DAJIN RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2018 and 2017

(Stated in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dajin Resources Corp.,

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

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Dajin Resources Corp. as at November 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company has limited working capital, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC Canada
April 1, 2019

DAJIN RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
NOVEMBER 30, 2018 AND 2017
(Stated in Canadian dollars)

	2018	2017
ASSETS		
Current		
Cash and cash equivalents	$ -	$ 1,113,645
Marketable securities – Note 5	100,866	371,521
Receivables	4,036	12,377
Prepaid expenses – Note 9	8,774	37,585
	113,676	1,535,128
Equipment	1,626	12,856
Investment in Dajin Resources S.A. – Note 6	1,432,702	-
Investment in associate – Note 6	-	1,432,702
Resource property costs – Note 7, and Schedule	3,678,679	2,288,982
Reclamation bonds – Note 7	372,902	25,918
	$ 5,599,585	$ 5,295,586
LIABILITIES		
Current		
Bank indebtedness	$ 2,325	$ -
Accounts payable and accrued liabilities – Note 9	1,228,806	123,653
Loans payable – Note 10	149,689	-
	1,380,820	123,653
SHAREHOLDERS' EQUITY		
Share capital – Note 8	28,182,145	27,876,890
Contributed surplus – Note 8	3,290,298	3,030,553
Accumulated deficit	(27,253,678)	(25,735,510)
	4,218,765	5,171,933
	$ 5,599,585	$ 5,295,586

Approved on behalf of the Board:

"Brian Findlay"
Director

"Catherin Hickson"
Director

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

DAJIN RESOURCES CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED NOVEMBER 30, 2018 AND 2017
(Stated in Canadian Dollars)

	2018	2017
Expenses		
Accounting and audit fees	$ 39,572	$ 62,726
Administration fees – Note 9	84,000	84,000
Amortization	11,230	10,534
Bank charges and interest	1,351	1,896
Consulting fees – Note 9	139,170	110,550
Foreign exchange loss	45,785	10,109
Investor relations	9,911	27,844
Legal and professional fees	69,030	139,645
Listing, filing and transfer agent fees	37,504	24,825
Marketing and advertising	93,063	78,780
Office administration and general	41,996	45,343
Rent – Note 9	53,584	52,947
Share-based payments – Note 8	357,180	-
Travel, conferences and promotion	95,634	78,525
Wages and benefits	144,215	129,311
Loss from operations	(1,223,225)	(857,035)
Other income (loss):		
Write-off of resource property costs – Note 7	(50,807)	-
Unrealized gain (loss) on marketable securities	(180,705)	39,031
Realized loss on marketable securities	(63,431)	(14,896)
Interest income	-	912
Net loss and comprehensive loss for the year	$ (1,518,168)	$ (831,988)
Basic and diluted loss per share	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	150,656,922	137,069,041

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

DAJIN RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED NOVEMBER 30, 2018 AND 2017
(Stated in Canadian Dollars)

	Common Stock				
	Issued Shares (Note 8)	Amount	Contributed Surplus (Note 8)	Accumulated Deficit	Total
Balance, November 30, 2016	135,085,508	$ 26,138,442	$ 3,230,911	$ (24,903,522)	$ 4,465,831
Shares issued for cash:					
On exercise of share purchase options - $0.05	2,500,000	125,000	-	-	125,000
On exercise of share purchase options - $0.06	700,000	42,000	-	-	42,000
On exercise of share purchase options - $0.07	100,000	7,000	-	-	7,000
On exercise of share purchase options - $0.10	475,000	47,500	-	-	47,500
On exercise of share purchase options - $0.14	377,000	52,780	-	-	52,780
On exercise of share purchase options - $0.16	176,000	28,160	-	-	28,160
On exercise of share purchase warrants - $0.13	9,505,000	1,235,650	-	-	1,235,650
Allocation of options exercised *	-	200,358	(200,358)	-	-
Net loss for the year	-	-	-	(831,988)	(831,988)
Balance, November 30, 2017	148,918,508	27,876,890	3,030,553	(25,735,510)	5,171,933
Shares issued for cash:					
On exercise of share purchase options - $0.05	2,750,000	137,500	-	-	137,500
On exercise of share purchase options - $0.06	150,000	9,000	-	-	9,000
On exercise of share purchase options - $0.07	50,000	3,500	-	-	3,500
On exercise of share purchase options - $0.16	77,000	12,320	-	-	12,320
On exercise of share purchase warrants - $0.13	350,000	45,500	-	-	45,500
Allocation of options exercised *	-	97,435	(97,435)	-	-
Share-based payments	-	-	357,180	-	357,180
Net loss for the year	-	-	-	(1,518,168)	(1,518,168)
Balance, November 30, 2018	152,295,508	$ 28,182,145	$ 3,290,298	$ (27,253,678)	$ 4,218,765

** Representative of the fair value of share-based payment amounts originally recorded in contributed surplus.*

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

DAJIN RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2018 AND 2017
(Stated in Canadian Dollars)

	2018	2017
Operating Activities		
Net and comprehensive loss for the year	$ (1,518,168)	$ (831,988)
Add items not affecting cash:		
Amortization	11,230	10,534
Unrealized foreign exchange loss	39,931	3,154
Share-based payments	357,180	-
Write-off of resource property costs	50,807	-
Unrealized loss (gain) on marketable securities	180,705	(39,031)
Realized loss on marketable securities	63,431	14,896
	(814,884)	(842,435)
Net change in non-cash working capital:		
Receivables	8,341	3,930
Prepaid expenses	28,811	(19,939)
Accounts payable and accrued liabilities	204,913	21,762
Due to related parties	-	(25,566)
	(572,819)	(862,248)
Financing Activities		
Proceeds from issuance of common shares	207,820	1,538,090
Proceeds from issuance of loans payable	196,689	-
Repayment of loans payable	(47,000)	-
Proceeds from bank indebtedness	2,325	-
	359,834	1,538,090
Investing Activities		
Resource property additions, net	(601,954)	(685,553)
Proceeds from sale of marketable securities	49,019	190,114
Reclamation bonds (purchased) refunded, net	(347,725)	35,382
Purchase of marketable securities	-	(500,000)
Equipment additions	-	(2,787)
	(900,660)	(962,844)
Decrease in cash and cash equivalents during the year	(1,113,645)	(287,002)
Cash and cash equivalents, beginning of the year	1,113,645	1,400,647
Cash and cash equivalents, end of the year	$ -	$ 1,113,645

Non-Cash Transactions – Note 13

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

DAJIN RESOURCES CORP.
CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
FOR THE YEARS ENDED NOVEMBER 30, 2018 AND 2017
(Stated in Canadian Dollars)

	Canada Cowtrail	USA Nevada	Total
Acquisition costs			
Balance November 30, 2016	$ -	$ 388,073	$ 388,073
Staking and filing fees	-	32,226	32,226
Balance November 30, 2017	-	420,299	420,299
Staking and filing fees	-	165,714	165,714
Balance, November 30, 2018	-	586,013	586,013
Deferred exploration and development costs			
Balance, November 30, 2016	1	1,322,094	1,322,095
Assays	-	6,695	6,695
Exploration	-	(155)	(155)
Geological consulting (Note 9)	-	323,021	323,021
Mapping	-	18,212	18,212
Permits	-	159,573	159,573
Report	-	25,633	25,633
Supplies and miscellaneous		16	16
Travel and accommodation	-	13,217	13,217
Truck rental	-	376	376
Balance, November 30, 2017	1	1,868,682	1,868,683
Drilling	-	40,462	40,462
Geological consulting (Note 9)	-	234,338	234,338
Mapping	-	11,092	11,092
Reports	-	155	155
Road and drill pad construction	-	1,073,885	1,073,885
Travel and accommodations	-	1,517	1,517
Write-off of resource property costs	(1)	(50,806)	(50,807)
Cost recoveries	-	(86,659)	(86,659)
Balance, November 30, 2018	$ -	$ 3,092,666	$ 3,092,666
Total resource property costs			
As at November 30, 2017	$ 1	$ 2,288,981	$ 2,288,982
As at November 30, 2018	$ -	$ 3,678,679	$ 3,678,679

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

Note 1 Nature of Operations

Dajin Resources Corp. (the "Company") is an exploration stage company incorporated under the British Columbia Company Act on August 5, 1987 and is publically traded on the TSX Venture Exchange.

The Company's principal business activities include acquiring and developing mineral properties. At November 30, 2018, the Company's principal mineral interests are located in Argentina and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for Dajin Resources S.A. and resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 450 - 789 West Pender Street, Vancouver, BC, V6C 1H2.

Note 2 Basis of Preparation

Statement of Compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on April 1, 2019.

Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at November 30, 2018, the Company had not advanced its resource properties to commercial production. At November 30, 2018, the Company has not achieved profitable operations, has accumulated losses of $27,253,678 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Note 2 Basis of Preparation – (cont'd)

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

Note 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements unless otherwise indicated.

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Dajin Resources (US) Corp. (United States). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. All inter-company accounts have been eliminated.

b) Basic and Diluted Loss per Share

Basic earnings per share are computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

Note 3 Significant Accounting Policies – (cont'd)

c) Resource Property Costs

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation costs

Once the legal right to explore a property has been acquired, exploration and evaluation expenditures are recognized and capitalized in addition to the acquisition costs. Mineral exploration costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is abandoned. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while those costs for the prospects abandoned are written off.

On an annual basis or when impairment indicators arise, the Company evaluates the future recoverability of its mineral property costs. Impairment losses or write-downs are recorded in the event the net book value of such assets exceeds the estimated indicated future cash flows attributable to such assets.

The recoverability of the amounts capitalized for the undeveloped mineral property is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, title to its properties are in good standing.

Management's capitalization of exploration and development costs and assumptions regarding the future recoverability of such costs are subject to significant measurement uncertainty. Management's assessment of recoverability is based on, among other things, the Company's estimate of current mineral reserves and resources which are supported by geological estimates, estimated commodity prices, and the procurement of all necessary regulatory permits and approvals. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties.

Mineral exploration tax credits are recorded in the accounts when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits. These non-repayable mineral tax credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related deferred exploration expenditures.

Note 3 Significant Accounting Policies – (cont'd)

d) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

e) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

The Company follows the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component. The fair value of the common shares issued in a private placement are determined to be the more easily measurable component and are valued at their fair value on the announcement date and the balance, if any, is allocated to the attached warrants.

The proceeds from the exercise of stock options, share purchase warrants and escrow shares are recorded as share capital in the amount for which the stock options, share purchase warrants or escrow shares enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value reduced by an estimate of transaction costs normally incurred when issuing shares for cash, as determined by the board of directors of the Company.

Note 3 Significant Accounting Policies – (cont'd)

e) Share Capital – (cont'd)

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred charges. Share issue costs related to uncompleted share subscriptions are charged to operations.

f) Share-based payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Note 3 Significant Accounting Policies – (cont'd)

g) Impairment of Long-lived Assets

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of comprehensive loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determine, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

h) Rehabilitation Provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to the statement of comprehensive loss for the period. As at November 30, 2018 and 2017, the Company is not aware of any reclamation costs and no amounts have been recorded.

Note 3 Significant Accounting Policies – (cont'd)

i) Translation of Foreign Currencies

The functional currency of the Company's foreign subsidiaries are measured using the currency of the primary economic environment in which that entity operates. These consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiary that has operations in the United States is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined and not subsequently restated.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

j) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired.

Financial assets are classified into one of four categories: Financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity investments, available-for-sale ("AFS") financial assets and loans and receivables.

The Company has classified cash and cash equivalents and reclamation bonds as loans and receivables. The Company has classified its marketable securities as FVTPL.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset indicate that the estimated future cash flows have been impacted.

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

Note 3 Significant Accounting Policies – (cont'd)

j) Financial Instruments – (cont'd)

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

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities are classified as financial liabilities at FVTPL, or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

The Company's financial liabilities include bank indebtedness, accounts payables and accrued liabilities and loans payable. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

k) Investments in associates

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of the investee unless it can be clearly demonstrated that this is not the case.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The financial statements include the Company's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued, except to the extent that the Company has obligation, or has made payments on behalf of the investee.

Note 3 Significant Accounting Policies – (cont'd)

l) Accounting standard issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the potential impact of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 provides a three-stage expected credit loss model for calculating impairment for financial assets. Expected credit losses are required to be recognized when financial instruments are initially recognized and the amount of expected credit losses recognized are required to be updated at each reporting date to reflect changes in the credit risk of the financial instruments.

  On initial recognition, IFRS 9 requires financial liabilities to be classified as subsequently measured at amortized cost except for when one of the specified exceptions applies.

- IFRS 16, *Leases* (effective January 1, 2019) introduces new requirements for leases. Under IFRS 16, all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, leased assets ("right-of-use" assets) and the related lease liability will be required to be recognized on the statement of financial position.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Note 4 Use of Estimates and Judgments – (cont'd)

i) Resource property expenditures

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

ii) Impairment

At each reporting period, assets, specifically resource property costs, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Investment in Dajin Resources S.A.

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to 49% and has concluded that it does not have the current ability to control the key operating activities of the company. Pursuant to the Shareholders and Operating Agreements entered into by the companies, Lithium S Holdings Corporation ("Lithium H"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator for the earn-in period and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. The operator prepares and submits annual budgets and programs to the board for approval and has sole and exclusive right and authority to manage, direct and supervise all operations for and on behalf of Dajin S.A. Management has determined that the Company does not have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. is accounted for at cost and not as an investment in associate (Note 6).

(Stated in Canadian Dollars)

Note 5 Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Unrealized gains and losses due to period end revaluations to fair value are included in comprehensive loss for the period. At November 30, 2018, the Company owned 140,415 (2017 – 226,915) shares of LSC Lithium Inc., 18,750 (2017 – 18,750) shares of Nevada Energy Metals Inc. and 150,000 (2017 – nil) shares of Cypress Development Corp., the shares of which are traded on the Toronto Stock Exchange.

	2018	2017
Marketable securities – fair value	$ 100,866	$ 371,521
Marketable securities – cost	$ 230,040	$ 319,990

During 2018, 86,500 (2017 – 157,700) shares were sold for proceeds of $49,019 (2017 – $190,114).

Note 6 Investment in Dajin Resources S.A./Investment in associate

On October 25, 2016, the Company completed a share purchase agreement with Lithium H, whereby Lithium H acquired, and can maintain, a 51% interest in Dajin S.A. by making a cash payment of $1,000,000 ($865,000 received by the Company net of applicable Argentine tax of 13.5% on the gross proceeds) and agreeing to expend a total of $2,000,000 on concessions held by Dajin S.A by the earlier of; (a) the date of delivery of the funding completion certificate; (b) forty-eight months following the date of the agreement; or (c) twenty-four months after Dajin S.A. has obtained all the necessary permits allowing access and development of onsite activities in order to start exploration work in one or more of the relevant mining rights. If Lithium H fails to incur the expenditure requirement by the expiry date it shall have the option at any time and not later than the expiry date, to pay any shortfall in cash to the Company. If Lithium H fails to complete the full expenditure requirement by the expiry date, the capital stock of Dajin S.A. will be adjusted in such a manner that for each funding shortfall of $58,824, the Company is re-conveyed with and recovers 1% of the capital stock of Dajin Resources S.A.

As at November 30, 2018, Dajin Resources S.A. still holds a 100% interest in the mining concessions covering the Company's Salinas Grandes/Guayatayoc boron, lithium and potash project.

The costs applicable to this investment are directly reflective of actual historical exploration and evaluation expenses incurred and previously reported by the Company in respect to the property interests controlled by Dajin S.A. Accordingly, the Company also considers the impairment factors applicable to such costs in its assessment of the investment's current carrying value.

Note 7 Resource Property Costs

(a) Cowtrail Property

The Company held a 65% joint venture interest in the Cowtrail Mineral Property, consisting of 34 mineral claims located in the Cariboo Mining District of south central British Columbia.

On March 20, 2018, the Company assigned its interest in 32 of the claims to its joint venture partner. The Company will share 50% of any third party option payments received from these claims, up to March 20, 2021. The total amounts to be received are not to exceed total payments to the Company of $100,000.

Note 7 Resource Property Costs – (cont'd)

(a) Cowtrail Property – (cont'd)

During the year ended November 30, 2018, the Company allowed the other 2 claims, held in the Company's name, to lapse. The Company wrote the property down to $nil, resulting in a loss on write off of $1.

(b) Nevada Properties

At November 30, 2018, the Company has acquired a 100% interest in 145 placer claims in the Alkali Spring valley of Esmeralda County, Nevada.

At November 30, 2018, the Company has acquired a 100% interest in 403 placer claims in the Teels Marsh valley of Mineral County, Nevada.

Alkali Springs

In June 2015, the Company submitted an application for permit to appropriate the public waters of the state of Nevada ("application for water rights") for the purpose of temporary mining and milling use to develop non-potable lithium brine extraction processing alternatives for Alkali Lake playa in the Alkali Springs valley.

On November 6, 2018, the Company entered into a Letter Agreement with Cypress Development Corp. ("Cypress") for the exploration and development of the Company's Alkali Spring valley Lithium property.

Under the terms of the Letter Agreement, Cypress has the exclusive right and option to acquire a 50% undivided interest in the Company's unpatented mining claims and application for water rights in the Alkali Spring valley Lithium property. Within seven days of signing the Letter Agreement, Cypress issued 150,000 common shares to the Company, and was to pay USD$50,000 to the Company ($USD 12,030 received as of November 30, 2018). Cypress will have a two-year period to complete the 50% earn-in by issuing an additional 150,000 common shares and incurring USD$200,000 in exploration expenditures within the first year of the Letter Agreement, and an additional USD$250,000 in exploration expenditures during the second year.

Upon successful completion of the Letter Agreement, a joint venture will be created. The Company and Cypress will share proportionally in property development if lithium brine resources are discovered.

The Company has the option to elect not to participate in the joint venture upon Cypress earning a 50% interest in the property. If the Company elects not to participate in the joint venture, their interest in the property will be diluted to a 10% net profits interest on the value of the joint venture's property.

The Company's interest in these mineral claims is held in a wholly-owned US subsidiary, Dajin Resources (US) Corp.

During the year ended November 30, 2018, the Company allowed 46 previously staked Alkali Spring valley claims to lapse. The Company wrote off previously capitalized costs associated with these claims in the amount of $50,806.

Note 7 Resource Property Costs – (cont'd)

(b) Nevada Properties – (cont'd)

Teels Marsh

On April 25, 2018, pursuant to a Memorandum of Understanding dated August 22, 2017, the Company entered into a Definitive Agreement (the "DA") with another company ("GDA") for the purpose of working together to develop the geothermal resources that can be used for the production of heat and/or electrical energy for use by a potential lithium plant or sold to third parties. GDA holds two geothermal lease blocks of land in Teels Marsh valley. The Company will pay all fees and costs, including annual geothermal lease rental payments, related to the initial stages of geothermal exploration that it conducts and is responsible for all project management related to exploration and development of the geothermal resource. GDA has input into decisions regarding any major work.

If potentially useable or saleable heat and/or electrical geothermal resources are identified, either the DA will be amended or joint venture and operating agreements will be entered into for the purpose of collectively building and operating a geothermal power plant and related facilities. The Company will be entitled to priority rights to electrical generation or heat on commercial terms for the energy needed for its mining operations. The Company will be credited 100% on a dollar for dollar basis for the exploration costs it incurs, to be credited towards the fees charged by GDA for electricity or heat to serve its needs. If GDA wishes to sell, transfer or assign any of its geothermal leases, the Company has a first right of refusal to purchase them.

The DA is for a period of five years and may be terminated by either party upon 60 days written notice.

During the year ended November 30, 2018, the Company was refunded $25,177 (USD$19,507) of reclamation bonds relating to other Nevada properties, and has purchased a new reclamation bond for the Teels Marsh project in the amount of $372,902 (USD$288,341).

Note 8 Share Capital

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from losses from year to year.

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the stock option plan as of November 30, 2018 and 2017 and changes during the years then ended is presented below:

	November 30, 2018		November 30, 2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, at beginning of year	8,669,000	$ 0.12	15,602,000	$ 0.11
Expired/cancelled	(750,000)	0.14	(2,605,000)	0.15
Granted	6,650,000	0.11	-	-
Exercised	(3,027,000)	0.05	(4,328,000)	0.07
Outstanding, at end of year	11,542,000	$ 0.13	8,669,000	$ 0.12
Options exercisable at end of the year	11,542,000	$ 0.13	8,669,000	$ 0.12
Weighted-average remaining life, in years		3.10		2.96

At November 30, 2018, the Company has 11,542,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
50,000	$0.05	January 2, 2020
100,000	$0.06	April 1, 2020
50,000	$0.07	August 25, 2020
1,375,000	$0.14	April 4, 2021
1,667,000	$0.16	July 15, 2021
1,650,000	$0.16	October 20, 2021
950,000	$0.16	December 15, 2020
500,000	$0.10	June 25, 2020
1,900,000	$0.10	September 4, 2021
400,000	$0.10	October 4, 2021
2,900,000	$0.10	October 4, 2023
11,542,000		

On December 15, 2017, the Company granted 950,000 share purchase options exercisable at $0.16 per share, and expiring on December 15, 2020. These stock options vest at the date of grant.

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

Commitments – (cont'd)

Share-Based Compensation Plan – (cont'd)

On June 26, 2018, the Company granted 500,000 share purchase options exercisable at $0.10 per share, and expiring on June 25, 2020. These stock options vest at the date of grant.

On September 4, 2018, the Company granted 1,900,000 share purchase options exercisable at $0.10 per share, and expiring on September 4, 2021. These stock options vest at the date of grant.

On October 4, 2018, the Company granted 3,300,000 share purchase options exercisable at $0.10 per share. 400,000 of these share purchase options expire on October 4, 2021, and the remaining 2,900,000 share purchase options expire on October 4, 2023. These stock options vest at the date of grant.

The Company cancelled 750,000 share purchase options exercisable at $0.14 per share.

There were no share purchase options granted during the year ended November 30, 2017.

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	2018	2017
Risk free interest rate	1.67% - 2.43%	-
Expected life of options in years	2 – 5 years	-
Expected volatility	64.28% - 78.76%	-
Dividend per share	-	-
Forfeiture rate	-	-

During the year ended November 30, 2018, compensation expense of $357,180 (2017: $Nil) was recognized for options granted and vested during the year.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

Share Purchase Warrants

On November 9, 2017, the Company repriced 10,005,000 share purchase warrants that were set to expire on April 20, 2018 from $0.17 per share to $0.13 per share. The Company also instituted an Early Exercise Period from November 9, 2017 to November 29, 2017. Each warrant holder that exercised their warrants during the Early Exercise Period was issued one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional share for a period of 12 months from the date of issuance at a price of $0.17 per share.

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

Commitments – (cont'd)

Share Purchase Warrants – (cont'd)

On December 5, 2017, 350,000 share purchase warrants were exercised for total proceeds of $45,500. These warrants were deemed to have been exercised during the Early Exercise Period, and therefore, the Company issued 175,000 warrants, exercisable at $0.17 per share, and expiring on November 29, 2018.

During the year ended November 30, 2017, the company issued 9,505,000 shares for total proceeds of $1,235,650 during the Early Exercise Period. As a result, the Company issued 4,752,500 warrants, exercisable at $0.17 per share, and expiring on November 29, 2018.

A summary of the status of share purchase warrants as of November 30, 2018 and 2017 and changes during the year then ended is presented below:

	November 30, 2018		November 30, 2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of the year	8,330,277	$ 0.19	13,082,777	$ 0.19
Issued	175,000	0.17	4,752,500	0.17
Exercised	(350,000)	0.13	(9,505,000)	0.13
Expired	(8,155,277)	0.20	-	-
Balance, end of the year	-	$ -	8,330,277	$ 0.19

Note 9 Related Party Transactions

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	2018	2017
Wages and benefits	$ 57,876	$ 44,798
Share-based payments	10,747	-
	68,623	44,798
Key management compensation		
Administration fees	84,000	84,000
Consulting fees – resource property costs	40,458	116,684
Consulting fees – operating expenses	116,500	87,000
Rent reimbursement	53,584	52,947
Share-based payments	134,333	-
	428,875	340,631
	$ 497,498	$ 385,429

Note 9 Related Party Transactions – (cont'd)

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Included in November 30, 2018 accounts payable and accrued liabilities is $189,179 (2017: $nil) of administration and consulting fees owing to companies with common officers and directors.

Included in November 30, 2018 loans payable is $74,350 (2017: $nil) owing to certain officers and directors of the Company. (Note 10)

Included in November 30, 2018 prepaid expenses are rent and expense reimbursements of $4,571 (2017: $9,822) to companies with common directors.

Amounts due to related parties, representing amounts due to companies controlled by the directors and officers of the Company for unpaid fees and reimbursement of expenses, are non-interest bearing, unsecured and are due on demand.

Note 10 Loans Payable

During the year ended November 30, 2018, the Company received multiple loans totaling $196,689. The Company repaid $47,000 of these loans during the year, resulting in a loans payable balance of $149,689 at November 30, 3018.

These loans are non-interest bearing, unsecured, and due on demand.

Note 11 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

There were no changes in the Company's approach to capital management during the year ended November 30, 2018. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

Note 12 Financial Instruments

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing it with institutions of high credit worthiness. As at November 30, 2018 the Company is not exposed to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis and its planned capital expenditures. At November 30, 2018, the Company had cash of $Nil (2017 - $1,113,645) and current liabilities of $1,380,820 (2017 - $123,653). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

Note 12 Financial Instruments – (cont'd)

(e) Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of November 30, 2018, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(f) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at November 30, 2018, the Company had accounts payable of $671,360 (2017: $26,810) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Note 13 Non-Cash Transactions

The following non-cash investing and financing activities were excluded from the statements of cash flows:

- At November 30, 2018, the Company had $892,976 (2017: $32,431) in accounts payable and accrued liabilities related to resource property costs.
- $97,435 (2017: $200,358) was transferred from contributed surplus to share capital on the exercise of stock options.
- The Company received marketable securities valued at $22,500 (2017: $nil) pursuant to certain property option agreements. (Notes 5 and 7)

(Stated in Canadian Dollars)

Note 14 Corporation Income Taxes

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

	2018	2017
Corporate tax rate	26.99%	26.10%
Net loss for the year before income taxes	$ (1,518,168)	$ (831,988)
Expected income tax recovery	(409,700)	(217,200)
Net adjustment for deductible and non-deductible amounts	191,100	3,100
Change in unrecognized benefit of tax pool assets	218,600	214,100
Total income tax recovery	$ -	$ -

The significant components of the Company's deferred income tax assets are as follows:

	2018	2017
Deferred income tax assets:		
Capital loss carry-forwards	$ 50,000	$ 40,000
Resource properties	1,494,000	1,439,000
Non-capital loss carry-forwards	1,949,000	1,664,000
Share issue costs and other	36,000	4,000
Equipment	34,000	30,000
	3,563,000	3,177,000
Valuation allowance	(3,563,000)	(3,177,000)
Net deferred income tax assets	$ -	$ -

The Company has non-capital losses available to reduce taxable income in Canada that expire in stages through 2038 as follows:

	Canada	USA
2026	$ 325,000	$ -
2027	67,000	-
2028	489,000	-
2029	276,000	-
2030	574,000	-
2031	672,000	-
2032	359,000	-
2033	569,000	-
2034	545,000	2,000
2035	914,000	-
2036	772,000	-
2037	829,000	3,000
2038	822,000	-
	$ 7,213,000	$ 5,000

The Company has capital losses totaling approximately $372,000 which may be carried forward and applied against capital gains in future years. Subject to certain restrictions, the Company also has resource property expenditures of approximately $5,534,000 available to reduce taxable income in future years.

(Stated in Canadian Dollars)

Note 14 Corporation Income Taxes – (cont'd)

Future tax benefits which may arise as a result of these losses and resource deductions have not been recognized in these financial statements and have been offset by a valuation allowance.

The Company has in the past renounced exploration expenditures to investors in flow-through shares.

Note 15 Segmented Information

The Company operates in one business segment, mineral exploration. As at November 30, 2018, its mineral properties and head office are located in three geographic locations: Canada, Argentina and the United States.

The Company's net loss is allocated to the geographic segments as follows:

	2018	2017
Net loss:		
Canada	$ (1,427,667)	$ (825,838)
Argentina	-	-
United States	(90,501)	(6,150)
	$ (1,518,168)	$ (831,988)

The Company's total assets are allocated to the geographic segments as follows:

	2018	2017
Total Assets:		
Canada	$ 115,302	$ 1,547,984
Argentina	1,432,702	1,432,702
United States	4,051,581	2,314,900
	$ 5,599,585	$ 5,295,586