CONFEDERATION

MINERALS LTD.

Financial Statements

Period Ended March 31, 2019

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Confederation Minerals Ltd. for the nine months ended March 31, 2019, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

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

CONFEDERATION MINERALS LTD.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	March 31, 2019	June 30, 2018
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		492,213	591,455
Receivables	5	17,871	52,874
Prepaid expenses		6,525	3,819
Total current assets		516,609	648,148
Non-current assets			
Exploration and evaluation assets	6	1	1
Total assets		516,610	648,149
LIABILITIES			
Current liabilities			
Payables and accruals	7	479,028	288,842
Loan payable	8	5,000	5,000
Total liabilities		484,028	293,842
EQUITY (DEFICIENCY)			
Equity (deficiency) attributable to shareholders			
Share capital	10	23,109,725	23,109,725
Reserves		2,955,549	2,955,549
Accumulated deficit		(26,032,692)	(25,710,967)
Total equity (deficiency)		32,582	354,307
Total liabilities and equity (deficiency)		516,610	648,149

Nature and Continuance of Operations (note 1)
Commitments (note 13)

These financial statements are authorized for issue by the Board of Directors on May 29, 2019. They are signed on the Company's behalf by:

On behalf of the Board:

"Denise Lok"	Director	*"David Velisek"*	Director
Denise Lok		David Velisek	

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

CONFEDERATION MINERALS LTD.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three months ended March 31,		Nine months ended March 31,	
	Notes	2019	2018	2019	2018
		$	$	$	$
Expenses					
Bank charges and interest	9	23	21	120	1,825
Consulting and management fees	13	87,000	92,000	261,000	266,000
Exploration and evaluation expenditures	6	1,801	4,138	16,712	10,885
Filing fees		(1,278)	10,870	2,449	18,265
Insurance		1,588	3,340	9,556	16,712
Meals and entertainment		2,697	5,231	4,956	9,784
Office expenses		5,800	9,602	14,787	16,629
Professional fees		(20,000)	1,750	2,650	14,827
Project investigation		193	-	468	103,081
Share-based payments		-	394,934	-	394,934
Shareholder information		1,480	2,717	2,639	5,915
Transfer agent fees		2,394	2,873	4,448	5,457
Travel and accommodation		2,509	2,987	2,660	22,514
		(84,207)	(530,463)	(322,445)	(886,828)
Interest and miscellaneous income		-	-	720	1,595
Write-down of exploration and evaluation asset	6	-	-	-	(157,201)
Loss for the period		(84,207)	(530,463)	(321,725)	(1,042,434)
Total comprehensive loss for the period		(84,207)	(530,463)	(321,725)	(1,042,434)

Loss per share (note 12)

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

CONFEDERATION MINERALS LTD.
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the Nine Months Ended March 31	2019	2018
	$	$
Cash provided by (used in):		
Operating activities		
Loss for the period	(321,725)	(1,042,434)
Items not involving cash:		
Interest income	(720)	1,595
Accretion expense on convertible debenture	-	1,375
Share-based payments	-	394,934
Write-down of exploration and evaluation assets	-	125,825
Changes in non-cash working capital:		
Receivables	35,003	(17,541)
Prepaid expenses	(2,706)	(2,618)
Payables and accruals	190,186	145,980
	(99,962)	(392,884)
Investing activities:		
Interest received	720	(1,595)
	720	(1,595)
Financing activities:		
Proceeds from shares issued	-	809,200
Proceeds from exercise of warrants	-	112,000
Share issuance costs	-	(30,184)
Repayment of Convertible Debenture	-	(50,000)
	-	841,016
Net change in cash and cash equivalent	(99,242)	446,537
Cash and cash equivalent, beginning of period	591,455	316,133
Cash and cash equivalent, end of period	492,213	762,670

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

CONFEDERATION MINERALS LTD.
Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	Amount	Reserves	Deficit	Total Equity (Deficiency)
		$	$	$	
Balance - June 30, 2017	10,365,526	21,912,449	2,545,034	(24,510,109)	(52,626)
Private Placements	2,247,777	809,200	-	-	809,200
Share issue costs	-	(30,184)	-	-	(30,184)
Shares issuance for mineral property (Note 6)	216,655	125,825	-	-	125,825
Fair value of agent warrants issued	-	(26,916)	26,916		-
Warrants exercised for common shares	200,000	112,000	-	-	112,000
Share-based payments	-	-	394,934	-	394,934
Loss for the period				(1,042,434)	(1,042,434)
Balance - March 31, 2018	13,029,958	22,902,374	2,966,884	(25,552,543)	316,715
Balance - June 30, 2018	13,626,972	23,109,725	2,955,549	(25,710,967)	354,307
Loss for the period	-	-	-	(321,725)	(321,725)
Balance - March 31, 2019	13,626,972	23,109,725	2,955,549	(26,032,692)	32,582

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on November 3, 2005 under the Business Corporations Act (British Columbia) and trades on the TSX Venture Exchange ("TSX-V") under the symbol CFM. The Company's principal business activity is the exploration of exploration and evaluation assets.

The amounts shown as exploration and evaluation assets represent net acquisition costs to date, less any amounts amortized and/or written off, and do not necessarily represent present or future values. The recoverability of these amounts and any additional amounts required to place these assets into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop these assets.

The Company has working capital surplus as at March 31, 2019 of $32,581 and an accumulated deficit of $26,032,692. These financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses from inception and does not currently have the financial resources to maintain its operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds from there and/or raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern.

The financial information is presented in Canadian Dollars (CDN$), which is the functional currency of the Company.

The head office and principal address of the Company are located at Suite 1980, 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9.

2. BASIS OF PRESENTATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which collectively includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board (the "IASB"), and all applicable individual International Accounting Standards ("IASs") and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB, effective for the Company's reporting for the period ended March 31, 2019.

Basis of measurement

The financial statements have been prepared under the historical cost basis. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Cash and Cash Equivalents

Cash includes cash on hand, and demand deposits with financial institutions.

b) Mineral Exploration and Evaluation Expenditures

Pre-exploration costs are expensed in the period in which they are incurred. Once the legal right to explore a mineral property has been acquired, all costs related to the acquisition of mineral properties are capitalized by property. All exploration and evaluation expenditures are expensed until properties are determined to have economically recoverable resources. These direct expenditures include such costs as materials used, surveying costs, geological studies, drilling costs, payments made to contractors and depreciation of plant and equipment during the exploration phase.

Mineral property acquisition costs for each mineral property are carried forward as an asset provided that one of the following conditions is met:

- Such costs are expected to be recouped in full through successful development and exploration of the mineral property or alternatively, by sale; or
- Exploration and evaluation activities in the mineral property have not reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves; however; active and significant operations in relation to the mineral property are continuing, or planned for the future.

The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present. In the case of undeveloped properties, there may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for the development of such a property. If a mineral property does not prove viable, all unrecoverable costs associated with the property are charged to profit or loss at the time the determination is made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is first tested for impairment and is then considered to be a mine under development and is classified as "mining assets", within property, plant, and equipment. Exploration and evaluation acquisition costs accumulated are also tested for impairment before they are transferred to development properties.

c) Foreign Currencies Translation and Transaction

The functional currency of the Company is measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using 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. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company performs impairment testing on each cash-generating unit.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in accumulated other comprehensive loss/income.

e) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records, if any, the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

f) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. 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 engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share Capital (continued)

of common shares and a certain number of warrants. Depending on the terms and conditions of equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves.

Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

g) Provisions

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes the premium as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

h) Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. For the years presented, this calculation proved to be anti-dilutive.

i) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that 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 profit or loss over the remaining vesting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share-based Payments (continued)

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Options or warrants granted that relate to the issuance of shares are recorded as a reduction of share capital.

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 valuation model.

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

j) Recent accounting pronouncements and future changes in accounting standards

The Company did not adopt any new accounting standard changes or amendments in 2018 that had a material impact on the Company's financial statements. The following amendment was adopted by the Company for the year ended December 31, 2018:

IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The Company adopted IFRS 9 using the modified retrospective approach where the cumulative impact of adoption will be recognized in retained earnings as of January 1, 2018 and comparatives will not be restated.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

<u>Amortized cost</u>

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

<u>Fair value through other comprehensive income ("FVTOCI")</u>

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at fair value through profit or loss ("FVTPL") to present subsequent changes in FVTOCI.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Recent accounting pronouncements and future changes in accounting standards (continued)

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Consistent with IAS 39, financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IAS 39 and IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial Assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Marketable securities	Available for sale	FVTOCI
Financial Liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The adoption of IFRS 9 did not have an impact on the Company's classification and measurement of financial assets and liabilities.

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had no impact on the carrying amounts of financial assets at amortized cost.

Consistent with IAS 39, the financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Financial liabilities are derecognized when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The Company has reviewed new accounting pronouncements that have been issued but are not yet effective. The Company will continue to evaluate the impact these standards will have on the financial statements when they are finalized. Currently the effect is expected to be immaterial. These standards include:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Recent accounting pronouncements and future changes in accounting standards (continued)

IFRS 9 Financial instruments (Amendment)

In October 2017, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 Financial Instruments, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2017, to address the classification of certain prepayable financial assets.

The amendments clarify that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met. The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning January 1, 2019.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 10.

(Expressed in Canadian Dollars)

5. RECEIVABLES

At March 31, 2019 and June 30, 2018, the Company's receivables consist of GST – value added tax.

6. EXPLORATION AND EVALUATION ASSETS

Newman Todd Project

The exploration and evaluation assets of the Company are comprised of a 70% interest in the Newman Todd Project

The Project is subject to a two percent net smelter return ("NSR") and a fifteen percent net carried interest. The latter interest does not receive payment until capital expenditures have been recovered with interest.

The Company also owns an effective 35% interest in certain other claims adjacent to the Newman Todd Project.

The Company previously impaired the mineral property value to $1.

The schedule below outlines the costs incurred in the Newman Todd Project as at March 31, 2019:

	As at June 30, 2017	Additions/ (Writedowns)	As at June 30, 2018	Additions/ (Writedowns)	As at March 31, 2019
	$	$	$	$	$
Acquisition					
Cash payments	1	-	1	-	1
Share issuance	-	-	-	-	-
	1	-	1	-	1

	Cumulative to June 30, 2017	Expenditures during the period	Cumulative to June 30, 2018	Expenditures during the period	Cumulative to March 31, 2019
Exploration and evaluation expenditures					
Advance payment	-	-	-	-	-
Assays and reports	1,363,866	-	1,363,866	-	1,363,866
Camp construction	115,276	-	115,276	-	115,276
Drilling	4,860,038	-	4,860,038	-	4,860,038
Environmental	291,336	-	291,336	-	291,336
Equipment installation	101,950	-	101,950	-	101,950
Field expenses	1,206,969	-	1,206,969	-	1,206,969
General administration	78,634	6,189	84,823	7,034	91,857
Metallurgy studies	133,482	-	133,482	-	133,482
Geological consulting	2,981,619	12,458	2,994,077	9,678	3,003,755
Permitting	4,340	-	4,340	-	4,340
Reclamation	10,000	-	10,000	-	10,000
Resource estimation	33,100	-	33,100	-	33,100
Surveys and geophysics	15,068	-	15,068	-	15,068
Travel and accommodation	480,250	-	480,250	-	480,250
Total exploration and evaluation expenditures	11,675,928	18,647	11,694,575	16,712	11,711,287

Other Projects

Confederation Lake (Mitchell & Belanger) Claims, Ontario

The Company holds certain claims located in the Red Lake Mining District of Ontario with a carrying value of $Nil.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Tourmaline Queen and Golden Galena

On June 21, 2017, the Company signed a letter of intent ("LOI") to acquire 100% of the Tourmaline Queen and Golden Galena Projects in Montana. The LOI called for escalating annual payments totaling 320 oz of gold (cash equivalent to be determined based on Au price at time of payments, but would total US$ 400,000 at an average Au price of $1250/oz) over a five-year period in order to acquire a 100% interest in the claims within both of the two Project areas, subject to a retained NSR. The Company terminated the LOI on September 15, 2017, all costs incurred during the years ended June 30, 2018 and 2017 have been expensed as project investigation.

Bull and PCM Projects

The Company signed letters of intent ("LOI's") to earn up to 100% interest to two exploration projects located near the Arizona-California-Nevada border in Mojave Co., Arizona. Upon approval by the TSX-V, the Company issued a total of 200,000 common shares (valued at $115,000), 16,655 finder's shares (valued at $10,825) and made cash payments of $31,376 for the initial signing of the LOI's.

On September 15, 2017, the Company terminated the option, cumulative acquisition costs of $157,201 incurred during the year have been recorded as write-down of exploration and evaluation assets.

7. PAYABLES AND ACCRUALS

	Note	March 31, 2019	June 30, 2018
		$	$
Trade payables and accruals		369,028	272,801
Due to related parties	11	110,000	16,041
		479,028	288,842

8. LOAN PAYABLE

During the year ended June 30, 2015, the Company received a shareholder loan for $5,000 which bears no interest and is payable upon demand.

9. CONVERTIBLE DEBENTURE

On April 14, 2016, the Company completed a non-brokered private placement of $50,000 aggregate principal amount of unsecured convertible debentures. The debentures bear nil interest. The debt matured on October 15, 2017 and was convertible, at the election of the holder, into units of the Company at the market price at the date of conversion subject to a $0.10 minimum. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitled the holder thereof to acquire an additional common share at a price set at a 50% premium to the conversion price, which is based on the higher of: $0.10 or market price at the date of conversion, until April 15, 2019.

For accounting purposes, the convertible debenture was considered a liability since the conversion feature was not a "fixed for fixed" conversion, it was considered an embedded derivative. However, the value of the embedded derivative liability had no value as the conversion price was set at the market price on the date of conversion. The fair value of the liability component was calculated as $43,339 being the present value of the convertible note's price discounted at the Company's estimated incremental borrowing rate of 10% for the period from April 14, 2016 to the expected

9. CONVERTIBLE DEBENTURE (continued)

remaining life of the note. The difference of $6,661 was recorded as a discount on convertible debenture.

The carrying value of the liability portion was accreted to its redemption principle value of $50,000 over a period from the date of issuance to the estimated maturity and conversion date.

Interest accretion is included in bank charges and interest in the statements of operations and comprehensive loss in the amount of $1,375 for the period ended March 31, 2018.

During the fiscal year 2018, the Company repaid the principal amount of $50,000 to the debenture holder.

10. SHARE CAPITAL

a) Authorized:

Unlimited common shares with no par value

b) Issued Share Capital:

At March 31, 2019, there were 13,626,972 common shares issued and outstanding (March 31, 2018 – 13,029,958)

c) Common Shares:

Fiscal 2018

The Company issued 216,655 shares at a value of $125,825 in connection to the execution of the Bull and PCM LOI (note 6).

The Company issued 200,000 common shares through warrants being exercised at $0.56 each for a total consideration of $112,000.

On March 28, 2018, the Company closed a non-brokered private placement. The Financing raised gross proceeds of $809,200 by the issuance of 2,247,777 units at a price of $0.36 per Unit. Each Unit consists of one common share and one share purchase warrant, and each Warrant entitles the holder thereof to purchase one additional common share of the Company at a price of $0.55 per share for a period of 24 months from the closing date. The Company paid cash finder's fees of $30,184 and issued 83,844 finder's warrants (the "Finder's Warrants"). Apart from being non-transferable, the Finder's Warrants are subject to the same terms as the Warrants. The fair value of the finders' warrants is $26,916 using the Black-Scholes option pricing model with an expected volatility of 193.16%, expected term of 2 years, a risk-free interest rate of 1.79% and a dividend yield of 0%.

d) Share-based Payments

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX-V policies. The options can be granted for a maximum term of 5 years.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Share-based Payments (Continued)

During period ended March 31, 2019, Company granted nil (March 31, 2018 – 1,050,000) stock options.

The continuity of stock options for the period ended March 31, 2019 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price ($)
Balance June 30, 2017	-	-
Granted	1,050,000	0.40
Balance June 30, 2018	1,050,000	0.40
Balance March 31, 2019	1,050,000	0.40

The options outstanding and exercisable at March 31, 2019 are as follows:

Number	Exercise Price	Remaining Contractual
1,050,000	0.40	3.99

The fair value of share options awarded to officers, directors and consultant was estimated on the dates of award using the Black-Scholes option pricing model with the following assumptions:

Options	Period Ended March 31, 2019	Year Ended June 30, 2018
Dividend yield	-	0%
Risk-free interest rate	-	1.94%
Estimated volatility	-	166.51%
Expected life in years	-	5

e) Warrants

The continuity of the warrants during the period ended March 31, 2019 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance June 30, 2017	2,542,327	0.56
Exercised	(200,000)	0.56
Granted	2,331,621	0.55
Balance June 30, 2018	4,673,948	0.56
Forfeited	(2,342,327)	0.56
Balance March 31, 2019	2,331,621	0.55

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

e) Warrants (continued)

The outstanding warrants at March 31, 2019 are as follows:

Expiry Date	Price per Share	Warrants Outstanding
March 28, 2020	$ 0.55	2,331,621

11. RELATED PARTIES TRANSACTIONS

The aggregate value of transactions recorded as consulting fees relating to key management personnel and entities which they have control or significant influence were as follows:

Services provided by:	Notes	Nine Months Ended March 31, 2019	2018
		$	$
Baron Global Financial Canada Ltd.	(a)	90,000	90,000
Carl Hering	(b)	-	20,000
Mike Collins	(c)	-	11,860

(a) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron agreed to act as corporate advisor and Chief Financial Officer of the Company in return for a monthly fee.
(b) Carl Hering, the former CEO, President of the Company received consulting fees.
(c) Mike Collins, VP Exploration and Development of the Company provided consulting services.

The following table outlines the Company's related party payables:

	March 31, 2019	June 30, 2018
	$	$
Baron Global Financial Canada Ltd.	110,000	15,536
David Velisek	-	505
	110,000	16,041

On June 19, 2018, the Company settled debt owing to Baron Global Financial Canada in the amount of $100,000 by issuing 101,492 shares at a value of $101,493. The Company recognized a loss of $1,493 at the time of issuance.

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the period ended March 31, 2019 and 2018 was as follows:

(Expressed in Canadian Dollars)

12. LOSS PER SHARE (continued)

For the Nine Months Ended March 31,	2019	2018
Loss for the period:	($321,725)	($1,042,434)
Weighted average number of common shares outstanding	13,626,972	9,498,836
Basic and diluted loss per share	($0.02)	($0.11)

13. COMMITMENTS

In April 2016 the Company entered into agreements with two arms-length parties to provide business consulting services. Each of the two consultants will be paid a monthly fee of $7,000 for an indefinite term. If any of the consulting agreements are terminated without cause, the parties will each receive $168,000.

14. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets within Canada.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At March 31, 2019, the Company was not subject to significant interest rate risk.

Foreign Exchange Rate Risk

The Company is not subject to significant foreign exchange risk as all of the Company's operations are located in Canada.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to cash held on deposit and receivable.

The Company manages its credit risk by investing only in high quality financial institutions. Receivables are due from a government agency.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and match the maturity profile of financial assets to development, capital and operating needs. The Company is exposed to liquidity risk.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Cash is measured at fair value using level 1. The carrying value of receivables, payables and accruals, loan payable and convertible debenture approximates their fair value due to the current nature of those financial instruments.

16. CAPITAL MANAGEMENT

The Company manages its capital, being the components of shareholders' equity (deficiency), and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration 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 Company has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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. The Company is not subject to any externally imposed capital restrictions.

17. SUBSEQUENT EVENTS

On May 27, 2019, the Company signed a definitive share purchase agreement to acquire a private company whereby Confederation will acquire certain exploration properties to significantly expand its land holdings in the Red Lake Gold Mining District, Ontario. The Company will acquire 100% of the issued and outstanding common of the private company by issuing 4,500,000 common shares to the shareholders of the private company. The private company controls two contiguous properties, consisting of a total of 1,008 claim cells which are located in the Red Mining Lake District of Ontario. The first property consists of 100 cell claims, and is held under an option agreement whereby the private company can acquire 100%, subject to a 1.5% NSR Royalty, by making cash payments over 5 years totalling $100,000. The second property consists of a total of 908 claim cells, is 100% held by the private company, and not subject to any cash payments or royalties. The transaction is subject to TSXV approval.