Contributed surplus $	Accumulated deficit $	Accumulated other comprehensive income (loss) $	Total shareholders' equity $
Balance, August 31, 2018	169,074,126	18,392,195	-	42,900,000	708,112	1,728,459	(7,078,506)	(433,194)	13,317,066
Net loss for the period	-	-	-	-	-	-	(583,197)	-	(583,197)
Foreign currency translation adjustment	-	-	-	-	-	-	-	205,331	205,331
Total comprehensive loss for the period	-	-	-	-	-	-	(583,197)	205,331	(377,866)
Shares issued for vested restricted share units (note 9)	86,250	6,900	-	-	-	(6,900)	-	-	-
Shares issued for vested deferred share units (note 9	1,493,220	165,209	-	-	-	(165,209)	-	-	-
Restricted share units (note 9)	-	-	-	-	-	7,475	-	-	7,475
Stock option compensation charge (note 9)	-	-	-	-	-	51,854	-	-	51,854
	1,579,470	172,109	-	-	-	(112,780)	(583,197)	205,331	(318,537)
Balance, February 28, 2019	170,653,596	18,564,304	-	42,900,000	708,112	1,615,679	(7,661,703)	(227,863)	12,998,529
Balance, August 31, 2017	109,503,475	15,406,956	-	21,900,000	408,325	1,469,094	(5,350,535)	(336,505)	11,597,335
Net loss for the period	-	-	-	-	-	-	(659,438)	-	(659,438)
Foreign currency translation adjustment	-	-	-	-	-	-	-	66,122	66,122
Total comprehensive loss for the period	-	-	-	-	-	-	(659,438)	66,122	(593,316)
Private placement of units (note 9)	1,940,500	101,593	-	970,250	14,837	-	-	-	116,430
Share subscriptions	-	-	139,200	-	-	-	-	-	139,200
Restricted share units (note 9)	-	-	-	-	-	58,175	-	-	66,250
Deferred share units (note 9)	-	-		-	-	66,250	-	-	58,175
Stock option compensation charge (note 9)	-	-	-	-	-	63,177	-	-	63,177
	1,940,500	101,593	139,200	970,250	14,837	187,602	(659,438)	66,122	(150,084)
Balance, February 28, 2018	111,443,975	15,508,549	139,200	22,870,250	423,162	1,656,696	(6,009,973)	(270,383)	11,447,251

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

Carube Copper Corp.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Cash Flows

(expressed in Canadian dollars)

	Six months ended February 28, 2019 $	Six months ended February 28, 2018 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(583,197)	(659,438)
Items not affecting cash:		
Share based compensation (note 9)	59,329	187,602
Depreciation of equipment	39	11,087
Interest accrued on bridge loans and promissory notes	-	33,126
Interest income on restricted deposits	(150)	(99)
Reduction of flow-through premium in other income	-	(1,913)
Change in working capital items:		
Amounts receivable	4,356	8,495
Prepaid expenses	(1,000)	(864)
Accounts payable and accrued liabilities	(53,410)	(68,277)
	(574,033)	(490,281)
Investing activities		
Restricted deposits (note 4)	-	13,143
Exploration advances	15,687	(10,000)
Mineral exploration properties costs (note 6)	(1,545)	(31,595)
Deferred exploration expenditures (note 6)	(244,689)	(157,481)
	(230,547)	(185,933)
Financing activities		
Issuance of common shares and warrants (note 9)	-	116,430
Share subscription proceeds	-	139,200
OZ Minerals Ltd. exploration expenditures (note 6)	-	(5,880)
Repayment of bridge loan and accrued interest (note 7)	-	(76,000)
	-	173,750
Net change in cash and cash equivalents	(804,580)	(502,464)
Cash and cash equivalents - Beginning of period	1,220,668	665,096
Cash and cash equivalents - End of period	416,088	162,632

Supplemental cash flow information (note 14)

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

(expressed in Canadian dollars)

1. Nature of operations and going concern

General information

On June 18, 2015, Miocene Resources Limited ("Miocene"), renamed Carube Copper Corp. (referred to herein collectively with its subsidiaries as the "Company"), completed a reverse takeover with Carube Resources Inc. (CRI). On July 7, 2015, the Company commenced trading on the TSX Venture Exchange ("TSX-V") under the ticker symbol CUC.

Carube Copper Corp. is an exploration stage junior mining company. Since November of 2009, the Company has been engaged in the identification, acquisition, evaluation and exploration of mineral properties. The Company has not determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company's registered office is located at 133 Richmond Street West, Suite 501, Toronto, Ontario, Canada where it is domiciled. The Company's subsidiaries include Carube Resources Inc., domiciled in Toronto, Canada and Carube Resources Jamaica Limited and Rodinia Jamaica Limited, which are both domiciled in Kingston, Jamaica.

Going concern

These consolidated financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

From November 2009 to date, the Company has incurred losses from operations and has had negative cash flows from operating activities. As at February 28, 2019, the Company had working capital of $431,349. Existing funds on hand are not sufficient to support ongoing corporate costs, exploration costs or costs of acquiring new exploration properties. These conditions raise material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. During March 2018, the Company concluded a private placement financing raising gross proceeds of $3,000,000; completed debt settlements with shares for a total amount of $464,115; and, made cash payments to extinguish the balance of all debt obligations (see notes 7, 8 and 9). The Company will require additional funding to be able to acquire, advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on its ability to raise required financing whether through equity or debt financing; through joint ventures; the generation of profits from operations; or, the sale of property assets in the future.

There is no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to management.

These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant accounting policies

Statement of compliance with International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the years ended August 31, 2018 and 2017 which have been prepared in accordance with IFRS.

These financial statements were approved by the board of directors for issue on April 25, 2019.

General information and basis of consolidation

Carube Copper Corp. (formerly Miocene Resources Limited) was incorporated under the *Business Corporations Act (Ontario)* on March 29, 2010. The Company completed a reverse takeover with CRI on June 18, 2015. Carube Resources Inc. was incorporated under the *Business Corporations Act (Ontario)* on August 2, 2007 under the name 2144321 Ontario Inc. and was inactive until October 2009 at which time its name was changed to CRI. On March 31, 2011, CRI incorporated Carube Resources Jamaica Limited (CRJL), a wholly-owned Jamaican subsidiary, in order for it to hold the Bellas Gate project mineral exploration licenses and to conduct business as operator of the project. On March 31, 2012, CRI acquired all of the outstanding shares of Rodinia Jamaica Limited (RJL) in exchange for common shares of CRI. RJL holds title to four Special Exclusive Prospecting Licenses (SEPLs) in Jamaica.

The Company's financial statements consolidate those of the parent company and each of its 100% wholly-owned subsidiaries CRI, CRJL and RJL. All inter-company balances and transactions are eliminated upon consolidation. The consolidated financial statements are expressed in Canadian dollars and are prepared using the historical cost method.

Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended August 31, 2018.

(expressed in Canadian dollars)

3. Summary of significant accounting policies

These condensed consolidated interim financial statements have been prepared using accounting policies that are consistent with those used in the preparation of the Company's audited annual consolidated financial statements for the years ended August 31, 2018 and 2017 except as described in the notes to these condensed consolidated interim financial statements.

New and revised accounting standards

IAS 7 – Statement of cash flows
In January 2016, the IASB amended IAS 7, Statement of Cash Flows. The 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 mandatory for annual reporting periods beginning on or after January 1, 2017. The adoption of these IAS 7 amendments has not had an impact on the Company's financial statements.

IFRS 9 – Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments (IFRS 9) which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has adopted IFRS 9 effective September 1, 2018. The adoption of this this new standard had no material impact on the Company's consolidated financial statements.

4. Restricted deposits

The Company has established a corporate credit card account for the payment of travel and corporate costs. An amount of $15,452 (August 31, 2018 - $15,302) held in a guaranteed investment certificate has been pledged as collateral for the maximum credit limit on this credit card account.

5. Amounts receivable

	February 28, 2019 $	**August 31, 2018 $**
Harmonized sales tax (HST) receivable	11,921	21,354
Refundable import duty on exploration equipment	8,929	8,357
Quebec exploration tax credits receivable	35,062	35,062
Other	4,505	-
	60,417	64,773

(expressed in Canadian dollars)

6. Mineral exploration properties and deferred exploration expenditures

	Bellas Gate (Jamaica) $	Rodinia and Other Licenses (Jamaica) $	Fiedmont (Quebec, Canada) $	Rogers Creek, Mackenzie and Salal (BC, Canada) $	Total $
Mineral exploration properties:					
Balance, August 31, 2018	1,730,188	1,995,545	-	3,303,943	7,029,676
License and claim renewal fees	1,421	124	-	-	1,545
Translation to reporting currency	981	1,580	-	-	2,561
Balance, February 28, 2019	1,732,590	1,997,249	-	3,303,943	7,033,782
Balance, August 31, 2017	1,729,838	1,993,425	187,258	3,303,943	7,214,464
License and claim renewal fees	942	121	532	-	1,595
Cash option payment	-	-	30,000	-	30,000
Translation to reporting currency	(56)	879	-	-	823
Balance, February 28, 2018	1,730,724	1,994,425	217,790	3,303,943	7,246,882
Deferred exploration expenditures:					
Balance, August 31, 2018	4,189,043	521,234	-	327,463	5,037,740
Geology	14,560	126,370	-	1,700	142,630
Geochemical	1,328	21,657	-	1,375	24,360
Drilling and related	42,898	29,685	-	-	72,583
Environmental	634	616	-	-	1,250
Community and social development	8,920	9,140	-	-	18,060
Health and safety	800	2,048	-	-	2,848
Translation to reporting currency	188,847	10,264	-	-	199,111
Balance, February 28, 2019	4,447,030	721,014	-	330,538	5,498,582
Balance, August 31, 2017	3,807,399	336,043	130,525	302,384	4,576,351
Geology	120,042	7,809	940	10,048	138,839
Geochemical	4,938	680	-	2,010	7,628
Trenching	-	-	107,806	-	107,806
Drilling and related	192,421	-	-	-	192,421
Community and social development	31,472	-	-	-	31,472
Health and safety	185	-	-	-	185
Translation to reporting currency	49,372	3,910	-	-	53,282
Balance, February 28, 2018	4,205,829	348,442	239,271	314,442	5,107,984

Bellas Gate property agreements

OZ Minerals Ltd. agreements

Current OZ Minerals agreement
During September 2016, the Company announced it had finalized a heads of agreement ("HoA") with OZ Minerals Ltd., an Australian copper-gold producer listed on the Australian Securities Exchange ("OZ Minerals"), to acquire all of OZ Minerals' property holdings in Jamaica which include the 70% interest that OZ Minerals had earned in the Bellas Gate Project (see below) and five licenses covering 276 square kilometres which OZ Minerals had acquired directly in 2014. Additionally, the Company will retain a 100% interest in the Above Rocks project as OZ Minerals elected not to proceed with the joint venture earn-in (see below). A definitive legal agreement incorporating the terms of the HoA was concluded in January 2017.

Under the terms of the definitive agreement, for the acquisition of the 70% interest in the Bellas Gate Project the Company is obligated to: (i) pay OZ Minerals $8.5 million within one year of commencement of commercial production at Bellas Gate; (ii) pay OZ Minerals an additional $4 million within two years of commencement of commercial production; and, (iii) grant OZ Minerals a 2% net smelter royalty (NSR) with a buyback right of two-thirds of the NSR for $1.3 million with any NSR payments capped at a maximum amount of $20 million.

Additionally, the Company has acquired a 100% interest in the five OZ Minerals licenses. The Company would be obligated to provide OZ Minerals a single payment of $1.5 million within one year of commencement of commercial production on any of the five licenses. Each of the licenses is subject to a 2% NSR with a buyback of one-half of the NSR for $500,000.

(expressed in Canadian dollars)

Preceding OZ Minerals agreements
During May 2013, the Company entered into a term sheet with OZ Minerals that lead to a farm-in joint venture agreement relating to the Bellas Gate Project which consists of the Bellas Gate and Browns Hall Special Exclusive Prospecting Licenses (SEPLs) which total 84 sq. km. in area.

The term sheet provided that upon certain conditions being met, that OZ Minerals and the Company would enter into an agreement which would potentially lead to a joint venture with respect to the Bellas Gate Project and the Company would grant OZ Minerals a right to enter into separate agreements on each of the Company's other projects in Jamaica (which comprise the other four SEPLs, excluding the Bellas Gate Project SEPLs).
OZ Minerals agreed to make a US$900,000 equity investment in the Company, which was completed during January 2014, when OZ Minerals confirmed the satisfactory completion of their due diligence and that any conditions precedent had been satisfied such that the terms of the May 2013 term sheet became binding on OZ Minerals and the Company. A definitive agreement incorporating the terms contained in the term sheet and other conditions that are customary for mining exploration project joint venture agreements was completed during May 2015.

Significant terms of the definitive agreement included an initial phase of work by OZ Minerals for $500,000 of exploration expenditures. In total, to earn a 70% interest in the Bellas Gate Project, OZ Minerals was required to spend $6.5 million on exploration and make cash payments to the Company of $475,000 over a maximum period of 3.5 years. During January 2016, the Company announced that OZ Minerals had incurred cumulative exploration expenditures in excess of $8.3 million and had fulfilled the Phase 4 earn-in requirements to have a vested 70% interest in the Bellas Gate Project. OZ Minerals was then able to earn a further 10% interest by financing all work to the end of a feasibility study. This Phase 5 of the earn-in was initiated during February 2016.

Additionally, OZ Minerals was provided the option to fly airborne geophysics over the Company's other three Jamaican projects (comprised of four SEPLs, see *Rodinia Jamaica property licenses* below) in return for the right to enter into joint ventures on any or all of the projects. OZ Minerals completed the airborne geophysics during June 2015. During September 2015, the Company and OZ Minerals entered into a definitive agreement with respect to the earn-in and potential joint venture on the Above Rocks Project. OZ Minerals did not elect to proceed with joint ventures on the Hungry Gully and Main Ridge Projects.

The Bellas Gate Project is subject to a 2% NSR in favour of Clarendon Consolidated Minerals Ltd. ("CCM").

OZ Minerals project funding
Under the terms of the prior agreement, OZ Minerals had advanced total exploration funding of $5,593,373 directly to the Company to fund joint venture earn-in expenditures in addition to funds they had expended directly. As at February 28, 2019 and August 31, 2018, all of these funds had been expended.

Rodinia Jamaica property licenses

Acquisition of Rodinia Jamaica Limited
On March 31, 2012, the Company completed the acquisition of a 100% interest in Rodinia Jamaica Limited ("RJL") from Tigers Realm Metals Pty Limited ("TRM") and Rodinia Resources Pty Limited ("Rodinia"). At the time of the acquisition TRM held a non-controlling equity interest in the Company. RJL holds a 100% interest in four SEPLs in Jamaica which are known as Belvedere, Hungry Gully, Main Ridge and Mount Royal and total 184 sq. km. in area. The Belvedere and Mount Royal SEPLs are contiguous and are considered one project area known as Above Rocks. Rodinia retains a 2% NSR in respect of the four SEPLs. The acquisition agreement for the SEPLs included certain commitments to conduct exploration work on the SEPLs within specified time periods as amended during December 2013. A series of common share issuances were completed during calendar 2014 and 2015 in lieu of completing the exploration work commitments. No further commitments remain.

OZ Minerals definitive agreement
During September 2015, the Company entered into a definitive agreement with OZ Minerals related to the earn-in and potential joint venture with respect to the Rodinia Jamaica licenses comprising three separate projects. Terms of the agreement are as follows.

OZ Minerals had to elect on which projects it wished to earn into before December 20, 2015, and subsequently pay $50,000 to the Company within 30 days and spend $500,000 on exploration within one year of the election date to earn a 40% interest in each project elected. OZ Minerals then had a right to earn up to a 70% interest in any one of the three projects, in a staged earn-in, by paying $275,000 to the Company and solely funding $6.5 million of exploration expenditures over a period of five years or less. Thereafter, OZ Minerals could have advanced its interest in a project to 80% by solely funding all costs required for the completion of a National Instrument 43-101-compliant, Joint Ore Reserves Committee standard feasibility study.

On December 7, 2015, OZ Minerals provided the Company notice of its election to initiate an earn-in and potential joint venture with respect to the Above Rocks Project (comprising two SEPLs), totalling 104 sq. km. in area. The Company received the initial cash payment of $50,000 during December 2015. This payment was recorded as a reduction of mineral exploration property costs. OZ Minerals did not elect to proceed with joint ventures on the Hungry Gully and Main Ridge Projects.

During September 2016, OZ Minerals elected not to proceed with the Above Rocks earn-in. The Company retains a 100% interest in each of the four Rodinia SEPLs subject to Rodinia's 2% NSR.

(expressed in Canadian dollars)

Fiedmont property option agreement

During September 2010, the Company entered into a property option letter agreement to acquire a potential 100% interest in the Fiedmont property comprised of 54 claims, totalling 23 sq. km. in area, in Fiedmont Township, Quebec. A definitive option agreement was entered into on October 22, 2010. Total consideration payable under the terms of the option agreement included: $10,000 cash upon execution of the definitive option agreement and a balance totalling $160,000 in cash; 490,000 common shares; and, exploration expenditures of $700,000 staged in annual installments over four years following the Company going public in July 2015.

The Company acted as operator of the property. The Fiedmont property was subject to a 2% NSR retained by the vendors. The Company had the right to purchase up to half of the NSR by paying $500,000 for each 0.5%. The Company also had the right of first refusal to purchase the remaining 1% of the NSR.

As at August 31, 2018, the Company recorded a full impairment charge totalling $425,614 with respect to the Fiedmont project as it had been determined that exploration would not continue in order that Company efforts could be focused on its core assets in Jamaica. This impairment charge was comprised of property acquisition costs of $221,251 and net exploration costs of $204,363.

Rogers Creek, Mackenzie and Salal properties
The Rogers Creek, Mackenzie and Salal projects were acquired with the reverse takeover of Miocene. These properties are described as follows.

Rogers Creek
The Rogers Creek property is located within the Coastal Mountain Belt of British Columbia, northeast of Vancouver and consists of 47 claims totalling 212 sq. km. in area. A 2.5% NSR royalty is payable to the original vendor of the property upon production, half of which can be purchased for $1.25 million.

During May 2018, the Company entered into an option earn-in agreement with Tocvan Ventures Corp. ("Tocvan") who will have a right to earn an 80% interest in the Rogers Creek project by spending $1,900,000 on exploration; payment of $25,000 cash; and the issuance of 1,300,000 Tocvan common shares over the initial four year earn-in period. Initial payments of $25,000 cash and 500,000 common shares are payable following the Canadian Securities Exchange's approval of Tocvan's going public transaction. These initial payments were received during March 2019 (see note 15). Following the successful completion of the earn-in, an 80% / 20% joint venture will be formed where the Company would retain a 20% interest in the project subject to funding future pro-rata expenditures. A 3% NSR royalty is payable by Tocvan to the Company with advance royalty payments of $50,000 per year after Tocvan has earned its 80% interest.

Mackenzie
The Mackenzie property is located within the Coastal Mountain Belt of British Columbia, north of Vancouver and consists of 38 claims totalling 156 sq. km. in area. The property is subject to a 2% NSR royalty which is payable upon production, 62.5% of which can be purchased at $1 million adjusted for the Consumer Price Index for the City of Vancouver. The Company has the first right of refusal to purchase the remaining 37.5% of the NSR. Additionally, a 1.75% NSR royalty on the Mackenzie property was granted to Wallbridge Mining Company Ltd. ("Wallbridge") in connection with Miocene's prior line of credit arrangements with Wallbridge. The Wallbridge NSR on the Mackenzie and Salal properties can be repurchased for $1,750,000.

Salal
The Salal property consists of 34 claims totalling 124 sq. km. in area and is located within the Coastal Mountain Belt of British Columbia, northeast of Vancouver. Seven mineral claims are subject to a 2% NSR royalty payable upon production, half of which can be purchased for $500,000. The Company has the first right of refusal to purchase the remaining 50% of the NSR royalty. One claim is subject to a 1.5% NSR royalty payable upon production, half of which can be purchased for $500,000. Additionally, a 1.75% NSR royalty on the Salal property was granted to Wallbridge in connection with Miocene's prior line of credit arrangements with Wallbridge. The Wallbridge NSR on the Mackenzie and Salal properties can be repurchased as described above under the Mackenzie property description. A full impairment charge with respect to prior property and exploration costs associated with the Salal property was recorded by Miocene during 2013. No additional expenditures have been incurred since this time.

7. Bridge loans payable

During January 2014, the Company completed an offering of convertible promissory notes with six lenders raising proceeds of $270,000 intended to provide funding of general working capital requirements up until the completion of the Miocene going public transaction. These bridge loans were interest bearing at a rate of 18% per annum. During fiscal 2018, one bridge loan with a principal value of $100,000 remained outstanding. On September 30, 2017, an amending agreement with respect to this outstanding bridge loan was entered into. This amending agreement set out requirements for principal and interest payments as follows: (i) principal of $35,000 and interest of $6,000 on October 3, 2017 (paid); (ii) principal of $35,000 on November 15, 2017 (paid); and, (iii) principal of $30,000 and interest of $2,138 on December 31, 2017 (total of $33,363 paid on March 23, 2018).

(expressed in Canadian dollars)

8. Promissory notes payable

During March 2018, the Company extinguished the balances due with respect to all remaining promissory notes payable with an amount of $464,115 of principal and interest settled with the issuance of 8,220,754 common shares; and, the balance with cash payments of $99,972.

The Company had various promissory notes payable to officers and a contractor for the settlement of accrued compensation and cash demand loans advanced to the Company. Additionally, in connection with the Miocene reverse takeover transaction various payables and debts totalling $571,415 were settled with the issuance of promissory notes to the Company's Chairman, legal counsel and Wallbridge Mining Company Ltd. All promissory notes were interest bearing at a rate of 12% per annum. These promissory notes payable were subject to various amendments including partial repayments, maturity date extensions and settlements with the issuance of common shares, as further described below.

On March 14, 2017, the Company amended the promissory note with Wallbridge to extend the repayment date from December 31, 2017 to December 31, 2019. In consideration for this extension of the repayment date Wallbridge was granted a pre-emptive right with respect to any future financings of the Company in order to maintain at all times a 15.5% equity interest in the Company's outstanding common shares. Wallbridge was also provided a right to convert any of the remaining promissory note indebtedness, at any time, into common shares of the Company at a price equal to the 4-day volume weighted average price. On June 22, 2017, the Company issued 2,173,913 common shares in partial settlement of $250,000 of the Wallbridge promissory note.

On April 28, 2017, the Company entered into a Promissory Note Extension Agreement with respect to the $180,000 principal value note and accrued interest of $70,057. Under the terms of this agreement a partial cash payment of $100,057 (comprised of $30,000 of principal and all accrued interest) was made during May 2017. The balance of $150,000 in principal was due on January 30, 2018 and remained subject to 12% interest per annum. On June 22, 2017, the Company issued 434,783 common shares in partial settlement of $50,000 of this promissory note.

On April 30, 2017, the Company entered into an amended agreement with respect to the $95,000 principal value note and accrued interest of $21,270. Under the terms of this agreement, the promissory note holder agreed to accept 500,000 common shares of the Company valued at $60,000 as partial payment. This share payment was concluded on June 22, 2017. Following this share payment, the balance due of $56,270 was due December 15, 2017 and remained subject to 12% interest per annum.

9. Capital stock

Authorized

The Company is authorized to issue an unlimited number of common shares, having no par value.

Issued

Share issuances during fiscal 2019
During the six month period ended February 28, 2019, the Company issued 86,250 common shares for vested restricted share units which were valued at $6,900. Additionally, the Company issued a total of 1,493,220 common shares for vested deferred share units which were valued at $165,209.

Fiscal 2018 financing activity
During February and March 2018, the Company completed a private placement financing raising total gross proceeds of $3,000,000 with the issuance of 50,000,000 units. The first tranche of this financing closed during February 2018. Each unit was comprised of one common share of the Company and one-half of one common share purchase warrant. A total of 25,000,000 warrants exercisable at $0.10 per share for a period of two years from the closing dates of the offering were issued in connection with this placement. These warrants were recorded at a value of $382,287. In connection with the closings during March 2018, the Company paid a total of $122,130 in cash finder fees and issued a total of 2,035,500 compensation options exercisable for units. These compensation options were recorded at a value of $85,850.

Other share issuances during fiscal 2018
During March 2018, the Company settled promissory notes payable and accrued interest in a total amount of $464,115 with the issuance of 8,220,754 common shares (see note 8). During fiscal 2018, the Company issued a total of 1,284,897 common shares for vested restricted share units which were valued at $124,000. During fiscal 2018, the Company issued a total of 65,000 common shares for vested deferred share units which were valued at $13,000.

Warrants

As at February 28, 2019, a total of 42,900,000 warrants were outstanding as follows:

Number	Exercise price $	Expiry date
9,118,084	0.10	March 29, 2020
14,911,666	0.10	March 22, 2020
970,250	0.10	February 1, 2020
625,000	0.13	August 31, 2019
10,000,000	0.15	March 3, 2019
6,500,000	0.15	May 19, 2019
775,000	0.25	May 1, 2020
42,900,000	0.12	

(expressed in Canadian dollars)

During March 2018, a total of 1,500,000 warrants exercisable at $0.15 expired. During July 2018, a total of 2,500,000 warrants exercisable at $0.15 expired.

The fair value of warrants have been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. The range of assumptions used for the valuation of warrants during fiscal 2018 and 2017 are as follows.

	2018	2017
Expected life in years	2.0	2.0
Expected volatility	58%	86% to 91%
Risk-free interest rate	1.61%	0.46% to 0.67%
Dividend yield	Nil	Nil

Compensation options and compensation option warrants

In connection with the February / March 2018 unit financing, the Company issued an aggregate of 2,035,500 compensation options to eligible finders. These compensation options are exercisable at $0.06 per unit to obtain one common share and one-half common share purchase warrant and expire March 22, 2020 and March 29, 2020. A potential total of 1,017,750 common share purchase warrants are issuable upon exercise of the compensation options. These common share purchase warrants would be exercisable to obtain a common share at $0.10 per share and would expire on March 22, 2020 or March 29, 2020. These compensation options were valued at $85,850.

In connection with the March 2017 unit financing, the Company issued an aggregate of 23,625 compensation options to eligible finders. These compensation options are exercisable at $0.08 per unit to obtain one common share and one-half common share purchase warrant and expire March 3, 2019. A potential total of 11,813 common share purchase warrants are issuable upon exercise of the compensation options. These common share purchase warrants would be exercisable to obtain a common share at $0.15 per share and would expire March 3, 2019. These compensation options were valued at $1,037.

In connection with the May 2017 unit financing, the Company issued an aggregate of 689,328 compensation options to eligible finders. These compensation options are exercisable at $0.105 per unit to obtain one common share and one-half common share purchase warrant and expire May 19, 2019. A potential total of 344,664 common share purchase warrants are issuable upon exercise of the compensation options. These common share purchase warrants would be exercisable to obtain a common share at $0.15 per share and would expire May 19, 2019. These compensation options were valued at $40,995.

In connection with the June 2016 unit financing, the Company issued an aggregate of 43,671 compensation options to eligible finders. These compensation options were exercisable at $0.10 per unit to obtain one common share and one-half common share purchase warrant and expired on July 20, 2018. These compensation options were valued at $3,320.

The fair value of compensation options has been estimated using the Black-Scholes option pricing model and these values have been recorded in contributed surplus and share issue costs reducing capital stock. The assumptions used for the valuation of compensation options are as follows: expected life of two years; expected volatility ranging from 58% to 100%; risk-free interest rates ranging from 0.40% to 1.61%; and, dividend yield of nil.

Stock options

During October 2010, the Company approved a stock option plan available to its employees, officers, directors and service providers. The number of options available under the plan is a maximum of 10% of the total number of issued and outstanding common shares. The Compensation Committee recommends to the Board the vesting period and exercise rights for each stock option granted.

Activity with respect to stock options is as follows:

	Number	Weighted-average exercise price $	Expiry
Balance, August 31, 2017	6,735,000	0.09	February 2021 to June 2022
Forfeited	(1,800,000)	0.08	February 2021
Granted	4,000,000	0.18	July 2023
Balance, February 28, 2019 and August 31, 2018	8,935,000	0.13	February 2021 to July 2023

(expressed in Canadian dollars)

As at February 28, 2019 outstanding stock options are as follows:

Options outstanding			Options exercisable		
Exercise price $	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	Expiry
0.08	2,350,000	2.0	2,350,000	2.0	February 28, 2021
0.10	2,085,000	3.2	2,085,000	3.2	April 30, 2022
0.10	500,000	3.3	500,000	3.3	June 22, 2022
0.10	1,000,000	4.4	-	4.4	July 31, 2023
0.15	1,000,000	4.4	-	4.4	July 31, 2023
0.20	1,000,000	4.4	-	4.4	July 31, 2023
0.25	1,000,000	4.4	-	4.4	July 31, 2023
	8,935,000	3.4	4,935,000	2.6	

During August 2018, the Company granted a total of 4,000,000 stock options to its new Chief Executive Officer. These stock options comprise four tranches of 1,000,000 with exercise prices of each tranche being $0.10, $0.15, $0.20 and $0.25. The first two tranches vest after one year while the final two tranches vest after two years.

During the six month period ended February 28, 2019, the Company recorded a total of $51,854 (fiscal 2018 - $63,177) in share based compensation expense related to stock options. Share based compensation amounts are included in shareholders' equity as contributed surplus. The values determined using the Black-Scholes option pricing model, with respect to stock options granted during fiscal 2018 and 2017, utilized the following assumptions and values.

	2018	2017
Expected volatility	78%	72% to 76%
Expected option life (in years)	5.0	5.0
Risk-free interest rate	1.97%	0.56%
Expected dividend yield	Nil	Nil
Weighted-average exercise price	0.18	0.10
Weighted-average market price at grant date	0.07	0.12
Weighted-average fair value	0.03	0.07

The Company determines expected volatility in relation to both historical Company volatility and by analysis of comparable companies in the mineral exploration sector.

Restricted share unit / Deferred share unit plan ("RSU / DSU Plan")

On June 13, 2013, Company shareholders adopted a RSU/DSU Plan. The Plan provides for granting of RSUs and DSUs for the purpose of advancing the interests of the Company through motivation, attraction and retention of employees, consultants and non-employee directors by granting equity-based compensation incentives, in addition to the Company's stock option plan. The number of shares reserved for issuance for the RSU/DSU Plan and the stock option plan combined shall not exceed 20% of the issued and outstanding common shares on the date of adoption. Under the RSU/DSU Plan, no cash settlements are made as settlement is in common shares only. On June 16, 2017, shareholders of the Company approved an increase in the number of common shares reserved for the RSU/DSU Plan to 9,126,451. Under the terms of the RSU/DSU Plan, the number of common shares issued and issuable to insiders within a one-year period shall not exceed 10% of the issued and outstanding common shares; and, to any one insider within one year shall not exceed 5% of the issued and outstanding common shares. The maximum grant within a one-year period to any one participant shall not exceed 5% of the total issued and outstanding common shares.

Restricted share units

RSUs are used to compensate participants for their individual performance based achievements and corporate performance, and they are intended to supplement stock option awards. The Company's Compensation Committee may determine the vesting schedule of RSUs at the time of grant. The settlement date shall be no later than the third anniversary of the date of grant and all payments in respect of the vested units shall be paid in full before the end of the same calendar year. Non-vested RSUs are forfeited if the participant voluntarily leaves employment with the Company. On exercise of RSUs, the shares are issued from treasury.

As at February 28, 2019, a total of 153,333 RSUs are outstanding having been granted to an officer of the Company. These RSUs remain subject to vesting over the one year period following the date of grant. The total value of these RSUs is recorded as share based compensation expense in contributed surplus over the vesting period. During the six month period ended February 28, 2019, a total of $7,475 (fiscal 2018 - $58,175) was recorded in share based compensation expense related to RSUs. During October 2018, a total of 86,250 vested RSUs were settled with the issuance of 86,250 common shares valued at $6,900.

Deferred share units

DSUs have been utilized as a means of reducing the cash payable by the Company for amounts owing to non-executive directors. A DSU is a notional share that has the same value as one share of the Company as at the grant date. DSUs are paid out to directors as common shares when they retire from the Board. As DSUs are equity settled, they are fair valued based on the market value of the shares at the grant date.

As at February 28, 2019, a total of 1,551,694 DSUs are outstanding having been previously granted to directors of the Company. No additional DSUs were granted during the six month period ended February 28, 2019. During the six month period ended February 28, 2019, a total of 1,493,220 DSUs were settled with the issuance of 1,493,220 common shares valued at $165,209.

(expressed in Canadian dollars)

10. Related party transactions and compensation of key management

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of Chief Executive Officer and President, Chief Financial Officer, Vice President and Director. Compensation awarded to key management has been recorded at the exchange amount, being the amount agreed to by the respective parties, and is with respect to short-term compensation and was conducted in the normal course of business. Amounts are summarized as follows:

	Three months ended February 28, 2019 $	Three months ended February 28, 2018 $	Six months ended February 28, 2019 $	Six months ended February 28, 2018 $
Chief Executive Officer and President salary	62,500	26,100	125,000	52,100
Vice-President Corporate Development service contract fees	36,000	-	72,000	-
Chief Financial Officer service contract fees	26,291	29,396	60,952	57,307
Value of RSUs with officers expensed	3,450	9,725	7,475	58,175
Value of stock options with officers and directors expensed	25,927	28,261	51,854	63,177
Value of DSUs related to Director board meeting and committee fees	-	39,125	-	66,250
	154,168	132,607	317,281	297,009

As at February 28, 2019, a total of $24,251 (August 31, 2018 - $1,480) is included in accounts payable and accrued liabilities with respect to amounts due to key executive management for service contract obligations.

In addition to the above, Rampton Resource Group ("RRG"), a corporation controlled by a former Company director, charged the Company for shared services related to accounting, an office administrator, office rent and related office expenses in the amount of $42,341 during the six month period ended February 28, 2018. Office rent of $5,850 included in that total was in accordance with a rental agreement between RRG and a former independent director of the Company. The RRG shared services agreement was terminated effective February 28, 2018.

Certain management service contracts have included potential entitlements for restricted share unit grants in addition to cash compensation (see note 9). During July 2015, the Board approved a decision that all director fees, if any, would be settled by the issuance of DSUs versus cash.

The Company has management service agreements with each of its President and Chief Executive Officer, Vice President, Business Development and Chief Financial Officer which provide for a payment upon termination without cause. These payments are equivalent to 3 months' compensation for each of these individuals. The service agreements also provide that under certain conditions, including a change in control of the Company, that each of these individuals would be entitled to a lump sum payment equivalent to 6 months' compensation irrespective of whether their services were retained subsequent to the change in control.

11. Financial instruments and risk management

As at February 28, 2019, the Company's financial instruments include cash and cash equivalents, restricted deposits, accounts payable and accrued liabilities. Due to the short-term nature of these financial instruments the carrying values approximate their fair values.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, currency risk and interest rate risk. These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Company's annual financial statements as at August 31, 2018. There have been no changes in the Company's risk management policies or procedures since the year end.

12. Segmented information

The Company's operations comprise one reportable segment being the exploration and development of mineral resource properties. The Company's corporate and administrative offices are in Ontario, Canada. The Company's exploration property assets are in Jamaica and British Columbia, Canada. Long-term assets by geographic area are as follows:

	February 28, 2019			August 31, 2018		
	Equipment $	Mineral exploration properties $	Deferred exploration expenditures $	Equipment $	Mineral exploration properties $	Deferred exploration expenditures $
Canada	29,388	3,303,943	330,538	34,347	3,303,943	327,463
Jamaica	5,428	3,729,839	5,168,044	5,965	3,725,733	4,710,277
	34,816	7,033,782	5,498,582	40,312	7,029,676	5,037,740

(expressed in Canadian dollars)

13. Capital management

The Company's capital structure is comprised of shareholders' equity. The Company is not subject to externally imposed capital requirements. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs.

The Company monitors its capital structure using future forecasts of cash flows, particularly those related to its exploration programs.

The Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants. The Company's capital management objectives have remained unchanged over the periods presented in these consolidated financial statements.

14. Supplemental cash flow information

Non-cash transactions not reflected in the consolidated statements of cash flows are as follows:

	Six months ended February 28, 2019 $	Six months ended February 28, 2018 $
Exploration expenditures included in accounts payable and accrued liabilities	7,926	316,910
Depreciation of field vehicle and equipment charged to exploration expenditures	5,457	3,961
Interest accrued on bridge loans and promissory notes	-	33,126
Shares issued for vested RSUs	6,900	-
Shares issued for vested DSUs	165,209	-

15. Subsequent events

Rogers Creek option agreement / Tocvan Ventures Corp.
During March 2019, the Company received the initial consideration payable under the terms of the option agreement for the Rogers Creek, BC property following Tocvan's going public transaction and commencement of trading on the Canadian Securities Exchange. This initial consideration included cash of $25,000 and 500,000 common shares of Tocvan.

Staking of Stewart Brook Gold project, Nova Scotia
On April 9, 2019, the Company announced it had acquired, through staking, a 100% interest in 300 mineral claims covering the Stewart Brook Gold project area comprising over 46 square kilometres in Guysborough County, Nova Scotia.