DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Financial Statements

For the Three Months ended December 31, 2018

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED 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 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 interim financial statements of Dunnedin Ventures Inc. (the "Company" or "Dunnedin") have been prepared by and are the responsibility of the Company's management.

The attached condensed interim financial statements for the three months ended December 31, 2018 have not been reviewed by the Company's auditors.

DUNNEDIN VENTURES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		December 31, 2018		September 30, 2018
Assets				
Current Assets:				
Cash and cash equivalents (Notes 4 & 11)	**$**	**1,524,106**	$	1,974,071
Amounts receivable (Note 11)		**42,560**		120,629
Advances and deposits (Notes 8 & 11)		**249,737**		322,407
Due from Solstice Gold Corp. (Note 11)		**1,741**		297,246
		1,818,144		2,714,353
Non-current assets:				
Equipment		**2,954**		3,390
Reclamation bonds (Note 4)		**30,284**		30,284
Exploration and evaluation assets (Notes 5 & 6)		**9,688,536**		9,025,278
Total Assets	**$**	**11,539,918**	$	11,773,305
Liabilities and Shareholders' Equity				
Current Liabilities:				
Accounts payable and accrued liabilities (Notes 7,8)	**$**	**909,969**	$	1,013,519
Flow through share premium liability (Note 10)		**29,058**		52,334
		939,027		1,065,853
Deferred tax liability		**399,361**		399,361
Total Liabilities		**1,338,388**		1,465,214
Shareholders' Equity:				
Share capital (Note 9)		**46,663,558**		46,503,207
Reserves (Note 9)		**6,402,533**		6,400,821
Accumulated other comprehensive loss ("AOCL")		**(66,422)**		(66,196)
Deficit		**(42,798,139)**		(42,529,741)
		10,201,530		10,308,091
Total Liabilities and Shareholders' Equity	**$**	**11,539,918**	$	11,773,305

Approved on Behalf of the Board:

"Steven Krause"
Steven Krause

"Gary Schellenberg"
Gary Schellenberg

DUNNEDIN VENTURES INC.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended December 31, **2018**	2017
Expenses		
Amortization	**$ 436**	**$ 112**
Consulting fees (Note 8)	**54,744**	**174,154**
Insurance	**3,705**	**1,442**
Management fees (Note 8)	**91,250**	**183,050**
Office and administration	**7,104**	**17,783**
Professional fees	**32,694**	**101,346**
Property Investigation	**-**	**3,263**
Rent	**6,233**	**4,992**
Stock based compensation (Notes 9 (d))	**1,712**	**-**
Transfer agent and filing	**1,274**	**11,551**
Travel, promotion and shareholder information	**108,995**	**57,316**
Impairment of exploration and evaluation assets (Note 6)	**488**	**7,790**
Loss before other expense	**(308,635)**	**(562,799)**
Other income (expenses)		
Foreign currency gain (loss)	**7,107**	**(13,031)**
Interest	**9,854**	**12,736**
Other income (Note 10)	**23,276**	-
Other income (expenses)	**40,237**	**(295)**
Net (loss) before taxes for the period	**(268,398)**	**(563,094)**
Other comprehensive loss		
Foreign currency translation adjustment	**(226)**	**12,198**
Comprehensive (loss) for the period	**(268,624)**	**$ (550,896)**
(Loss) per share		
Basic and diluted loss per share	**$ (0.002)**	$ (0.005)
Weighted average number of shares outstanding	**127,090,912**	**103,256,767**

DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited Expressed in Canadian Dollars)

		Share Capital									
	Notes	Number of Shares		Amount		Reserves		AOCI		Deficit	Total
Balance at September 30, 2017		**103,256,767**	**$**	**44,001,940**	**$**	**5,416,209**	**$**	**(64,298)**	**$**	**(40,215,639)**	**$ 9,138,212**
Net loss for the period		-		-		-		-		(563,094)	(563,094)
Foreign currency translation adjustment		-		-		-		12,198		-	12,198
Balance at December 31, 2017		**103,256,767**	**$**	**44,001,940**	**$**	**5,416,209**	**$**	**(52,100)**	**$**	**(40,778,733)**	**$ 8,587,316**

		Share Capital									
	Notes	Number of Shares		Amount		Reserves		AOCI		Deficit	Total
Balance at September 30, 2018		**126,816,999**	**$**	**46,503,207**	**$**	**6,400,821**	**$**	**(66,196)**	**$**	**(42,529,741)**	**$ 10,308,091**
Net loss for the period										(268,398)	(268,398)
Shares for resource properties		1,800,000		162,000		-		-		-	162,000
Share issue costs	9	-		(1,649)		-		-		-	(1,649)
Share-based compensation	9	-		-		1,712		-		-	1,712
Foreign currency translation adjustment		-		-		-		(226)		-	(226)
Change during the year		**1,800,000**		**160,351**		**1,712**		**(226)**		**(268,398)**	**106,561**
Balance at December 31, 2018		**128,616,999**		**46,663,558**		**6,402,533**		**(66,422)**		**(42,798,139)**	**10,201,530**

DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Notes	**Three Months Ended December 31, 2018**	Three Months Ended December 31, 2017
Cash provided by / (used in):			
Operating Activities:			
Net income / (loss) for the period		**$ (268,398)**	$ (563,094)
Items not affecting cash:			
Amortization		**436**	112
Deferred income tax expense and other		**(23,276)**	-
Stock based compensation		**1,712**	-
Impairment of exploration and evaluation assets		**488**	7,790
Net changes in non-cash working capital items:			
Amounts receivable		**78,069**	(30,254)
Due from Solstice		**295,505**	-
Advances and deposits		**72,670**	(27,056)
Accounts payable and accrued liabilities		**80,584**	(894,152)
		237,790	(1,506,654)
Investing Activities:			
Acquisition of fixed assets		**-**	(3,955)
Exploration and evaluation assets		**(687,529)**	(268,119)
Cash held in trust for Solstice (Note 9)		**-**	(3,209,015)
		(687,529)	(3,481,089)
Financing Activities:			
Subscriptions received on behalf of Solstice (Note 9)		**-**	3,209,015
			3,209,015
Effect of exchange rate changes on cash and cash equivalents		**(226)**	12,198
Change in cash and cash equivalents for the period		**$ (449,965)**	$ (1,766,530)
Cash and cash equivalents, beginning of the period		**$ 1,974,071**	$ 4,046,976
Cash and cash equivalents, end of the period		**$ 1,524,106**	$ 2,280,446

Supplemental Information:		
Non-cash investing and financing activities:		
Common shares issued for interest in resource properties valued at quoted market prices on the dates issued	$ **162,000**	$ -
Share issuance costs	$ **1,649**	$ -
Change in mineral property costs included in accounts payable	$ **(184,134)**	$ 28,168

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated under the laws of the Province of British Columbia on January 12, 1987. The Company's common shares are trading as a mining issuer on Tier 2 of the TSX Venture Exchange under the trading symbol DVI.

The Company's activities consist of the exploration and development of base metals and diamonds throughout the Americas. The head office and principal address of the Company are located at 1020 – 800 West Pender Street, Vancouver, BC V6C 2V6.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

The Company ended up with net loss of $268,398 during the three months ended December 31, 2018 and, as of that date, the accumulated deficit was $42,798,139. The Company expects to incur future losses in the development of its business. While these consolidated financial statements have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

Statement of Compliance

These consolidated financial statements for the three months ended December 31, 2018 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations ("IFRIC") in effect at December 31, 2018. The Company has elected to present the statements of operations and comprehensive loss in a single statement.

The consolidated financial statements of the Company for the three months ended December 31, 2018 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February, 25 2019.

2. BASIS OF PREPARATION

Critical judgments in applying accounting policies

The preparation of these consolidated 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 consolidated financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments not yet adopted

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the years ended September 30, 2018 and 2017.

Certain new standards, interpretations, and amendments to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

IFRS 9, Financial Instruments (new; to replace IAS 39)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

IFRS 16

IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. Based on current operations, the Company does not expect this standard to have significant financial reporting implications.

4. RECLAMATION BONDS

The reclamation bond is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the Mines Act of the Province of British Columbia and Health, Safety and Reclamation Code for Mines in British Columbia. The reclamation bond amount of $30,284 is presented as a non current asset. The investment bears the variable interest rate of prime less 2.60% per annum and matures on April 24, 2019. The reclamation bonds relate to the Trapper resource property.

A $40,000 "Letter of Credit" was arranged with BMO on August 29, 2017, and amended October 4, 2017. This letter is held by the financial institution as security for reclamation obligations pursuant to Land Use License KVL315B01, issued by the Kivalliq Inuit Association and authorizing surface exploration activities on Inuit Owned Land parcel CI-15. The Letter of Credit is a certificate which is extended automatically from year to year, and available to the beneficiary upon written demand. The reclamation Letter of Credit relates to the Kahuna property, in the territory of Nunavut, and is recorded in cash and cash equivalents.

5. PLAN OF ARRANGEMENT

On January 31, 2018, Dunnedin completed its previously announced plan of arrangement (the "Arrangement"), involving the spin-out of Solstice Gold Corp. ("Solstice"). Dunnedin transferred certain mineral claims and rights to all minerals, including metalloids, but excluding diamonds, gemstones and all minerals found within kimberlitic rocks on the Kahuna property and $1,000,000 in cash to Solstice, in return for shares, which were then distributed to Dunnedin shareholders by way of the Arrangement.

Under the Arrangement, each Dunnedin shareholder received one common share in Solstice for every three Dunnedin shares held.

Holders of outstanding Dunnedin options received one fully vested option of Solstice for every three options held in Dunnedin with the same exercise price as the Dunnedin options. Holders of outstanding Dunnedin warrants also received one fully vested warrant of Solstice for every three warrants held in Dunnedin with the same exercise price of the Dunnedin warrants.

On April 13, 2018 an amendment was made to the Arrangement which increased the cash contribution from Dunnedin to Solstice by $300,000, for a total contribution of $1,300,000.

On January 31, 2018, the Company completed the Arrangement and including the amendment of April 13, 2018. The Arrangement was recorded as follows:

5. PLAN OF ARRANGEMENT - continued

Fair value of Solstice common shares received	$	8,604,713
Less: Net assets transferred		
Exploration and evaluation assets		965,879
Cash		1,300,000
Due from Solstice for expenses paid by the Company		(544,780)
Accounts payable and accrued liabilities		(8,295)
	$	1,712,804
Net gain on distribution	$	6,891,909

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the three months ended December 31, 2018:

	Notes		Trapper (BC, Canada)		Kahuna (NU, Canada)	MPD (BC, Canada)		Total
Acquisition costs:								
Beg balance, September 30, 2018		$	-	$	2,862,517	$ -	$	2,862,517
Additions / (deductions) during the year:								
Common shares issued			-		-	162,000		162,000
Payments to third parties			-		-	100,000		100,000
Total acquisition costs			-		2,862,517	262,000		3,124,517
Less: impairment of acquisition costs			-		-	-		-
Acquisition costs, December 31, 2018		**$**	**-**	**$**	**2,862,517**	**262,000**	**$**	**3,124,517**
Exploration costs:								
Beg balance, September 30, 2018		$	-	$	6,162,761	$ -	$	6,162,761
Additions / (deductions) during the year:								
Geological consulting & drilling	*7*		488		98,176	488		99,151
Aircraft charter			-		54,497	-		54,497
Assays			-		200,000	-		200,000
Exploration support			-		40,029	-		40,029
Fuel			-		4,039	-		4,039
Travel			-		4,029	-		4,029
Impairment of exploration costs			(488)		-	-		(488)
Exploration costs, December 31, 2018		**$**	**-**	**$**	**6,563,532**	**$ 488**	**$**	**6,564,019**
Balance, December 31, 2018		**$**	**-**	**$**	**9,426,049**	**262,488**	**$**	**9,688,536**

(Unaudited - Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of the mineral projects' costs by project for the year ended September 30, 2018:

	Notes		**Trapper (BC, Canada)**		**Kahuna (NU, Canada)**		**Total**
Acquisition costs:							
Beg balance, September 30, 2017		$	-	$	2,908,791	$	2,908,791
Additions / (deductions) during the year:							
Royalty Payment			5,000		-		5,000
Claim fees			500		37,404		37,904
Plan of arrangement	*5*		-		(83,678)		(83,678)
Total acquisition costs			5,500		2,862,517		2,868,017
Less: impairment of acquisition costs			(5,500)		-		(5,500)
Acquisition costs, September 30, 2018		**$**	**-**	**$**	**2,862,517**	**$**	**2,862,517**
Exploration costs:							
Beg balance, September 30, 2017		$	-	$	3,893,353	$	3,893,353
Additions / (deductions) during the year:							
Geological consulting & drilling	*7*		9,519		1,170,500		1,180,019
Aircraft charter			-		335,956		335,956
Assays			6,215		1,235,691		1,241,906
Exploration support			-		118,012		118,012
Fuel			-		44,434		44,434
Travel			-		247,016		247,016
Impairment of exploration costs			(15,734)		-		(15,734)
Plan of arrangement	*5*		-		(882,201)		(882,201)
Exploration costs, September 30, 2018		**$**	**-**	**$**	**6,162,761**	**$**	**6,162,761**
Balance, September 30, 2018		**$**	**-**	**$**	**9,025,278**	**$**	**9,025,278**

a. Kahuna Property

On November 4, 2014, the Company signed an option agreement to acquire a 100% interest in the Kahuna Diamond project located in Nunavut, Canada. Under the terms of the agreement, the Company had to make cumulative exploration expenditures on the project totaling $5,000,000, issue 11,000,000 common shares, and pay $700,000 over four years. On April 30, 2017, the Company entered into a Letter Agreement where it accelerated its option agreement to acquire a 100% undivided interest in the Kahuna project by paying the remaining cash ($100,000 upon signing – paid, and $250,000 upon completion of its financing – paid, and issuing the remaining 4,400,000 common shares – issued). The Company is no longer required to meet the remainder of its previously disclosed $5 million cumulative exploration expenditures commitment.

6. EXPLORATION AND EVALUATION ASSETS (continued)

The option agreement contained a Royalty Agreement clause which stated the following; In accordance with the terms of the Royalty Agreement, the Kahuna Property is currently subject to two separate two percent (2%) gross overriding royalties on diamonds (each, a "GOR" and together, the "GORs"), and two separate two percent (2%) net smelter return royalties (each, an "NSR" and together, the "NSRs") on all other minerals derived from the Property. Pursuant to the Royalty Agreement, one percent (1%) of each GOR may be purchased by either of the parties for $2 million, and one percent (1%) of each NSR may be purchased by either of the parties for $2 million.

On December 11, 2015, the Company entered into an agreement with Kel-ex Development ("Kel-ex"), a private company controlled by an advisor to the Company, whereby Kel-ex will provide equity financing equal to one-third of the Company's diamond processing and other laboratory costs incurred through a laboratory controlled by the advisor. Kel-ex has continued to maintain its interest as per the agreement The advisor has also agreed to provide certain professional and technical advisory services to the Company, in exchange the Company has granted a right-of-first-refusal to Kel-ex on the sale of its interests in the Kahuna diamond project.

On May 11, 2017, the Company proceeded with its intention to spin out its rights to gold mineralization at the Kahuna Property. On July 20, 2017, Dunnedin released details of the transaction to spin out a company, Solstice, that would independently explore the Kahuna Property for gold.

During the period ended December 31, 2017, Dunnedin and Solstice entered into the Kahuna Property Land Transfer and Rights Agreement, which set out the terms to which the Company will transfer mineral claims located in Nunavut to Solstice . The transferred claims are free and clear of any and all mortgages, charges, pledges, liens, licences, privileges, security interests, royalties, encumbrances, claims or rights or interest attaching to or affecting property, whether recorded or unrecorded, and whether arising by agreement, statute or otherwise under applicable laws, apart from the gross overriding royalties and the net smelter return royalties (see Note 5).

The Kahuna property is subject to an annual assessment expenditure commitments on active claims ranging from $165,000 to $454,000 over the next five years. The 2018 commitment has been met.

6. EXPLORATION AND EVALUATION ASSETS (continued)

b. Trapper Property

By agreement dated November 29, 2010 the Company entered into an option agreement (the "Option"), with Constantine Metal Resources Ltd. ("CMR") to acquire a 70% interest in CMR's Trapper Gold Project in British Columbia, Canada. On June 28, 2013, the Option was terminated and, upon termination, CMR assigned its underlying agreement with the property owner for the Trapper property to the Company, resulting in the Company owning 100% of the property.

CMR has retained the right to participate in any future financing of the Company of up to 5% of the proposed issuance of shares, provided CMR has ownership of at least 5% of the outstanding issued shares of Dunnedin at the time of financing.

The project is subject to a 2.5% net smelter return royalty ("NSR") to the property vendor and a 0.5% NSR to CMR. The Company has the option to purchase 1% of the NSR from the property vendor for $500,000 and, if it exercises this option, CMR has a right to acquire an additional 0.5% NSR against payment of $250,000.

c. Man, Prime and Dillard Property

On November 29, 2018, the company announced it has entered into a purchase agreement to acquire 100% ownership of the 78.5 square kilometre consolidated Man, Prime and Dillard properties, the "MPD Project" in south-central British Columbia. The MPD Project is within the Quesnel Trough, British Columbia's primary copper-producing belt, and has characteristics similar to the neighboring alkalic porphyry systems at the Copper Mountain Mine to the south, New Gold's New Afton Mine to the north.

In relation to the offer the Company paid $100,000 in cash and 1.8 million Dunnedin shares, which were paid on the closing of the transaction. A further $100,000 in cash is payable on April 1, 2019. The agreement is subject to a 1.25% to 2% net smelter return royalty, which is payable on only three of a total of 28 mineral claims. No royalties are payable on the remaining 25 claims.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable include primarily amounts owing for Company's exploration programs, and general corporate expenditures. In addition to this there is $524,771 payable to CF Mineral Labs, a company controlled by an advisor of the Company, (see Note 8).

The Company is disputing $287,154 of accounts payable arising in 2011, and believes these amounts will be settled without payment.

8. RELATED PARTY TRANSACTIONS

The Company's transactions with related parties during the three months ended December 31, 2018 and 2017 consist of transactions with directors, officers, and shareholders of the Company.

(Unaudited - Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

Amounts paid and accrued to key management personnel, officers and companies controlled by directors and officers:

		Three months ended December 31, 2018		Three months ended December 31, 2017
Geological fees capitalized to exploration & evaluation [1]	$	200,000	$	40,780
Management fees [2]	$	91,250	$	183,050
Consulting and property investigation fees	$	-	$	13,420
Total	$	291,250	$	237,250

(1) Geological fees were paid to a company owned by an insider of the company.

(2) Management fees includes salaries and compensation to the Company's CEO, President and CFO.

As at December 31, 2018, $524,771 (December 31, 2017 – $16,643) was payable to CF Mineral Labs, a company controlled by an insider of the company without terms of interest or repayment.

As at December 31, 2018, $18,879 (December 31, 2017 - $18,879) had been advanced to a company with common directors as a security deposit.

9. SHARE CAPITAL

a. Authorized

Share capital consists of an unlimited number of common shares and preferred shares without par value. The Company has not issued any preferred shares.

b. Share Issuances

<u>Issued during the three months ended December 31, 2018</u>

There were no share issuances during the three months ended December 31, 2018.

<u>Issued during the year ended September 30, 2018</u>

During the three months period ended December 31, 2017, Dunnedin received share subscriptions on behalf of Solstice in the amount of $3,209,015, which were later transferred to Solstice upon the completion of the Arrangement.

9. SHARE CAPITAL (continued)

b. Share Issuances *(continued)*

On April 18, 2018 the Company completed a non-brokered private placement of flow-through and non-flow through units for total gross proceeds of $1,702,500. The Company issued 250,000 flow-through units ("FT Unit") at a price of $0.40 and 5,341,667 non-flow through units ("NFT Unit") at a price of $0.30 per share. Each FT Unit consists of one common share and one-half-of-one share purchase warrant entitling the holder to acquire an additional common share at a price of $0.47 for a period of twenty-four months. Each NFT Unit consists of one common share and one-half-of-one share purchase warrant entitling the holder to acquire an additional common share at a price of $0.35 for a period of twenty-four months.

The share purchase warrants issued as part of the FT Units and the NFT Units are subject to accelerated expiry in the event the closing price of the common shares of the Company on the TSX Venture Exchange is $0.65 or greater for twenty consecutive trading days.

In connection with the private placements, the Company paid finders' fees of $45,642, issued 136,140 broker warrants exercisable to acquire a common share of the Company at a price of $0.35 for a period of twenty-four months and issued 12,000 broker warrants exercisable to acquire a common share of the Company at a price of $0.47 for a period of twenty-four months. The fair value of the warrants was $23,718. These finders' warrants are subject to accelerated expiry on the same terms as the warrants comprising in the FT Units and the NFT Units.

On August 14, 2018 the Company announced that it has closed a non-brokered private placement of non-flow-through units and flow-through shares for gross proceeds of $1,802,500 . The Company has issued 5,080,000 NFT
Units at a price of $0.20 per unit and 3,419,565 FT Shares at a price of $0.23 per share through the Offering. Each NFT Unit consists of one common share and one-half-of-one common share purchase warrant entitling the holder to acquire an additional common share at a price of $0.28 for a period of twenty-four months.

The common share purchase warrants issued as part of the NFT Units are subject to accelerated expiry in the event the common shares of the Company trade on the TSX Venture Exchange at a volume weighted average price (VWAP) of $0.45 or more for twenty consecutive trading days.

In connection with the closing of the placement the Company paid finders' fees of $71,490 and issued 367,761 common share purchase warrants exercisable to acquire common shares of the Company. The fair value of the warrants was $33,289.

During the year ended September 30, 2018, the Company issued 9,394,000 common shares in exchange for $939,400 in cash proceeds from warrants exercised. $80,769 was reallocated to share capital from reserves. In this same period, 75,000 common share were issued in exchange for $5,250 in cash proceeds from options exercised. $8,085 was reallocated to share capital from reserves.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

b. Share Issuances *(continued)*

During the year ended September 30, 2018, share issuance costs totaled $222,643, which consisted of finders' warrants valued at $57,007 and cash issuance costs of $165,636. $25,797 were allocated to flow-through share issuance costs. See Note 10.

c. Warrants

	Number of Warrants	Weighted Average Exercise Price (Post-Arrangement)
Balance as at September 30, 2017	19,609,180	$0.25
Exercised	(9,394,000)	$0.10
Issued with units in private placement	2,670,833	$0.35
Issued with units in private placement	125,000	$0.47
Issued with units in private placement	2,540,000	$0.28
Issued to finders	136,140	$0.35
Issued to finders	12,000	$0.47
Issued to finders	182,609	$0.23
Issued to finders	185,152	$0.28
Balance as at September 30, 2018	16,066,914	$0.26
Issued	-	-
Exercised	-	-
Balance as at December 31, 2018	**16,066,914**	**$0.26**

As at December 31, 2018, the outstanding warrants are summarized as follows:

Expiry date (mm/dd/yyyy)	Number of Warrants	Weighted Average Remaining Life In Years	Weighted Average Exercise Price (Pre-Arrangement)	Weighted Average Exercise Price (Post-Arrangement)
12/30/2019	140,000	1.00	$0.22	$0.15
07/17/2019	8,294,500	0.54	$0.35	$0.23
07/17/2019	662,500	0.54	$0.40	$0.27
07/17/2019	1,118,180	0.54	$0.25	$0.17
4/18/2020	2,806,973	1.30	n/a	$0.35
4/18/2020	137,000	1.30	n/a	$0.47
8/14/2020	2,725,152	1.62	n/a	$0.28
8/14/2020	182,609	1.62	n/a	$0.23
	16,066,914[1]	**0.88**	**$0.34**	**$0.26**

[1] All outstanding warrants were exercisable as at December 31, 2018.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL *(continued)*

c. Warrants (continued)

The fair value of the finders' warrants was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	April 2018	August 2018
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	1.88%	2.12%
Weighted average expected life	2 year	2 year
Weighted average expected volatility	110%	103%
Weighted average fair value of warrants granted	$0.1499 -$0.1617	$0.0861 - $0.0949

d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated February 27, 2009 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

The Company did not grant any options during the three months ended December 31, 2018. There were no stock options exercised or expired during the period. Share based compensation for the period was $1,712 (2017- Nil). The amount was for options previously granted that vest over 12 months.

The fair value of the options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	2018	2017
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	1.84% – 2.08%	1.10%
Weighted average expected life	5 year	5 year
Weighted average expected volatility	94% - 211%	222%
Weighted average fair value of warrants granted	$0.0988 - $0.2366	$0.19739

The following is a summary of the Company's stock option activity:

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL *(continued)*

d. Stock Options (continued)

	Number of Options	Weighted Average Exercise Price (Post-Arrangement)
Balance as at September 30, 2017	7,085,000	$ 0.16
Granted	2,240,000	$ 0.24
Exercised	(75,000)	$ 0.07
Forfeited	(180,000)	$ 0.15
Balance as at September 30, 2018	9,070,000	$ 0.15
Granted	-	-
Exercised	-	-
Expired	(150,000)	$ 0.13
Balance as at December 31, 2018	**8,920,000**	**$ 0.15**

[1] All outstanding options were exercisable apart from 22,500 options at $0.24 as at December 31, 2018.

As at December 31, 2018, the Company has outstanding stock options as follows:

Expiry date (mm/dd/yyyy)	Number of Options	Weighted Average Remaining life in years	Weighted Average Exercise Price (Pre-Arrangement)	Weighted Average Exercise Price (Post-Arrangement)
11/12/2019	1,225,000	0.87	$0.11	$0.07
05/07/2020	525,000	1.35	$0.11	$0.07
08/04/2021	200,000	2.59	$0.15	$0.10
09/06/2021	3,500,000	2.68	$0.19	$0.13
10/04/2021	150,000	2.76	$0.19	$0.13
01/18/2022	1,170,000	3.05	$0.21	$0.14
01/31/2023	2,150,000	4.09	$0.24	$0.24
	8,920,000	**2.74**	**$0.19**	**$0.15**

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(Unaudited - Expressed in Canadian Dollars)

10. FLOW THROUGH SHARE PREMIUM LIABILTY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

		Issued on April 18, 2018	Issued on August 14, 2018		Total
Balance at October 1, 2017	$	-	-	$	-
Liability incurred on flow through shares issued		25,000	102,587		127,587
Flow-through issuance costs (Note 9b)		(14,391)	(11,406)		(25,797)
Settlement of flow through share liability on incurring expenditures		(10,609)	(38,847)		(49,456)
Balance at September 30, 2018	$	-	52,334	$	52,334
Settlement of flow through share liability on incurring expenditures		-	(23,276)		(23,276)
Balance at December 31, 2018	$	-	29,058	$	29,058

11. FINANCIAL INSTRUMENTS

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's consolidated financial instruments are summarized below.

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at December 31, 2018, the Company had cash and cash equivalents balance of $1,524,106 (September 30, 2018 - $1,974,071) to settle current liabilities of $909,969 that are due within one year (September 30, 2018 - $1,013,519).

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash and cash equivalents. As at December 31, 2018, the Company had a receivable and due from Solstice balance aggregating of $44,301 (September 30, 2018 - $417,875), which primarily relates to GST receivable from the Federal Government of Canada.

There was $249,737 in Advances and Deposits as at December 31, 2018 (September 30, 2018 - $322,407) this was made up predominately of prepayments to vendors and a $50,000 refundable deposit the Nunavut government.

11. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2018, the Company does not have any interest-bearing loans or liabilities outstanding. All receivable and payable balances are current and as such, are not subject to interest.

Currency risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency. As at December 31, 2018, the Company has in US dollars US$107,663 or C$146,873 in equivalent (September 30, 2018 – US$110,995 or C$143,682 in equivalent).

12. CAPITAL DISCLOSURES

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating and exploration requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has no debt and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

13. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector in Canada.