NuLegacy Gold

CORPORATION

Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2019 and 2018

(Expressed in Canadian Dollars – Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars – Unaudited)

	Note		September 30, 2019		March 31, 2019
Assets					
Current assets					
Cash and cash equivalents		$	**1,390,736**	$	2,611,261
Receivables			**18,878**		22,421
Prepaid expenses	8		**158,126**		182,260
Available for sale financial assets	3		**134,943**		82,924
			1,702,683		2,898,866
Non-current assets					
Deposits	4		**420,666**		399,454
Fixed assets	5		**106,205**		179,920
Exploration and evaluation assets	6		**26,739,181**		25,897,431
		$	**28,968,735**	$	29,375,671
Liabilities and Shareholders' Equity					
Current liabilities					
Trade and other payables	7,8	$	**232,754**	$	230,479
Share subscription payable	14		**535,151**		-
			767,905		**230,479**
Shareholders' Equity					
Share capital	9		**41,588,790**		41,588,790
Warrants reserve	9		**6,941,973**		6,941,973
Share options reserve	9		**7,041,430**		6,757,480
Revaluation reserve			**(3,159,158)**		(3,216,548)
Accumulated deficit			**(24,212,205)**		(22,926,503)
			28,200,830	$	29,145,192
		$	**28,968,735**	$	29,375,671

Corporate Information and Going Concern (Note 1)
Subsequent Event (Note 14)

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

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars – Unaudited)

		Three months ended September 30,		Six months ended September 30,	
	Note	**2019**	2018	**2019**	2018
Operating Expenses					
Consulting		$ **48,822**	$ 36,923	$ **87,138**	$ 38,123
Depreciation	5	**18,360**	27,669	**39,558**	55,859
Directors fees		**-**	27,500	**-**	57,500
Insurance		**10,425**	11,644	**19,644**	22,223
Investor relations		**22,458**	116,323	**45,301**	175,044
Management fees	8	**208,800**	173,800	**312,600**	337,600
Office and administration	8	**112,846**	123,158	**212,705**	230,019
Professional fees	8	**32,822**	28,447	**57,933**	51,219
Regulatory and transfer agent		**20,245**	27,498	**35,405**	42,831
Rent		**38,651**	31,755	**76,545**	66,420
Share based payments	8,9	**174,386**	279,743	**283,950**	619,160
Travel and accomodation		**39,581**	44,655	**81,833**	95,393
		$ **727,396**	$ 929,115	$ **1,252,612**	$ 1,791,391
Other items					
Foreign exchange gain (loss)		**16,605**	(30,057)	**(26,126)**	30,934
Interest income		**36**	17,824	**199**	34,843
Loss on sale of assets		**-**	-	**(7,163)**	-
		16,641	(12,233)	**(33,090)**	65,777
Net loss for the period		$ **(710,755)**	$ (941,348)	$ **(1,285,702)**	$ (1,725,614)
Other comprehensive loss					
Net change in fair value of available for sale financial assets	3	**57,390**	(187,992)	**57,390**	(209,477)
Comprehensive loss for the period		$ **(653,365)**	$ (1,129,340)	$ **(1,228,312)**	$ (1,935,091)
Basic and diluted loss per share					
Net loss for the period	9	$ **0.00**	$ 0.00	$ **(0.01)**	$ (0.01)
Comprehensive loss for the period		$ **0.00**	$ 0.00	$ **(0.01)**	$ (0.01)
Weighted average common shares outstanding		**307,173,804**	303,110,037	**307,173,804**	298,473,045

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

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

	Six months ended September 30,	
	2019	2018
Operating activities		
Net loss for the period	$ **(1,285,702)**	$ (1,725,614)
Items not affecting cash and cash equivalents		
Depreciation	**39,558**	55,859
Share based payments	**283,950**	619,160
Unrealized gains	**5,371**	24,017
Loss on sale of assets	**7,163**	-
Changes in non-cash working capital		
Receivables	**22,260**	19,064
Prepaid expenses and deposits	**24,134**	(36,565)
Trade and other payables	**(46,315)**	(19,910)
Total cash outflows from operating activities	$ **(949,581)**	$ (1,063,989)
Financing activities		
Proceeds from issuance of common shares	**-**	2,537,742
Share issuance costs	**-**	(56,528)
Proceeds from exercise of stock options	**-**	52,500
Share subscriptions received	$ **535,151**	$ -
Total cash inflows from financing activities	$ **535,151**	$ 2,533,714
Investiing activities		
Proceeds from sale of fixed assets	$ **30,213**	$ -
Deposits	**(21,212)**	(1,322)
Purchased of fixed assets	**(3,219)**	(12,116)
Exploration and evaluation asset expenditures	**(811,877)**	(2,774,344)
Total cash outflows from investing activities	$ **(806,095)**	$ (2,787,782)
Net change in cash and cash equivalents	$ **(1,220,525)**	$ (1,318,057)
Cash and cash equivalents, beginning of period	**2,611,261**	7,340,701
Cash and cash equivalents, end of period	$ **1,390,736**	$ 6,022,644
Other non-cash items		
Change in fair market value of available for sale financial assets	$ **57,390**	$ 209,477
Warrants issued in private placement	**-**	598,062
Warrants issued as finders' fee	**-**	6,789
Exploration and evaluation assets in trade and other payables	**29,873**	71,887
Transfer to share capital on exercise of options	**-**	18,970
Supplementary disclosures:		
Interest received	$ **199**	$ 59,656
Cash	$ **1,390,736**	$ 1,138,496
Cash equivalents	**-**	4,884,148
	$ **1,390,736**	$ 6,022,644

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

NULEGACY GOLD CORPORATION
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars – Unaudited)

	Note	Number of shares	Share capital	Share subscription received	Warrants reserve	Share options reserve	Revaluation reserve	Accumulated deficit	Total
Balance, March 31, 2018		293,785,096	$ 39,590,192	$ -	$ 6,337,122	$ 5,756,923	$ (2,957,287)	$ (19,697,635)	$ 29,029,315
Share subscription received	9	-	-	252,500	-	-	-	-	252,500
Share based payments	9	-	-	-	-	339,417	-	-	339,417
Comprehensive loss for the period		-	-	-	-	-	(21,485)	(784,266)	(805,751)
Balance, June 30, 2018		**293,785,096**	**39,590,192**	**252,500**	**6,337,122**	**6,096,340**	**(2,978,772)**	**(20,481,901)**	**28,815,481**
Shares issued, private placements	9	13,038,708	2,590,242	(252,500)	-	-	-	-	2,337,742
Share issuance costs, private placements	9	-	(65,052)	-	6,789	-	-	-	(58,263)
Share purchase warrants, private placement	9	-	(598,062)	-	598,062	-	-	-	-
Shares issued, exercise of stock options	9	350,000	71,470	-	-	(18,970)	-	-	52,500
Share based payments	9	-	-	-	-	680,110	-	-	680,110
Comprehensive loss for the period		-	-	-	-	-	(237,776)	(2,444,602)	(2,682,378)
Balance, March 31, 2019		307,173,804	41,588,790	-	6,941,973	6,757,480	(3,216,548)	(22,926,503)	29,145,192
Share subscription received				535,151					
Share based payments	9	-	-	-	-	283,950	-	-	283,950
Comprehensive loss for the period		-	-	-	-	-	57,390	(1,285,702)	(1,228,312)
Balance, September 30, 2019		**307,173,804**	**$ 41,588,790**	**$ 535,151**	**$ 6,941,973**	**$ 7,041,430**	**$ (3,159,158)**	**$ (24,212,205)**	**$ 28,200,830**

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

1. Corporate Information and Going Concern

Corporate Information

NuLegacy Gold Corporation (the "Company") is a publicly listed entity on the TSX Venture Exchange (the "Exchange") and incorporated under the laws of the Province of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in Nevada, USA.

The head office, principal address, and records office of the Company are located at 1055 West Hastings Street, Suite 300, Vancouver, British Columbia, Canada, V6E 2E9.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including increases in taxes and royalties, renegotiations of contracts, currency exchange fluctuations and political uncertainty. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Going Concern

These condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and/or to achieve profitable operations. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The continuance of the Company's operations is dependent on obtaining sufficient additional financing in order to realize the recoverability of the Company's investments in exploration and evaluation assets, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. The Company believes it has sufficient working capital to maintain operations for the next 12 months.

2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting", using accounting policies that are consistent and in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements, including the comparative amounts, were approved and authorized for issue by the board of directors on November 27, 2019.

Basis of presentation
The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss and available for sale that have been measured at fair value at the reporting date. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise indicated.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's consolidated financial statements for the year ended March 31, 2019, with the exception of certain amendments to accounting standards issued by the IASB, which were applicable from April 1, 2019. These amendments did not have a significant impact on the Company's condensed interim consolidated financial statements.

The Company's interim results are not necessarily indicative of its results for a full year.

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended March 31, 2019.

Basis of consolidation
These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, NuLegacy Gold N.V., which was incorporated in Nevada, USA. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Significant accounting judgments, estimates and assumptions
The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share based compensation and income taxes.

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

(a) Economic recoverability and probability of future economic benefits of exploration and evaluation assets:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

(a) Valuation of share based payments and warrants:

The Company uses the Black-Scholes Option Pricing Model for valuation of share based compensation and for the valuation of warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and share option reserves.

(b) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

Leases

On April 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company applied IFRS 16 as at April 1, 2019 using a cumulative catch-up approach where leases will be recorded prospectively from that date forward and will not restate comparative information. Right-of-use assets will be recorded based on the lease liabilities determined as at April 1, 2019 and, as a result, there will not be a deficit adjustment on transition.

The Company has one office lease that expires on May 31, 2020 and is determined to be a short-term lease. The lease payments included for the current period totaled $37,760.

(Expressed in Canadian dollars – Unaudited)

Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

3. Available for Sale Financial Assets

In March 2014, the Company completed a share exchange financing transaction with Global Resources Investment Ltd. ("GRIT"), a U.K. based public company which trades on the London Stock Exchange ("LSE"), whereby the Company issued 20,000,000 common shares at a price of $0.16 per share ($3,200,000) in return for 1,731,200 GRIT common shares at a deemed issue price of £1.00 per share, equivalent to $3,210,510 on the transaction date. In July 2017, the Company exchanged its 1,731,200 GRIT common shares with another Company for 1,904,320 GRIT common shares which were subject to a transfer restriction. The transfer restriction expired in July 2017.

The fair value of GRIT common shares as at September 30, 2019 was $134,943 (March 31, 2019 – $82,924). During the six months ended September 30, 2019, the Company recorded a revaluation reserve gain on the investment of $57,390 (September 30, 2018 – loss of $209,477) and an unrealized foreign exchange loss of $5,370 (September 30, 2018 – $24,018).

There is a 3% finder's fee payable on the net proceeds from the future sale of the GRIT shares.

4. Deposits

		September 30, 2019		March 31, 2019
Credit card collateral	$	62,034	$	62,310
Reclamation bonds		352,437		328,799
Security deposits		6,195		8,345
	$	420,666	$	399,454

(Expressed in Canadian dollars – Unaudited)

5. Fixed Assets

		Computers		Vehicles		Equipment		Leasehold Improvements		Total
Cost										
As at March 31, 2018		194,840		158,132		64,093		29,509		446,574
Additions		19,715		-		-		-		19,715
As at March 31, 2019		214,555		158,132		64,093		29,509		466,289
Additions		3,219		-		-		-		3,219
Disposals for the period				(76,667)		-		-		(76,667)
As at September 30, 2019	$	217,774	$	81,465	$	64,093	$	29,509	$	392,841
Accumulated depreciation										
As at March 31, 2018		125,447		42,196		8,781		4,426		180,850
Charge for the period		55,171		31,627		12,819		5,902		105,519
As at March 31, 2019		180,618		73,823		21,600		10,328		286,369
Charge for the period		19,496		10,702		6,409		2,951		39,558
Disposals for the period		-		(39,291)		-		-		(39,291)
As at September 30, 2019	$	200,114	$	45,234	$	28,009	$	13,279	$	286,636
Net book value										
As at March 31, 2019	$	33,937	$	84,309	$	42,493	$	19,181	$	179,920
As at September 30, 2019	**$**	**17,660**	**$**	**36,231**	**$**	**36,084**	**$**	**16,230**	**$**	**106,205**

(Expressed in Canadian dollars – Unaudited)

6. Exploration and Evaluation Assets

	Red Hill Properties			
	Iceberg Property	Wilson Property	Coal Canyon	Total
Balance March 31, 2018	$ 18,992,051	$ 1,595,969	-	$ 20,588,020
Acqusition		20,250	-	20,250
Assays	365,812	-	-	365,812
Drilling	2,703,737	-	-	2,703,737
Geological consulting and salaries	1,422,180	-	-	1,422,180
Geophysics	137,177	-	-	137,177
Miscellaneous	111,033	-	-	111,033
Property maintenance	169,770	104,660	21,380	295,810
Travel and vehicle	253,412	-	-	253,412
Total Additions	$ 5,163,121	$ 124,910	$ 21,380	$ 5,309,411
Balance March 31, 2019	$ 24,155,172	$ 1,720,879	$ 21,380	$ 25,897,431
Assays	2,974	-	-	2,974
Drilling	91,898	-	-	91,898
Geological consulting and salaries	278,850	22,956	-	301,806
Geophysics	49,169	-	-	49,169
Miscellaneous	42,394	-	-	42,394
Property maintenance	190,190	112,127	14,898	317,215
Travel and vehicle	36,294	-	-	36,294
Total Additions	$ 691,769	$ 135,083	$ 14,898	$ 841,750
Balance September 30, 2019	**$ 24,846,941**	**$ 1,855,962**	**$ 36,278**	**$ 26,739,181**

Eureka County, Nevada

Iceberg Property:

On September 16, 2010 (later amended on August 23, 2012), the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Exploration Inc. ("Barrick") for a 70% undivided interest in 818 unpatented mining claims in the Iceberg Property located in Eureka County, Nevada, U.S.A. Under the amended agreement, the Company had to incur a minimum of US$5,000,000 in exploration or development expenditures on the Iceberg Property (inclusive of maintenance fees) by December 31, 2015. In September 2015, the Company completed this US$5,000,000 expenditure requirement and earned its 70% undivided interest in the property.

In February 2016, the Company entered into an exchange agreement with Barrick to acquire their 30% interest in the property. Pursuant to the terms of the exchange agreement, the Company issued 32,000,000 common shares (Note 9) to Barrick and granted a 2% net profits interest royalty from commercial production on the property. As a result of this transaction, the Company increased its working interest in the Iceberg Property to 100%.

(Expressed in Canadian dollars – Unaudited)

Wilson Property:

On October 18, 2010, the Company entered into a mining lease ("Lease") with Idaho Resources Corp. ("Idaho"), in which Idaho granted to the Company exclusive possession and control to explore, develop, mine and operate on the Idaho Property, which consists of 482 unpatented mining claims.

On November 7, 2012 (later amended in January 2016), the Company entered into a restated mining lease whereby future requirements for exploration expenditures were eliminated. In order to maintain the Lease, the Company must make the following annual advance royalty payments:

- $75,000 of annual payments and issue 200,000 shares prior to execution of the restated mining lease (paid and issued);
- $25,000 payment and issue 100,000 shares on January 1, 2014 and January 1, 2015 (paid and issued); and
- $12,500 payment on January 1st, April 1st, July 1st and October 1st of all succeeding years (paid for the 2017 calendar year).

On July 9, 2017, the Company amended the agreement with Idaho. The quarterly payments of $12,500 due each year have been replaced with one annual payment of $15,000 due on January 1 of each year commencing on January 1, 2018. The amendment also includes a minimum exploration or development expenditure requirement of $150,000 each calendar year commencing in 2018 and in all succeeding calendar years until commercial production commences.

After an initial term of 10 years, the Lease will continue in full force and effect provided that the Company continues to maintain the property in good standing and make the requisite annual cash payments to Idaho. Upon commencement of commercial production, the annual cash payments will convert to an overriding royalty of 3% of the applicable royalty base on all gold, silver and other ores/metals from the property.

Coal Canyon:

Sixty-four lode mining claims (5.1 km^2) contiguous to the western margin of the Vio area were staked the first of September 2018 to control a highly prospective area. This brings the Red Hill land holding to a total of 108 km^2. The Coal Canyon claims contain both Carlin-type and epithermal-type targets.

7. Trade and Other Payables

		September 30, 2019		March 31, 2019
Trade payables and accruals	$	189,221	$	188,205
Related party payables		43,533		42,274
	$	232,754	$	230,479

(Expressed in Canadian dollars – Unaudited)

8. Related Party Transactions

During the six months ended September 30, 2019, the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed interim consolidated financial statements:

- Paid or incurred professional fees of $48,330 (September 30, 2018 - $26,964) and share issuance costs of $nil (September 30, 2018 - $26,545) to a company controlled by an officer of the Company. As at September 30, 2019, $16,378 (March 31, 2019 - $11,867) was included in trade and other payables owing to this company for unpaid professional fees.

As at September 30, 2019, $27,155 (March 31, 2019 - $30,407) was included in trade and other payables owing to officers and a director of the Company for reimbursement of expenses and professional fees.

All related party amounts were incurred in the normal course of operations, bear no interest and have no fixed terms of repayment.

Summary of key management personnel compensation:

	Six months ended September 30, 2019	2018
Exploration and evaluation assets	$ 6,010	$ -
Management fees	312,600	327,600
Consulting	80,263	-
Office	14,800	20,019
Professional fees	38,791	26,964
Share issuance costs	9,539	26,545
Share based payments	144,856	327,562
	$ 606,859	$ 728,690

9. Share Capital and Reserves

Authorized Share Capital

Unlimited common shares without par value

Issued Share Capital

	Shares	Share capital - gross	Share issue costs	Share capital - net
Balance, March 31, 2018	293,785,096	$ 41,108,261	$ 1,518,069	$ 39,590,192
Private placement	13,038,708	1,992,180	65,052	1,927,128
Exercise of stock options	350,000	71,470	-	71,470
Balance, March 31, 2019 and September 30, 2019	307,173,804	$ 43,171,911	$ 1,583,121	$ 41,588,790

i. During the six months ended September 30, 2019, there were no changes to share capital.

ii. During the six months ended September 30, 2018, there were no changes to share capital.

(Expressed in Canadian dollars – Unaudited)

Warrants

A summary of the warrant activities is as follows:

	Number of shares		Weighted average exercise price
Balance, March 31, 2018	10,171,817	$	0.51
Issued	12,775,008		0.30
Expired	(10,171,817)		0.51
Balance, March 31, 2019 and September 30, 2019	**12,775,008**	**$**	**0.30**

Stock Options

The Company has a fixed stock-based compensation plan (the "Plan") providing for the grant of stock options to purchase a maximum of 25,000,000 common shares to eligible recipients.

During the six months ended September 30, 2019:

a. In August 2019, the Company granted 5,675,000 stock options exercisable at $0.10 per share to directors, employees and consultants of the Company, The fair value attributable to these stock options was $$238,532 using the Black Scholes option pricing model of which $74,456 was expensed during the six months ended September 30, 2019.

b. During the six months ended September 30, 2019, 1,400,000 stock options expired with an exercise price of $0.15.

During the year ended March 31, 2019:

a. In May 2018, the Company granted 750,000 stock options exercisable at $0.20 per share to a director of the Company. The fair value attributable to these stock options was $93,592 using the Black Scholes option pricing model of which $67,015 was expensed during the year.

b. In June 2018, the Company granted 600,000 stock options exercisable at $0.20 per share to employees and consultants of the Company. The fair value attributable to these stock options was $87,908 using the Black Scholes option pricing model of which $62,039 was expensed during the year.

c. In September 2018, the Company granted 650,000 stock options exercisable at $0.20 per share to a director of the Company. The fair value attributable to these stock options was $94,188 using the Black Scholes option pricing model of which $51,151 was expensed during the year.

d. During the year ended March 31, 2019, 4,900,000 stock options expired.

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with a range of assumptions for grants as follows:

	Six months ended September 30,	
	2019	**2018**
Risk-free interest rate	1.21%	2.04%
Expected life	5.0	5.0
Annualized volatility	1.0	101.09% to 101.17%
Dividend rate	-	-
Grant date fair value	$0.042	$0.125 to $0.147

(Expressed in Canadian dollars – Unaudited)

A summary of the stock options activities is as follows:

	Number of shares	Weighted average exercise price
Balance, March 31, 2018	31,775,000	$ 0.22
Granted	2,000,000	0.20
Forfeited	(200,000)	0.30
Exercised	(350,000)	0.15
Expired	(4,700,000)	0.16
Balance, March 31, 2019	28,525,000	0.21
Granted	5,675,000	0.10
Forfeited	(750,000)	0.26
Expired	(1,400,000)	0.15
Balance, September 30, 2019	32,050,000	$ 0.21

The following table summarizes information about the options outstanding and exercisable at September 30, 2019:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (years)
October 14, 2019	50,000	50,000	0.15	0.04
April 2, 2020	4,350,000	4,350,000	0.15	0.51
April 2, 2020	75,000	75,000	0.15	0.51
November 16, 2020	3,275,000	3,275,000	0.15	1.13
February 24, 2021	325,000	325,000	0.15	1.41
June 6, 2021	700,000	700,000	0.30	1.66
July 18, 2021	400,000	400,000	0.31	1.80
September 1, 2021	300,000	300,000	0.27	1.92
September 21, 2021	535,000	535,000	0.40	1.98
November 14, 2021	750,000	625,000	0.325	2.13
November 23, 2021	2,710,000	2,710,000	0.325	2.15
January 24, 2022	750,000	625,000	0.325	2.32
February 15, 2022	150,000	125,000	0.325	2.38
March 15, 2022	150,000	125,000	0.325	2.46
June 1, 2022	350,000	262,500	0.325	2.67
August 16, 2022	100,000	100,000	0.250	2.88
September 23, 2022	8,655,000	7,670,840	0.235	2.96
November 18, 2022	500,000	291,667	0.235	3.14
February 12, 2023	250,000	166,666	0.20	3.37
May 8, 2023	750,000	375,000	0.20	3.61
June 1, 2023	600,000	299,998	0.20	3.67
September 1, 2023	650,000	324,999	0.20	3.92
August 9, 2024	5,675,000	-	0.10	4.89
	32,050,000	**23,711,670**		

The weighted average life of stock options outstanding at September 30, 2019 is 2.63 years.

Loss per share
The effect of dilutive securities including options and warrants has not been shown as the effect of all such securities is anti-dilutive.

(Expressed in Canadian dollars – Unaudited)

10. Segmented Information

Operating segment:
The Company operates in one operating segment, which is mineral exploration in the United States.

Geographic segments:
The Company operates in two geographic segments: Canada and the United States.

	September 30, 2019	March 31, 2019
Non-current assets		
Canada	$ 75,017	$ 90,077
United States	27,191,035	26,386,728
	$ 27,266,052	$ 26,476,805

11. Financial Instruments and Risk Management

Fair values

The Company has the following financial instruments carried at fair value:

		Fair Value	
Financial Assets	**Financial instrument classification**	**September 30, 2019**	**March 31, 2019**
Cash and cash equivalents	Fair value through profit or loss	$ 1,390,736	$ 2,611,261
GRIT common shares	Available for sale	134,943	82,924
		$ **1,525,679**	$ **2,694,185**

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value that are not observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All financial instruments measured at fair value use level 1 valuation techniques in each period, being the closing bid price of the shares as quoted on a public exchange, or, where not quoted, as determined by the share of fair values of the underlying net assets of the investee.

(Expressed in Canadian dollars – Unaudited)

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at September 30, 2019:

	Quoted prices in active markets for identical assets (Level 1)	Signficant other observable inputs (Level 2)	Signifcant unobservable inputs (Level 3)	Total
Cash and cash equivalents	$ 1,390,736	$ -	$ -	$ 1,390,736
GRIT common shares	134,943	-	-	134,943
	$ 1,525,679	$ -	$ -	$ 1,525,679

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at September 30, 2018:

	Quoted prices in active markets for identical assets (Level 1)	Signficant other observable inputs (Level 2)	Signifcant unobservable inputs (Level 3)	Total
Cash and cash equivalents	$ 6,022,644	$ -	$ -	$ 6,022,644
GRIT common shares	128,542	-	-	128,542
	$ 6,151,186	$ -	$ -	$ 6,151,186

There were no transfers between levels of the fair value hierarchy during the six months ended September 30, 2019.

The aggregate fair value of investments with unrealized losses is:

	Fair Value	Unrealized Loss
As at September 30, 2019		
GRIT common shares	$ 134,943	$ 3,159,158
As at September 30, 2018		
GRIT common shares	$ 128,542	$ 3,166,764

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is nominal.

(ii) 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 liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation. Management typically forecasts cash flows for a period of six to twelve months to identify financing requirements. These requirements are then addressed primarily through access to capital markets. All of the Company's financial liabilities mature within one year.

(iii) Interest rate risk:

Interest rate risk is the risk of financial loss to the Company if market rates of interest were to change adversely. The Company's exposure to interest rate risk is not material.

(iv) Foreign currency risk:

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate.

The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company conducts business outside of Canada. As such, it is subject to risk due to fluctuations in the exchange rates for the United States dollar and Euros. As at September 30, 2019 , the Company has cash and cash equivalents denominated in US dollars of $730,826 (March 31, 2019 - $1,861,475), deposits in US dollars of $289,131 (March 31, 2019 - $269,052) and trade and other payables in US dollars of $81,004 (March 31, 2019 - $66,917). Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately USD $9,390 (March 31, 2019 – USD $20,835).

In addition, the Company holds an investment that is denominated in British Pounds (£). As such, it is subject to fluctuations in the exchange rates for the Canadian dollar and British Pounds. As at September 30, 2019, the Company has an available for sale investment denominated in British Pounds of £82,838 (March 31, 2019 - £47,608). Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £828 (March 31, 2019 - £476).

(iv) Other price risk:

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments.

The equity price risk associated with the Company's current available for sale investment primarily relates to the change in the market prices of the investments in the portfolio. As at September 30, 2019, the Company owned 1,904,320 (March 31, 2019 – 1,904,320) GRIT common shares with each common share valued at £0.044 or $0.07 (March 31, 2019 - £0.03 or $0.04). Each £0.01 change in the value per common share will result in a gain/loss of approximately £19,043 or $31,021 (March 31, 2019 - £19,043 or $33,169).

12. Capital Disclosure and Management

The Company's capital management policy is to maintain a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of $28,200,830 (March 31, 2019 - $29,145,192). In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels. The Company is not subject to externally imposed capital requirements other than as noted above.

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

13. Commitments

On June 1, 2019, the Company entered into an office rental agreement that expires May 31, 2020. The agreement requires monthly rental payments of $7,645. The agreement may be terminated by the Company or the landlord by giving at least 2 calendar months plus 5 business days written notice to the other party or paying equivalent rent in leu of proper notice.

14. Subsequent Event

On October 8, 2019, the Company completed a marketed private placement of 100,000,000 units (the "Units") at a price of $0.075 per unit for aggregate gross proceeds of $7,500,000.

Each Unit consists of one common share and one-half of one common share purchase warrant (each full warrant, a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.12 for a period of 36 months following the closing.