Victory Metals Inc.

(formerly Ripper Oil and Gas Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2019 AND 2018

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM 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 these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

Victory Metals Inc. (formerly Ripper Oil and Gas Inc.)
Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2019 $	March 31, 2019 $
ASSETS			
Current assets			
Cash		464,594	1,658,615
Short-term investments		2,500,000	3,000,000
GST receivable		10,681	18,597
Interest receivable		30,167	-
Accounts receivable		8,546	-
Prepaid expenses		106,672	142,107
Total current assets		3,120,660	4,819,319
Non-current assets			
Exploration and evaluation assets	4	7,129,486	3,099,929
Total non-current assets		7,129,486	3,099,929
Total Assets		10,250,146	7,919,248
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		206,737	542,843
Total current liabilities		206,737	542,843
EQUITY			
Share capital	6	36,940,172	33,322,172
Reserves	6	2,433,604	2,102,198
Subscriptions received	6	500,000	-
Deficit		(29,830,367)	(28,047,965)
Total equity		10,043,409	7,376,405
Total Equity and Liabilities		10,250,146	7,919,248

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)
SUBSEQUENT EVENTS (Note 12)

These consolidated financial statements are authorized for issue by the Board of Directors on November 19, 2019. They are signed on the Company's behalf by:

"Craig Roberts" , Director

"*Doug Forster*" , Director

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

Victory Metals Inc. (formerly Ripper Oil and Gas Inc.)
Consolidated Interim Statements of (Loss) Income and Comprehensive (Loss) Income
(Unaudited - Expressed in Canadian Dollars)

		Three months ended September 30,		Six months ended September 30,	
		2019	2018	2019	2018
	Note	$	$	$	$
Expenses					
Advertising		26,658	-	62,431	-
Consulting		69,000	-	140,000	-
Management and directors fees	7	239,768	-	1,015,380	-
Office and sundry		27,306	62	82,410	1,367
Professional fees		51,973	-	51,973	-
Share-based compensation	7	-	-	331,406	-
Transfer agent and regulatory fees		3,273	-	34,388	-
Travel		23,800	-	70,945	-
Loss from operating activities		(441,778)	(62)	(1,788,933)	(1,367)
Debt forgiveness from New Found Gold Corp.	5	-	-	-	679,971
Foreign exchange loss (gain)		9,432	7	29,332	(4,997)
Interest income		(16,334)	-	(35,863)	-
Income (loss) and comprehensive income (loss) for the period		(434,876)	(69)	(1,782,402)	683,601
(Loss) earnings per share – basic and diluted ($)		(0.00)	(0.00)	(0.02)	0.04
Weighted average number of common shares outstanding – basic and diluted		90,387,800	17,930,436	89,241,407	17,930,436

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

Victory Metals Inc. (formerly Ripper Oil and Gas Inc.)
Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six months ended September 30, 2019 $	2018 $
Cash flows from operating activities		
(Loss) income for the period	(1,782,402)	683,601
Adjustments for:		
Debt forgiveness from New Found Gold Corp.	-	(679,971)
Interest income	(30,167)	-
Share-based compensation	331,406	-
Unrealized foreign exchange gain	(3,467)	(4,997)
	(1,484,630)	(1,367)
Change in non-cash working capital items:		
Decrease in GST receivable	7,916	-
(Increase) in accounts receivable	(8,546)	-
(Increase) decrease in prepaid expenses	(5,253)	1,367
Increase in accounts payable and accrued liabilities	5,055	-
Net cash used in operating activities	(1,485,458)	-
Cash flows from investing activities		
Expenditures on exploration and evaluation assets	(4,326,563)	-
Redemption of short-term investments	500,000	-
Net cash used in investing activities	(3,826,563)	-
Cash flows from financing activities		
Issuance of common shares in private placement	3,618,000	-
Subscriptions received	500,000	-
Net cash from financing activities	4,118,000	-
Net (decrease) in cash	(1,194,021)	-
Cash at beginning of period	1,658,615	-
Cash at end of period	464,594	-

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 8)

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

Victory Metals Inc. (formerly Ripper Oil and Gas Inc.)
Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves			
	Number of shares[(1)]	Amount $	Equity settled share-based payments $	Subscriptions received $	Deficit $	Total equity $
Balance at March 31, 2018	17,930,436	19,244,360	-	-	(19,244,360)	-
Total comprehensive income for the period	-	-	-	-	683,601	683,601
Balance at September 30, 2018	17,930,436	19,244,360	-	-	(18,560,759)	683,601
Acquisition (note 3)	41,837,681	6,275,653	-	-	-	6,275,653
Share issuance cost – finders shares (note 3)	2,434,741	852,159	-	-	-	852,159
Shares issued in private placement	17,514,942	6,130,230	-	-	-	6,130,230
Finders shares issued in private placement	-	(180,230)	-	-	-	(180,230)
Convertible loan	5,000,000	1,000,000	-	-	-	1,000,000
Share-based compensation	-	-	2,102,198	-	-	2,102,198
Total comprehensive (loss) for the period	-	-	-	-	(9,487,206)	(9,487,206)
Balance at March 31, 2019	84,717,800	33,322,172	2,102,198	-	(28,047,965)	7,376,405
Shares issued in private placement	5,670,000	3,789,900	-	-	-	3,789,900
Finders shares issued in private placement	-	(180,900)	-	-	-	(180,900)
Share-based compensation	-	-	331,406	-	-	331,406
Subscriptions received	-	-	-	500,000	-	500,000
Total comprehensive (loss) for the period	-	-	-	-	(1,782,402)	(1,782,402)
Balance at September 30, 2019	90,387,800	36,940,172	2,433,604	500,000	(29,830,367)	10,043,409

(1) On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share. Comparative periods have been retroactively restated.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTIANTY

Victory Metals Inc. (formerly Ripper Oil and Gas Inc.) (the "Company") was originally incorporated on October 20, 2000, under the Business Corporations Act in the province of Alberta and on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share and completed the Acquisition described in Note 3. Comparative periods have been retroactively restated in these condensed consolidated interim financial statements with respect to the share consolidation. Upon closing of the Acquisition, the Company acquired all of the outstanding common shares of Brownstone Ventures (US) Inc., a wholly-owned subsidiary of Casino Gold Corp. On February 1, 2019, the Company changed its name to Victory Metals Inc. and on February 8, 2019 commenced trading on the TSX Venture Exchange ("TSX-V") under the ticker symbol "VMX". The Acquisition was considered a reverse takeover for accounting purposes, and Brownstone Ventures (US) Inc. ("Brownstone") is considered the continuing entity. Accordingly, the comparative periods are those of Brownstone.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company's exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at September 30, 2019, the Company had an accumulated deficit of $29,830,367 and shareholder's equity of $10,043,409. In addition, the Company has working capital of $2,913,923, consisting primarily of cash and short-term investments, and negative cash flow from operating activities of $1,485,458. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These items may cast a significant doubt on the company's ability to continue as a going concern.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on November 19, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Statement of compliance

The Company's condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standards 34 "Interim Financial Reporting".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the six month period ended March 31, 2019, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part I of the Handbook of the Chartered Professional Accountants of Canada.

The policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent annual financial statements and were consistently applied to all the periods presented.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary as follows:

	Place of Incorporation	Principal Activity
Brownstone Ventures (US) Inc.	Delaware, USA	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

d) Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Critical accounting estimates

- The valuation of share based payments. The fair value of common share purchase options granted is determined at the issue date using the black-Scholes pricing model. The fair value of common shares issued for finders fees are based on the closing price of the transaction those fees pertain to.

- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

(ii) Critical accounting judgments

- Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at September 30, 2019.

e) New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The mandatory effective date of IFRS 16 for the Company is for the annual period beginning on or after October 1, 2019. The Company has completed a preliminary assessment and determined there will be no material impact from adopting IFRS 16.

(Expressed in Canadian Dollars Unless Otherwise Noted)

3. ACQUISITION OF BROWNSTONE VENTURES (US) INC.

On October 1, 2018, the Company entered into a letter of intent ("LOI") with Casino Gold Corp. ("Casino Gold"), pursuant to which the Company agreed to acquire all of the issued and outstanding securities of Brownstone, a wholly-owned subsidiary of Casino Gold (the "Acquisition"). The Acquisition constitutes a reverse takeover (the "Transaction") of the Company under the policies of the TSX Venture Exchange as the former shareholders of Brownstone acquired control of the Company.

On January 31, 2019, the Transaction was completed and Brownstone became a wholly-owned subsidiary of the Company. Pursuant to the Transaction, Casino Gold Corp. received an aggregate of 41,837,681 post-consolidation common shares as consideration for the sale of the Company. The Company paid finder's fees of 2,434,741 post-consolidation common shares to certain finders in connection with the Acquisition.

Purchase price – value of equity instruments issued	$ 6,275,653
Value of finders shares issued	852,159
Transaction costs	114,748
Total Consideration	$ 7,242,560
Assets	
Cash	512,656
Amounts receivable	53
Total Assets	512,709
Liabilities	
Accounts payable and accrued liabilities	1,109
Total Liabilities	1,109
Listing expense	$ 6,730,960

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at September 30, 2019 and March 31, 2019:

Six months ended September 30, 2019	Iron Point (i) $	Other $	Total $
Acquisition Costs			
Balance as at March 31, 2019	855,023	16,561	871,584
Additions			
Land claim payments and acquisition costs	117,558	77,859	195,417
Balance as at September 30, 2019	972,581	94,420	1,067,001
Exploration Costs			
Balance as at March 31, 2019	2,228,345	-	2,228,345
Drilling	3,258,458	-	3,258,458
Environmental	101,072	-	101,072
Exploration	78,151	-	78,151
Geochemistry	56,370	-	56,370
Metallurgy	174,424	-	174,424
Resource estimate	42,052	-	42,052
Other	117,833	-	117,833
Staking	1,794	3,987	5,781
Balance as at September 30, 2019	6,058,498	3,987	6,062,485
Total Exploration and Evaluation Assets			
Balance as at September 30, 2019	7,031,079	98,407	7,129,486

Period ended March 31, 2019	Iron Point (i) $	Other $	Total $
Acquisition Costs			
Balance as at September 30, 2018	599,502	632,317	1,231,819
Additions			
Land claim payments and acquisition costs	255,521	16,561	272,082
Disposals			
Sale of non-Iron Point assets	-	(632,317)	(632,317)
Balance as at March 31, 2019	855,023	16,561	871,584
Exploration Costs			
Balance as at September 30, 2018	105,408	214,252	319,660
Drilling	1,684,220	-	1,684,220
Environmental	14,827	-	14,827
Exploration	92,239	-	92,239
Geochemistry	33,498	-	33,498
Geological information systems and mapping	21,761	-	21,761
Metallurgy	165,821	-	165,821
Resource estimate	39,697	-	39,697
Other	70,874	-	70,874
Sale of non-Iron Point assets	-	(214,252)	(214,252)
Balance as at March 31, 2019	2,228,345	-	2,228,345
Total Exploration and Evaluation Assets			
Balance as at March 31, 2019	3,083,368	16,561	3,099,929

(Expressed in Canadian Dollars Unless Otherwise Noted)

4. EXPLORATION AND EVALUATION ASSETS (continued)

(i) Iron Point Project

As at September 30, 2019, the Company owns 690 unpatented lode claims (2018 – 594) located in the Iron Point mining district, in Humboldt County, Nevada (USA). Each claim is comprised of 20.66 acres of area.

On October 10, 2018, the Company entered into an option agreement with a third party to earn 100% interest in one unpatented Claim (Silver Coin). The Company agreed to the following payments:

Payment due date	Amount $
Five days from October 10, 2018 (paid)	64,695 (US$50,000)
October 24, 2019 (paid)	65,435 (US$50,000)
October 24, 2020	65,435 (US$50,000)
October 24, 2021	196,305 (US$150,000)

On October 24, 2018, the Company entered into an option agreement with Canarc Resources Corp. to earn 100% interest in four patented Claims (Silver King). The Company agreed to grant a 2% NSR upon commencement of commercial production for minerals from these claims and the following payments:

Payment due date	Amount $
Five days from October 24, 2018 (paid)	15,725 (US$12,000)
October 24, 2019 (paid)	15,704 (US$12,000)
October 24, 2020	15,704 (US$12,000)
October 24, 2021	15,704 (US$12,000)
October 24, 2022	15,704 (US$12,000)
October 24, 2023	15,704 (US$12,000)
October 24, 2024	15,704 (US$12,000)
October 24, 2025	15,704 (US$12,000)
October 24, 2026	15,704 (US$12,000)
October 24, 2027	15,704 (US$12,000)
October 24, 2028	157,044 (US$120,000)

The Company has the option of purchasing half of this 2% NSR for $1,308,700 (US$1,000,000).

On May 16, 2019, the Company entered into an option agreement (the "Agreement") with Ethos Gold Corp. ("Ethos), whereby Ethos can spend $5,000,000 over three years, with minimum expenditures of $1,000,000 in the first year, to earn an undivided 50% interest in the precious metals rights at the Iron Point Vanadium Project, Nevada. Once Ethos has incurred $5,000,000, a 50%/50% joint venture will be formed between the Company and Ethos, specific to the precious metals rights.

5. DEBT FORGIVENESS FROM NEW FOUND GOLD CORP.

During the six months ended September 30, 2019, advances from New Found Gold was $Nil.

During the six months ended September 30, 2018, the Company received advances from New Found Gold Corp. ("New Found Gold") to fund exploration activities, including property staking. On June 8, 2018, New Found Gold undertook a series of transactions that transferred its 100% ownership in Brownstone to Casino Gold Corp. As a result, New Found Gold forgave $679,971 (US$529,734). These advances to Brownstone were not interest bearing, had no term of repayment and were due on notice from New Found Gold.

6. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At September 30, 2019, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Capital Restructuring

On January 31, 2019, the Company received approval from the TSX Venture Exchange and the Company's shareholders for the consolidation of the Company's issued and outstanding common shares on the basis of one and one half (1.5) pre-consolidation share for one (1) post-consolidation share pursuant to the closing conditions of the Acquisition described in Note 3. Comparative periods have been retroactively restated in these consolidated financial statements.

Details of Issues of Common Shares in 2019

As at September 30, 2019, the Company received $500,000 in advance of a non-brokered private placement financing. See Subsequent Events (Note 12) for further information.

On May 9, 2019, the Company completed a non-brokered private placement financing of 5,400,000 common shares at a price of $0.67 per share for gross proceeds of $3,618,000. The Company paid finder's fees of 270,000 common shares valued at $180,900 to certain finders in connection with the private placement financing.

On January 31, 2019, the Company issued 41,837,681 post-consolidation common shares pursuant to the Transaction described in Note 3. The Company paid finder's fees of 2,434,741 post-consolidation common shares to certain finders in connection with the Acquisition.

On January 31, 2019, the Company completed a non-brokered private placement financing of 17,000,000 subscription receipts at $0.35 per subscription receipt for gross proceeds of $5,950,000. Each subscription receipt automatically converted into one post-consolidation common share of the Company upon completion of the Transaction described in Note 3. The Company paid finder's fees of 514,942 post-consolidation common shares valued at $180,230 to certain finders in connection with the private placement financing.

On January 31, 2019, the Company issued 5,000,000 post-consolidation common shares in settlement of a $1,000,000 (US$762,294) convertible loan.

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, and are subject to a four-month hold period and are generally exercisable for a period of up to five years.

(Expressed in Canadian Dollars Unless Otherwise Noted)

6. SHARE CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the six months ended September 30, 2019 is as follows:

Expiry date	Exercise Price	March 31, 2019	Granted	Exercised	Cancelled/ Expired	September 30, 2019	Options exercisable
January 31, 2021	$0.35	2,500,000	-	-	-	2,500,000	2,500,000
February 5, 2021	$0.35	70,000	-	-	-	70,000	70,000
January 31, 2024	$0.35	5,900,000	-	-	-	5,900,000	5,900,000
June 17, 2024	$0.63	-	560,000	-	-	560,000	560,000
		8,470,000	560,000	-	-	9,030,000	9,030,000
Weighted average exercise price $		0.35	0.63	-	-	0.37	0.37
Weighted average contractual remaining life (years)		3.93	5.00	-	-	3.51	3.51

The continuity of share purchase options for the six months ended September 30, 2018 is as follows:

Expiry date	Exercise Price	March 31, 2018	Granted	Exercised	Cancelled/ Expired	September 30, 2018[1]	Options exercisable[1]
June 15, 2020	$0.25	87,500	-	-	-	87,500	87,500
June 26, 2020	$0.25	87,500	-	-	-	87,500	87,500
July 23, 2023	$0.25	-	1,070,000	-	-	1,070,000	1,070,000
		-	-	-	-	1,245,000	1,245,000
Weighted average exercise price $		0.25	0.25	-	-	0.25	0.25
Weighted average contractual remaining life (years)		2.23	-	-	-	4.38	4.38

[1] Upon closing of the Transaction described in Note 3, the Company's outstanding share purchase options were cancelled pursuant to the closing conditions of the agreement.

The Company did not have any warrants outstanding as at September 30, 2019 (2018 – Nil).

The weighted average fair value of share purchase options granted during the six months ended September 30, 2019 is $0.59 (September 30, 2018 - $0.25).

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Six months ended September 30, 2019	2018
Risk-free interest rate	1.34%	-
Expected option life in years	5.0	-
Expected share price volatility	166%	-
Grant date share price	$0.63	-
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

(Expressed in Canadian Dollars Unless Otherwise Noted)

7. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the six months ended September 30, 2019, key management personnel compensation totaled $1,195,878 (September 30, 2018 - $Nil) comprised of management fees and bonuses of $955,380 paid to the Chief Financial Officer and companies controlled by the Company's Chief Executive Officer and Executive Chairman, $60,000 paid to directors and share-based compensation of $180,498 relating to 305,000 stock options granted to directors and officers of the Company.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Other than disclosed elsewhere in these financial statements, the significant non-cash transactions for the six months ended September 30, 2019 were exploration and evaluation expenditures of $Nil paid on behalf of the Company by Casino Gold Corp. (September 30, 2018 - $1,277,185 paid on behalf of the Company by New Found Gold and Casino Gold Corp.)

	Six months ended September 30,	
	2019 $	2018 $
Non-cash investing and financing activities:		
Shares issued as finders fees on private placements	180,900	-
Exploration and evaluation expenditures paid on behalf of the Company by Casino Gold and New Found Gold	-	1,277,185
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	201,682	-
Cash paid for income taxes	-	-
Cash paid for interest	-	-

For the six months ended September 30, 2019, cash paid for income taxes and interest were $Nil (September 30, 2018 - $Nil).

9. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Nevada, USA.

10. FINANCIAL INSTRUMENTS

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value.

The Company's financial assets consist of cash and short-term investments. The carrying values of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall the Company's credit risk has not changed significantly from the prior year. The Company places its cash and short-term investments with financial institutions with high credit ratings, the credit risk is minimal.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future.

The Company has $206,737 in accounts payable and accrued liabilities that are due within one year of the date of the statement of financial position.

10. FINANCIAL INSTRUMENTS (continued)

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's net earnings and other comprehensive income to a change in the exchange rate between the United States dollar and the Canadian dollar at September 30, 2019 would change the company's net loss (income) by $14,666 as a result of a 10% change in the CAD dollar exchange rate relative to the US dollar.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the Company deposits its short-term investments into fixed rate guaranteed investment certificates with one year maturities or less, the Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly vanadium. Commodity prices, especially vanadium, greatly affect the value of the Company and the potential value of its property and investments.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out our exploration plans and support operations through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any capital requirements imposed by any regulator.

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

12. SUBSEQUENT EVENTS

Private Placement Financing

On October 24, 2019, the Company completed a non-brokered private placement financing of 746,268 common shares at a price of $0.67 per share for gross proceeds of $500,000 which was received during the six months ended September 30, 2019 (Note 6).