New Nadina Explorations Limited

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

Three and six months ended February 28, 2019 and 2018

(*unaudited - expressed in Canadian dollars*)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of New Nadina Explorations Limited (the "Company") have been prepared by and are the responsibility of the Company's management. The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed consolidated interim financial statements have not been reviewed by the Company's independent auditor.

New Nadina Explorations Limited

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian. dollars)

	Note	February 28, 2019	August 31, 2018
		$	$
Assets			
Current			
Cash and cash equivalents		259,782	584,390
Receivables and prepaids		88,490	92,577
		348,272	676,967
Non-current assets			
Marketable securities	5,6	-	23,499
Reclamation deposit	5	82,500	82,500
Property and equipment	6	94,144	48,353
Exploration and evaluation assets	5,7	38,415	38,415
		563,331	869,734
Liabilities			
Current			
Accounts payable and accrued liabilities		19,725	40,239
Reclamation provision	7	-	30,206
		19,725	70,445
Equity			
Share capital	8	14,906,712	14,906,712
Reserves	8	2,887,500	2,818,806
Deficit		(17,146,806)	(16,834,378)
Accumulated other comprehensive loss	4	(103,800)	(91,851)
		543,606	799,289
		563,331	869,734

Going concern (note 1)
Subsequent event (note 9)

Approved by the Board of Directors:

(signed) "John W. Jewitt" (signed) "Anthony Jewitt"

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

New Nadina Explorations Limited

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Loss and Comprehensive Income (Loss)

For the three and six months ended February 28, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

		Three months ended February 28		Six months ended February 28	
	Note	**2019**	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
Exploration Expenses					
Exploration expenses, net of recoveries	7	33,927	40,970	131,801	436,451
Administrative Expenses					
Insurance		2,405	(1,143)	3,206	2,190
Legal, audit and accounting		7,853	39,811	30,333	34,785
Licences, fees and other		6,703	10,256	10,477	13,354
Office rent and building expenses		2,400	3,600	7,200	7,200
Printing, stationery and office		7,671	8,325	7,671	8,352
Payroll and management fees		18,252	9,875	30,814	17,509
Shared-based compensation		68,694	-	68,694	-
Telephone		1,662	1,553	1,947	2,277
Transfer agent fees		5,891	4,551	7,265	5,874
Travel and promotion		12,962	4,278	13,586	4,278
Interest income and Miscellaneous		482	(3,174)	(566)	(3,475)
		(134,975)	(77,632)	(180,627)	(92,344)
Realized loss on sale of marketable securities	6	-	-	-	(7,906)
Net loss for the period		(168,902)	(118,602)	(312,428)	(536,701)
Other comprehensive income (loss)					
Realized gain (loss) on sale of marketable securities	6	(46,129)	-	(46,129)	-
Transfer from unrealized to realized gain (loss) on sale of marketable securities	6	51,270	(14,641)	34,180	(22,033)
Total other comprehensive income (loss for the period		5,141	(14,641)	(11,949)	(22,033)
Total comprehensive loss for the period		(163,761)	(133,243)	(324,377)	(558,734)
Basic and diluted net earnings per share		(0.01)	(0.01)	(0.02)	(0.04)
Weighted average number of shares outstanding		15,054,433	15,054,433	15,054,433	15,054,433

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

New Nadina Explorations Limited

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended February 28, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

	Share Capital		Reserves	Shares allotted and unissued	AOCI(L)[1]	Deficit	Total
	Number	$	$	$	$	$	$
Balance, September 1, 2017	12,647,433	13,682,779	2,671,332	67,000	36,675	(15,488,797)	968,989
Shares issued on private placement	1,582,000	1,214,875	-	(67,000)	-	-	1,147,875
Less: issue costs	-	(78,312)	-	-	-	-	(78,312)
Shares issued on exercise of warrants	225,000	27,000	26,690	-	-	-	53,690
Shares issued on exercise of options	600,000	76,750	-	-	-	-	76,750
Unrealized loss on marketable securities	-	-	-	-	(58,708)	-	(58,708)
Total comprehensive income for the period	-	-	-	-	-	(536,701)	(536,701)
Balance, February 28, 2018	**15,054,433**	**14,923,092**	**2,698,022**	**-**	**(22,033)**	**(16,025,498**	**1,573,583**
Brokers' warrants issued	-	(11,020)	11,020	-	-	-	-
Transfer of value from exercise of options	-	51,640	(51,640)	-	-	-	-
Flow-through premium	-	(57,000)	-	-	-	-	(57,000)
Share-based payments	-	-	161,404	-	-	-	161,404
Unrealized loss on marketable securities	-	-	-	-	(69,818)	-	(69,818)
Total comprehensive loss for the period	-	-	-	-	-	(808,880)	(808,880)
Balance, August 31, 2018	**15.054,433**	**14,906,712**	**2,818,806**	**-**	**(91,851)**	**(16,834,378)**	**799,289**
Share-based payments	-	-	68,694	-	-	-	68,694
Realized loss on marketable securities	-	-	-	-	(11,949)	-	(11,949)
Total comprehensive loss for the period	-	-	-	-	-	(312,428)	(312,428)
Balance, February 28, 2019	**15,054,433**	**14,906,712**	**2,887,500**	**-**	**(103,800)**	**(17,146,806)**	**543,606**

[1] Accumulated other comprehensive income (loss)

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

New Nadina Explorations Limited

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended February 28, 2019 and 2018

(Unaudited - Expressed in Canadian dollars)

	2019	2018
	$	$
Cash flows from operating activities		
Net income for the period	(312,428)	(536,701)
Items not affecting cash		
Amortization	9,109	6,044
Share-based payments	68,694	-
Loss on sale of marketable securities	-	7,906
	(234,625)	(522,751))
Changes in non-cash operating working capital		
Change in receivables and prepaids	4,087	(12,548)
Change in accounts payable and accrued liabilities	(50,720)	11,893
Cash used in operating activities	(281,258)	(523,406)
Cash flows from investing activities		
Purchase of equipment	(54,900)	-
Proceeds on sale of marketable securities	11,550	152,069
Cash from (used in) investing activities	(43,350)	152,069
Cash flows from financing activities		
Private placement	-	1,173,313
Exercise of warrants	-	26,689
Cash from (used in) financing activities	-	1,200,002
Increase (decrease) in cash and cash equivalents	(324,608)	828,665
Cash and cash equivalents - Beginning of period	584,390	437,239
Cash and cash equivalents - End of period	259,782	1,265,904
Cash received for interest	946	3,686

1 Nature of operations and going concern

New Nadina Explorations Limited ("New Nadina" or the "Company") was incorporated pursuant to the laws of British Columbia on April 7, 1964. The Company is principally engaged in the acquisition, exploration and development of mineral and diamond properties in British Columbia, Saskatchewan and the Northwest Territories. The Company trades on the TSX Venture Exchange under the trading symbol "NNA" and is extra-provincially registered in the Province of Saskatchewan and extra-territorially registered in the Northwest Territories.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

The Company has incurred losses since inception and expects to incur further losses in the development of its business and at February 28, 2019, the Company had a working capital of $328,547 and at that date, the Company also had an accumulated deficit of $17,146,806 which has been funded primarily by the issuance of equity.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2 Basis of presentation

Statement of compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended August 31, 2018, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended August 31, 2018 except for the adoption of IFRS 9, Financial Instruments (Note 3).

These financial statements were approved by the board of directors on April 29, 2019.

Basis of consolidation

These financial statements include the financial statements of the Company and its 100% controlled subsidiary. Subsidiaries are entities controlled by the Company, and are included in the financial statements from the date that control commences until the date that control ceases. The Company and its subsidiary apply the same accounting policies. All material intercompany balances are eliminated on consolidation.

On March 19, 2018 the Company incorporated a wholly owned subsidiary, 1157274 B.C. Ltd.

3 Adoption of new accounting standards and standards issued but not yet effective

(i) New Accounting Standards Adopted During the Period

IFRS 9, Financial Instruments

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on September 1, 2018 (the date of initial adoption). IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and general hedge accounting. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard did not have a material measurement or disclosure impact on the Company's financial statements.

IFRS 9 requires retrospective application at the date of initial adoption. However, IFRS 9 does not require an entity to restate prior periods. Restatement is permitted, if and only if, it is possible without the use of hindsight and the restated financial statements reflect all of the requirements of IFRS 9. If an entity does not restate prior periods, any difference between previous carrying amounts and those determined under IFRS 9 at the date of initial application should be included in opening retained earnings, or other equivalent component of equity, as relevant. The Company did not restate prior periods as there was no material impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on September 1, 2018.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Recognition and Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at September 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	**New classification IFRS 9**
Cash	FVTPL	Amortized cost
Marketable securities	Available-for-sale	FVTOCI
Reclamation deposit	Loans & receivable	Amortized cost
Receivables and prepaids	Loans & receivable	Amortized cost
Accounts payables and accruals	Other liability	Amortized cost

On transition to IFRS 9 the Company elected to classify its marketable securities as FVTOCI. The change in classification did not have a measurement impact on the carrying value of these financial assets at September 1, 2018.

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(ii) New Accounting Standard Not Yet Effective

IFRS 16, Leases
The new standard eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. IFRS 16 is mandatory for the Company’s annual period beginning on September 1, 2019. The Company is currently assessing the expected impact of IFRS 16 on its consolidated financial statements.

4 Use of estimates, assumptions and judgments

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

5 Disposition of subsidiary

On February 15, 2017 the Company sold Kettle River Resources Ltd. to Golden Dawn pursuant to the terms of a Letter of Intent (“LOI”). The fair value of the consideration received and the assets derecognized were as follows:

(Unaudited - Expressed in Canadian dollars)

	$
Cash payments	1,010,000
Marketable securities (Note 6)	600,000
Total consideration received	1,610,000
Reclamation deposits	5,000
Exploration and evaluation assets (Note 8)	2
Other assets	50
Total consideration received	5,052
Gain on disposal of Kettle River	1,604,948

Other consideration

Kettle River's Greenwood Area Properties consist of mineral claims, crown grants and surface freehold titles in the historical Greenwood Mining District, British Columbia.

Pursuant to the terms of the LOI, the Company will retain a 1% net smelter return ("NSR") royalty in respect of the Greenwood Area Properties, with Golden Dawn having the ability to purchase ½% of the royalty for $1,000,000 for a period up to five years and thereafter $1,200,000 for a period up to 10 years.

6 Marketable securities

On February 15, 2017, the Company acquired 2,222,250 common shares in Golden Dawn pursuant to the Kettle River disposition (Note 5). The shares were valued at $0.27 on acquisition and the Company subsequently sold 1,000,000 of the shares for proceeds of $274,352 (net of commissions), realizing a gain of $4,352.

On August 31, 2017, the Company retained 1,222,250 common shares of Golden Dawn with a fair value of $366,675 ($0.30 per share).

In the year ended August 31, 2018, the Company sold an additional 795,000 shares for proceeds of $192,014 (net of commissions). Golden Dawn shares were consolidated on a 2:1 basis on April 18, 2018, resulting in New Nadina holding 213,625 shares valued at $23,499 ($0.11 per share) at August 31, 2018.

During the six months ended February 28, 2019, the Company sold the remaining 213,625 shares for proceeds of $11,550 (net of commissions), realizing a loss of $46,129. The changes in fair value, to the date of sale, of the marketable securities for the 3-month and 6-month periods ended February 28, 2019 were a gain of $5,149 and a loss of $11,949, respectively.

(Unaudited - Expressed in Canadian dollars)

7 Property and equipment

	Building	Equipment	Total
	$	$	$
Cost	**148,032**	**74,959**	**222,991**
Balance, August 31, 2018			
Additions	-	54,900	54,900
Balance, February 28, 2019	**148,032**	**129,859**	**277,891**
Accumulated depreciation			
Balance, August 31, 2018	112,381	62,257	174,638
Depreciation	3,565	4,559	8,124
Balance, February 28, 2019	**115,946**	**66,816**	**182,762**
Net book value			
Balance, August 31, 2018	35,651	12,702	48,353
Balance, February 28, 2019	**32,086**	**63,043**	**95,129**

8 Exploration and evaluation assets

Costs to acquire the main property are capitalized and costs to acquire claims peripheral to the main property and exploration expenditures relating to mineral properties are expensed as incurred. The carrying value of the Company's mineral properties does not reflect current or future value. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income. Option payments are recorded as incurred. Reclamation and site restoration costs including site maintenance and care-taking are expensed when incurred.

Acquisition cost of exploration and evaluation assets	**February 28, 2019**	**August 31, 2018**
	$	**$**
Saskatchewan property (100% interest)	**-**	-
Silver Queen property (100% interest)	**38,413**	38,413
Monument Diamond property (57.49% interest)	**1**	1
DHK Diamonds Inc. – NWT (43.37% interest)	**1**	1
	38,415	38,415

Saskatchewan property (100%)

The Company holds a 100% interest in a silica quarrying mineral lease which covers an area of 21.85 hectares and expires in December 2019.

Silver Queen property, British Columbia - Omineca Mining Division (100%)
The Company has a 100% interest in the Silver Queen Property, located in the Omineca Mining Division, of British Columbia. The property includes 2 surface title owned crown grants (40.47 ha), and 17 crown-granted (undersurface) titles and 45 tenure claims, covering 18,852 ha. During the year ended August 31, 2018 the Company recognized a reclamation provision in the amount of $30,206 based on costs incurred subsequent to year end to reclaim the Silver Queen Property.

As at February 28, 2019 a reclamation deposit of $23,500 is held in relation to the Silver Queen property.

Monument Diamond property, Lac de Gras NWT (57.49%)
In May 2002, the Company acquired from DHK Diamonds Inc. three claims covering 3,081.7 ha and took them to lease in the Mackenzie District Mining Division, Northwest Territories. An Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Royal Gold Inc. (Kennecott Canada Explorations Inc.). New Nadina is the operator and retains 57.49% with two other parties holding the remaining participating interest in the mineral claims.

In July 2017, the Company acquired 2 staked claims (500 ha) adjacent to the northern boundary of the 3 mineral leases.

In September 2012, the Company was issued a five-year Type “A” Land Use Permit by the Wek’eezhii Land and Water Board which expired on September 3, 2017. The Company applied for a two-year extension to the Land Use permit and, in August 2017, this extension was granted moving the expiry to September 4, 2019.

As at February 28, 2019 a reclamation deposit of $59,000 is held by the Government of Northwest Territories in relation to the Monument property.

DHK Diamonds Inc. (property acquired through Kettle River)
New Nadina has acquired 43.37% of DHK Diamonds Inc. (“DHK”) a private company incorporated and registered in the Northwest Territories, previously owned by Kettle River Resources Ltd.

Current DHK shareholder interest:

- New Nadina Explorations Limited 43.37%
- Dentonia Resources Ltd. 43.37%
- Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) 13.26%

DHK is a partner in the WO claim block, a diamond property in the Northwest Territories. As of February 28, 2019, DHK has a 10.301% (August 31, 2018 - 10.301%) contributing interest in the WO Joint Venture which is operated by DeBeers. Should DHK reduce to less than a 4% participating interest, they revert to a 0.25% gross overriding royalty.

Operations and funding provisions of DHK are governed by a 1992 Shareholders’ Agreement where each shareholder appoints two directors to the board and certain activities require 75% board approval.

Through an agreement dated October 24, 2003 DHK holds a 1.0% gross overriding royalty on three leases within the Monument Diamond Property (see above) which is operated by, and owned 57.49% by, the Company.

(Unaudited - Expressed in Canadian dollars)

During the six months ended February 28, 2019, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Saskatchewan property	**Silver Queen property**	**Monument Diamond property**	**DHK Diamonds properties**	**Total**
	$	**$**	**$**	**$**	**$**
Assay analysis	-	1,228	-	-	1,228
Camp preparation	-	4,835	-	-	4,835
Depreciation	-	9,109	-	-	9,109
Drilling	-	10,123	-	-	10,123
General exploration	151	109,564	23,476	-	133,191
Geology	-	2,925	-	-	2,925
Property, assessment/taxes	206	618	-	-	824
	357	138,402	23,476	-	162,235
Less: Recoveries from JV participants	-	-	(30,434)	-	(30,434)
	357	138,402	(6,958)	-	131,801

During the six months ended February 28, 2018, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Saskatchewan property	**Silver Queen property**	**Monument Diamond property**	**DHK Diamonds properties**	**Total**
	$	**$**	**$**	**$**	**$**
Assay analysis	-	17,730	-	-	17,730
Camp preparation	-	4,796	-	-	4,796
Depreciation	-	6,044	-	-	6,044
General exploration	38	400,709	4	-	400,751
Geology	-	6,332	-	-	6,332
Property, assessment/taxes	206	592	-	-	798
	244	436,203	4	-	436,451

(Unaudited - Expressed in Canadian dollars)

During the three months ended February 28, 2019, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Saskatchewan property	**Silver Queen property**	**Monument Diamond property**	**DHK Diamonds properties**	**Total**
	$	**$**	**$**	**$**	**$**
Assay analysis	-	-	-	-	-
Camp preparation	-	104	-	-	104
Depreciation	-	5,131	-	-	5,131
Drilling	-	(307)	-	-	(307)
General exploration	-	43,058	15,912	-	58,970
Property, assessment/taxes	-	463	-	-	463
	-	48,449	15,912	-	64,361
Less: Recoveries from JV participants	-	-	(30,434)	-	(30,434)
	-	48,449	(14,522)	-	33,927

During the three months ended February 28, 2018, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Saskatchewan property	**Silver Queen property**	**Monument Diamond property**	**DHK Diamonds properties**	**Total**
	$	**$**	**$**	**$**	**$**
Assay analysis	-	17,730	-	-	17,730
Camp preparation	-	1,485	-	-	1,485
Depreciation	-	3,022	-	-	3,022
General exploration	38	17,531	-	-	17,569
Geology	-	1,332	-	-	1,332
Property, assessment/taxes	108	(276)	-	-	(168)
	146	40,824	-	-	40,970

9 Share capital

Authorized
An unlimited number of common shares without par value.

Financings
There were no shares issued during the six months ended February 28, 2019.

During the six months ended February 28, 2018 shares were issued for the following:

a) Completed a private placement where by gross proceeds of $103,000 were raised through the issuance of 1,287,500 units at a price of $0.08 per unit. Each unit consists of one non-flow-through common share and one share purchase warrant. Each warrant is exercisable into an additional non-flow-through common share at a price of $0.12 for a period of 5 years from grant.

b) Issued 600,000 common shares pursuant to the exercise of stock options for gross proceeds of $76,750.

c) Issued 225,000 common shares pursuant to the exercise of share purchase warrants for gross proceeds of $27,000.

d) Announced and completed a private placement whereby the Company raised gross proceeds of $1,111,875 through the issuance of 150,000 flow-through common shares (the “FT shares”) at a price of $3.80 per FT share and 144,500 non-flow-through units (the “NFT units”) at a price of $3.75 per NFT unit. Each NFT unit is comprised of one non-flow-through common share and one half share purchase warrant. Each whole warrant is exercisable into an additional non-flow-through common share at a price of $4.25 for a period of 2 years from grant.

   In connection with the issuance of the FT shares, the Company issued 9,001 broker warrants with each broker warrant being exercisable into a NFT share at a price of $3.80 for a period of 2 years from issuance and paid a cash commission of $34,200.

   Finders’ fees of $15,413 were paid in connection with the NFT unit portion of the financing.

Stock options
The Company has established a share purchase option plan whereby the Board of Directors may from time to time grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company’s Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

(Unaudited - Expressed in Canadian dollars)

The Company's stock options outstanding as at February 28, 2019 and the changes for the nine months then ended are as follows:

	Number of options	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
		$	
Balance – August 31, 2018	900,000	0.16	4.52
Rescission	(700,000)	0.15	
Granted	700,000	0.10	
Balance – February 28, 2019	900,000	0.12	4.56
Exercisable – February 28, 2019	900,000	0.12	4.56

During the six months ended February 28, 2019, the Company recorded share-based payments of $68,694 (2018 - $nil) in respect of newly granted options. The fair value of the options granted was estimated using the Black-Scholes option-pricing model. Weighted average assumptions used in the pricing model were as follows: risk-free rate – 1.60%; expected volatility – 209%; expected forfeitures – nil%; and expected dividends – nil.

The balance of options outstanding as at February 28, 2019 is as follows:

Expiry date	**Exercise price $**	**Number of options outstanding**	**Number of options exercisable**
May 23, 2023	0.18	200,000	200,000
October 25, 2023	0.10	700,000	700,000
		900,000	900,000

Subsequent to February 28, 2019 a total of 300,000 stock options were granted to directors and consultants at an exercise price of $0.08 for a period of five years.

(Unaudited - Expressed in Canadian dollars)

Share purchase warrants

The Company's warrants outstanding as at February 28, 2019 and the changes for the six months then ended are as follows:

	Number of warrants	Weighted average exercise price (per share)	Weighted average remaining life (years)
		$	
Balance – August 31, 2018	1,143,751	0.41	3.87
Issued	-	-	
Expired	-	-	
Balance – February 28, 2019	1,143,751	0.41	3.38

Warrants to acquire common shares are outstanding at February 28, 2019 as follows:

Expiry Date	Exercise Price $	Number of warrants outstanding
December 2, 2019	3.80	9,001
December 9, 2019	4.25	72,250
September 25, 2022	0.12	1,062,500
		1,143,751

Reserves

Reserve includes items recognized as stock-based compensation expense and the fair value of warrants issued until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded is transferred to deficit.

10 Related party transactions and commitments

Key management includes the Chief Executive Officer, the Chief Financial Officer and the remaining directors. The compensation paid or payable to key management for services during the three and six months ended February 28, 2019 and 2018 is as follows:

	Three months ended February 28,		Six months ended February 28,	
	2019	2018	2019	2018
	$	$	$	$
Management and wages	6,500	600	12,500	23,200
General exploration	14,100	20,580	20,700	31,730
Share-based payments	68,694	-	68,694	-
	89,294	21,180	101,894	54,930

During the three- and six-month periods ended February 28, 2019 $7,491 and $9,925 (2018 - $nil and $nil, respectively) was charged by the spouse of the Chief Executive Officer and director of the Company with respect to accounting and administrative services provided during the period. At February 28, 2019, a total of $5,487 (August 31, 2018 - $5,487) was owing from a company with officers and Directors in common and has been included in receivables and prepaids.

In addition, office rent of $2,400 and $7,200 for the three- and six-month periods ended February 28, 2019 (2018 - $3,600 and $7,200, respectively) was charged by a company controlled by a prior director of the Company. The agreement is for a monthly fee of $1,200 with a 3 month notice period by either party to cancel the agreement.