WARRIOR GOLD

EXPERIENCE • EXPLORATION • RESULTS

(Formerly War Eagle Mining Company Inc.)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Warrior Gold Inc. for the three months ended June 30, 2019 have been prepared by and are the responsibility of the Company's management and have been approved by the Company's audit committee.

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

WARRIOR GOLD INC.
(Formerly War Eagle Mining Company Inc.)
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	Note	June 30, 2019 $	March 31, 2019 $
ASSETS			
Current assets			
Cash		282,108	914,488
Receivables		108,732	78,683
Prepaid expenses and deposits		19,318	6,088
Total current assets		410,158	999,259
Non-current assets			
Exploration and evaluation assets	6	4,990,286	4,990,286
Right of use asset	4	41,386	-
Total non-current assets		5,031,672	4,990,286
Total assets		5,441,830	5,989,545
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	288,536	499,209
Lease liability – short term	4	9,647	-
Total current liabilities		298,183	499,209
Non-current			
Accounts payable and accrued liabilities	10	50,000	50,000
Lease liability – long term	4	33,585	-
Total non-current liabilities		83,585	50,000
Total liabilities		381,768	549,209
EQUITY			
Share capital	7	44,926,290	44,926,290
Reserves	7,8	4,317,178	4,317,178
Deficit		(44,183,406)	(43,803,132)
Total equity		5,060,062	5,440,336
Total liabilities and equity		5,441,830	5,989,545

Corporate information and going concern (Note 1)

The condensed consolidated interim financial statements of the Company for the three months ended June 30, 2019 were approved and authorized for issuance by the board of directors on August 27, 2019.

On behalf of the board of directors:

"Malcolm Burke" Director *"Peter Winnell"* Director
Malcolm Burke Peter Winnell

See accompanying notes.

WARRIOR GOLD INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
Unaudited – Prepared by Management
Expressed in Canadian Dollars

Three months ended June 30	Note	2019 $	2018 $
Operating expenses			
Consulting fees		11,140	12,440
Depreciation		3,706	189
Exploration costs	6	249,038	218,120
Insurance		4,145	2,546
Investor relations		16,433	23,075
Management fees and salaries	10	72,000	96,000
Office and miscellaneous		6,203	16,037
Professional fees		8,047	985
Rent		1,353	3,853
Transfer agent and filing fees		2,740	4,777
Travel		200	172
Loss before other income (expenses)		(375,005)	(378,194)
Other income (expenses)			
Foreign exchange gain (loss)		(3,967)	7,477
Gain on extinguishment of debt		-	54,050
Interest expense		(1,302)	-
		(5,269)	61,527
Income (loss) and total comprehensive income (loss) for the year		(380,274)	(316,667)
Basic and diluted income (loss) per common share		(0.01)	(0.01)
Weighted average number of common shares outstanding, basic and diluted		57,493,479	44,252,086

See accompanying notes.

WARRIOR GOLD INC.
(Formerly War Eagle Mining Company Inc.)
Condensed Consolidated Interim Statements of Cash Flows
Unaudited – Prepared by Management
Expressed in Canadian Dollars

Three months ended June 30	Note	2019 $	2018 $
Operating activities			
Income (loss) for the year		(380,274)	(316,667)
Adjustments for			
Depreciation		3,706	189
Foreign exchange		3,943	(18,783)
Gain on extinguishment of debt		-	(54,050)
Interest expense on lease payments		1,302	(54,050)
Changes in non-cash operating working capital			
Receivables		(30,049)	19,570
Prepaid expenses and deposits		(13,230)	32,503
Accounts payable and accrued liabilities		(211,975)	(174,139)
Cash used in operating activities		(626,577)	(511,377)
Financing activities			
Shares issued in private placements	7	-	5,250
Exercise of options	7	-	5,000
Lease payments	4	(1,860)	-
Cash provided (used) by financing activities		(1,860)	10,250
Foreign exchange effect on cash		(3.943)	18,783
Increase (decrease) in cash		(632,380)	(482,344)
Cash, beginning of year		914,488	968,607
Cash, end of year		282,108	486,163

Cash paid (received) for interest		$ -	$ -
Cash paid (received) for income tax		$ -	$ -

See accompanying notes.

WARRIOR GOLD INC.
(Formerly War Eagle Mining Company Inc.)
Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Note	Common shares $	Reserves $	Deficit $	Total equity $
Balance March 31, 2018	7	44,026,828	4,314,928	(42,618,931)	5,722,825
Private placement		5,250	-	-	5,250
Options exercised		5,000	-	-	5,000
Transfer of stock option fair value on exercise		2,350	(2,350)	-	-
Loss for the period		-	-	(316,667)	(316,667)
Balance June 30, 2018	7	44,039,428	4,312,578	(42,935,598)	5,416,408
Balance March 31, 2019	7	44,926,290	4,317,178	(43,803,132)	5,440,336
Loss for the period		-	-	(380,274)	(380,274)
Balance June 30, 2019	7	44,926,290	4,317,178	(44,183,406)	5,060,062

See accompanying notes.

1. Corporate Information and going concern

Warrior Gold Inc., formerly War Eagle Mining Company Inc. (the "Company" or "War") was incorporated under the laws of British Columbia on March 6, 1984. The Company is involved in the acquisition, exploration and, if warranted, development of mineral resource properties. The Company is listed on the TSX Venture Exchange (the "TSX-V"), under the symbol "WAR", as a Tier 2 mining issuer.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. The Company incurred a loss of $380,274 during the three months ended June 30, 2019 (June 30, 2018 – $316,667) and, as of that date the Company's deficit was $44,183,406 (March 31, 2019 - $42,935,598). The Company had cash of $282,108 at March 31, 2019 (March 31, 2019 - $914,488). As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and pursue the acquisition and exploration of mineral resource properties. Although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Toronto, Ontario, Canada, M5C 3A1.

2. Basis of Presentation

a) Statement of compliance

These condensed consolidated interim financial statements for the three months ended June 30, 2019 have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee.

The Company adopted IFRS 16, Leases ("IFRS 16"), which became effective April 1, 2019. Note 4 discloses the effects of the adoption of these new IFRS pronouncements for all periods presented, including the nature and effect of changes in accounting policies.

The Company's board of directors approved the release of these consolidated financial statements on August 27, 2019.

b) Basis of measurement

Depending on the applicable IFRS requirements, the measurement basis used in the preparation of these financial statements is cost, net realizable value, fair value or recoverable amount. These financial statements, except for the statement of cash flows, are based on the accrual basis. The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Expressed in Canadian Dollars

3. Summary of Significant Accounting Policies

We applied the same accounting policies in these condensed interim consolidated financial statements as those applied in the Company's annual audited consolidated financial statements as at and for the year ended March 31, 2019.

In preparing these condensed interim consolidated financial statements, the significant judgements we made in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements as at and for the year ended March 31, 2019, with the exception of the new estimate identified below.

You should read these condensed interim consolidated financial statements in conjunction with the Company's annual audited consolidated financial statements as at and for the years ended March 31, 2019 and 2018.

Estimates and Judgements

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. A new significant estimate includes:

- Estimating the present value of lease liabilities and depreciation of right of use assets.

4. Adoption of New Accounting Pronouncements and Recent Developments

Effective April 1, 2019, the following standard was adopted:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases and requires how leases will be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. For leases where the Company is the lessee, it recognizes a right-of-use asset and a lease liability for its office premises leases previously classified as operating leases. The Company chose the adopted modified retrospective approach on transition to IFRS 16 on April 1, 2019 and has chosen not to restate comparative information in accordance with the transitional provisions in IFRS16. As a result, the comparative information continues to be presented in accordance with the Company's previous accounting policies.

At the time of adoption of IFRS 16 on April 1, 2019, the Company had one operating lease for office premises. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rates applies to the lease liability. The weighted average incremental borrowing rate applied to the lease liability in the three months ended June 30, 2019 was 9.9% per annum. The weighted average lease term remaining as at June 30, 2019 is approximately 3.92 years. The details of the lease liability recognized during the period are as follow:

Three months ended June 30	2019
	$
Operating lease commitment as at March 31, 2019	57,534
Discount of future commitment	(12,442)
Lease liability recognized as at April 1, 2019	45,092

Expressed in Canadian Dollars

4. Adoption of New Accounting Pronouncements and Recent Developments (continued)

IFRS 16 Leases (continued)

Right-of-use asset

The following is the continuity of the cost and accumulated amortization of right-of-use asset (office premises) as at and for the period ended June 30, 2019:

Three Months Ended June 30	2019
Cost	$
Balance, April 1, 2019	45,092
Additions	-
Balance, June 30, 2019	45,092
Accumulated depreciation	
Balance, April1, 2019	-
Depreciation	3,706
Balance, June 30, 2019	3,706
Carrying amount as at June 30, 2019	41,386

Lease liabilities

The following is the continuity of lease liability as at and for the period ended June 30, 2019:

Three Months Ended June 30	2019
Cost	$
Balance, April 1, 2019	45,092
Additions	-
Lease payments	(3,161)
Interest expense on lease payments	1,301
Balance, June 30, 2019	43,232
Less: current portion	(9,647)
Lease liabilities – non current	33,585

5. Sale of a subsidiary

In December 2013, the Company sold all of the shares of its then wholly-owned subsidiary, Tombstone Exploration de Mexico S.A. de C.V., which was the owner of Tres Marias property in Mexico to Contratista Y Operaciones Mineras S.A. de C.V. ("COMSA") for a consideration of US$2,500,000 ($2,710,032, based on the exchange rate in effect in December 2013), payable over a six year term, of which, the first US$65,000 was paid at the closing of the transaction, US$335,000 was paid during the year ended March 31, 2015, an additional US$1,000,000 in the year ended March 31, 2017 and balance was paid in the year ended March 31, 2018. Due to uncertainty regarding the timing and amount of future cash flows, management had originally determined that the gain on sale would be recorded on receipt of cash. The consideration was a partial recovery of funds that were advanced to the subsidiary.

In August 2016, the Company entered into a new agreement with COMSA for the payment of US$1,700,000, the remaining balance of the US$2,500,000 from the sale of Tres Marias, where COMSA had agreed to make payments every quarter starting on September 30, 2016, with the final payment on March 31, 2018. In the new agreement, the Company also negotiated additional royalty payments as below:

- COMSA was to pay War Eagle 25% of the germanium value recovered from any zinc-germanium concentrate sales starting September 30, 2016.
- COMSA was to pay War Eagle 25% of the lead value recovered from any lead concentrate sales after June 30, 2016.
- COMSA was to pay War Eagle 25% of the zinc sales for price received in excess of $1.00 per pound of zinc sales after December 31, 2016.

As of March 31, 2018, the Company had received all the payments and the balance of the receivable was $nil.

During the year ended March 31, 2019, the Company and COMSA came to an agreement where COMSA agreed to make two US$125,000 payments each on July 31, 2018 and September 28, 2018 (which were received) to buy out the royalty payments.

Expressed in Canadian Dollars

6. Exploration and Evaluation Assets

The Goodfish Kirana Project

On February 9, 2018, the Company completed the amalgamation with Champagne, through a “triangular amalgamation” whereby Champagne merged with Andromeda and became a subsidiary of War. In that amalgamation, the Company acquired the Goodfish property. The Goodfish property is comprised of 20 patented mining claims and 66 staked claims. The property is now wholly owned by the Company subject to various net smelter royalty arrangements.

During the year ended March 31, 2019, the Company acquired eight additional patented claims contiguous to the Goodfish-Kirana property for $161,728. There is a 1.5% NSR on the claims, 1% of which can be purchased for $1 million.

During the year ended March 31, 2019, the Company acquired a 24-claim package (304.04 hectares) adjacent to the northeast portion of the Company’s Goodfish-Kirana Property, together with three contiguous new claims (50.64 hectares) staked by the Company. These two strategic additions bring the Company’s land package in the Kirkland Lake Gold Camp to 3,704 hectares. The claims were acquired in exchange for a 1.5% net smelter royalty (“NSR”). The Company has the right to buy-back 1% of the NSR for $1 million.

The Company incurred exploration expenses on Goodfish-Kirana Property as follows:

	June 30, 2019 $	June 30, 2018 $
Assays	23,080	16,438
Camp costs	-	2,443
Geotechnical	2,993	38,688
Core sampling	17,431	500
Geology	46,584	23,100
Geophysics	17,475	65,030
Drilling	131,565	88,220
Ground preparation	2,355	-
Logistics	480	-
Survey	-	(37,474)
Technical reports	3,044	8,263
Travel	4,029	12,911
	249,038	218,120

Expressed in Canadian Dollars

7. Share Capital and Reserves

Authorized capital

Unlimited common shares, without par value.

Issued capital

	Number of Shares	Common Shares $
March 31, 2018	44,240,552	44,026,828
Shares issued in private placements	13,202,927	936,805
Share issuance costs	-	(40,093)
Shares issued on exercise of options	50,000	5,000
Transfer of stock option fair value on exercise	-	2,350
Share issuance costs – broker warrants	-	(4,600)
March 31, 2019 and June 30, 2019	57,493,479	44,926,290

Share Issuance

During the year ended March 31, 2019, the Company issued a total of 12,782,927 common share units at a price of $0.07 per unit for aggregate proceeds of $894,805. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company for a period of 12 months from the date of issue at a price of $0.15 per common share, provided that should the Company's shares trade at $0.30 per share or greater for a period of 20 consecutive trading days following the expiry of the four month hold period, the warrants can be accelerated by the Company providing notice to warrant holders and in such instance, the warrants will expire 30 days thereafter.

The Company also issued 420,000 flow-through shares at a price of $0.10 per share for aggregate proceeds of $42,000. Each flow-through share consists of one common share issued on a flow-through basis which entitles the holder to receive the tax benefits applicable to flow-through shares, in accordance with provisions of the Income tax Act (Canada).

The Company paid finders' fees equal to $40,093 in cash and 269,231 common share broker warrants issued on the same terms as the financing Warrants.

Reserves

The reserves recorded in equity on the Company's statement of financial position comprise the fair value of share-based compensation and warrants prior to exercise, and obligations to issue shares in accordance with debt settlement agreements.

Expressed in Canadian Dollars

8. Share-Based Compensation

In October 2017, the shareholders of the Company renewed the incentive stock option plan (the “2014 Plan”) which provides that the aggregate number of common shares of the Company’s capital issuable pursuant to options granted may not exceed 10% of the issued and outstanding shares. If the aggregate number of options granted exceeds the maximum allowed under the 2014 Plan, exercise of the options will require War shareholder approval. Options granted under the Plan may have a maximum term of ten years and the exercise price of options granted will not be less than the discounted market price of the common shares as of the award date. The board of directors has the authority to set the vesting terms of options granted, subject to the rules of the TSX-V regarding options granted for investor relations services.

The Company did not grant any options for the three months ended June 30, 2019 and for June 30, 2018.

	Number of options	Weighted average exercise price $
March 31, 2018	3,564,659	0.20
Exercised	(50,000)	0.10
Terminated	(18,702)	0.27
March 31, 2019 and June 30, 2019	3,495,957	0.20

The weighted average trading price on date of exercise for the stock options exercised during the year ended March 31, 2019 was $0.20.

The Company’s outstanding and exercisable stock options at June 30, 2019 were:

	Outstanding Options			Exercisable Options	
Expiry Date	Number	Weighted Average Remaining Life	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
October 31, 2019	249,000	0.34	0.10	249,000	0.10
May 5, 2021	3,246,957	1.85	0.21	3,246,957	0.21
	3,495,957	1.74	0.20	3,495,957	0.20

Expressed in Canadian Dollars

9. Warrants

	Number of Financing Warrants	Weighted Average Exercise Price $	Number of Broker Warrants	Weighted Average Exercise Price $
March 31, 2018	6,086,045	0.36	-	-
Issued	6,391,464	0.15	269,231	0.15
March 31, 2019 and June 30, 2019	12,477,509	0.25	269,231	0.15

Number of Financing Warrants	Number of Broker Warrants	Exercise Price $	Expiry Date
1,237,238	-	0.13	August 9, 2019
4,251,825	-	0.40	August 9, 2019
561,073	-	0.53	August 9, 2019
35,909	-	0.67	February 9, 2021
6,391,464	269,231	0.15	March 20, 2020
12,477,509	269,231		

Expressed in Canadian Dollars

10. Related Party Transactions

The Company entered into the following transactions with related parties not disclosed elsewhere in these consolidated financial statements as follows:

Key management personnel compensation

Three months ended June 30	2019 $	2018 $
Management fees	72,000	81,000
	72,000	81,000

As at June 30, 2019, $150,275 (March 31, 2019 - $125,275) in total is owing to an officer and director for services, of which $115,275 is the remaining debt acquired by the Company as part of its amalgamation agreement with Champagne. These amounts owing have been included in accounts payable and accrued liabilities. The debt bears no interest and is unsecured. Under a new agreement, the debt is payable in annual instalments of $50,000 each, commencing December 31, 2018. As per the agreement, the officer was repaid the first $100,000 in March 2019 and in turn, the officer subscribed for $100,000 of common shares of the Company at the same price as the funds raised in the March 2019 private placement. The officer also has the option to convert the remaining $100,000 into common shares as well. $50,000 of the remaining $100,000 has been presented as non-current.

Related party balances bear no interest and are unsecured.

Transactions with related parties were in the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Capital Management

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

The Company considers its capital to include equity and working capital. In order to maintain financial flexibility, the Company may from time to time issue shares and adjust its spending to manage current and projected capital levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its working capital which is calculated as follows:

	June 30 2019 $	March 31 2019 $
Current assets	410,158	999,259
Current liabilities	298,183	499,209
Working capital	111,975	500,050

The Company is an exploration stage company. The Company monitors its forecasted working capital requirements on a quarterly basis. The Company prepares expenditure budgets, which are updated as necessary depending on varying factors including current and forecast prices, successful capital deployment and general industry conditions.

The Company is not subject to external capital restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes to the Company’s approach to capital management during the three months ended June 30, 2019.

12. Financial Instruments

Fair Value

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. Fair value amounts disclosed in these consolidated financial statements represent the Company's estimate of the price at which a financial instrument could be exchanged in a market in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. These estimates may change in subsequent reporting periods due to market conditions or other factors.

A fair value hierarchy is used to categorize the inputs used to measure fair value. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

Level 1 - include financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market at the measurement date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - include financial assets and liabilities using valuation techniques based on assumptions that are supported by prices from observable current market transactions.

The Company has no assets or liabilities in this category.

Level 3 - include financial assets and liabilities measured using valuation techniques based on nonmarket observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company has no assets or liabilities in this category.

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate their fair value due to the short-term nature and limited credit risk of these assets and liabilities.

Financial Instruments Risk Management

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, and the Company's objectives, policies and processes for measuring and managing such risks. The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

The Company's profitability and long-term viability will depend, in large part, on the market price of base metals. The market prices for metals can be volatile and are affected by numerous factors beyond the Company's control, including: global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. The Company cannot predict the effect of these factors on metal prices.

The market price of these minerals and metals may not remain at current levels. In particular, an increase in worldwide supply and consequent downward pressure on prices may result over the longer term from increased base metal production from mines developed or expanded as a result of current metal price levels.

12. Financial Instruments (continued)

Foreign currency exchange rate risk

The Company is exposed to foreign currency fluctuations as it has cash, receivables and accounts payable and accrued liabilities denominated in US dollars. There are no exchange rate contracts in place. A 10% change in the US dollar will affect profit/loss by approximately $19,000.

Financial instruments denominated in foreign currencies are:

At June 30, 2019	US Dollars
Cash	143,703
Exchange rate - $1.00 =	.7641

At March 31, 2019	US Dollars
Cash	143,721
Exchange rate - $1.00 =	.7483

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it did not hold any funds in interest bearing accounts.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in paying obligations as they come due. The Company's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable consists of invoices payable to trade suppliers for capital expenditures, field operating activities, and general corporate expenses. Substantially, all of the Company’s financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms.

As at June 30, 2019, the Company has a working capital of $111,975.

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfil its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of receivables.

13. Segment Reporting

The Company’s activities are all in one industry segment of mineral property acquisition and exploration. Substantially all administrative expenses are incurred in Canada.

14. Contingencies and Commitments

Former CEO Litigation

In August 2016, the Company terminated the services of Mr. Thomas Atkins, the former CEO, for non-performance. In October 2016, Mr. Atkins filed a lawsuit in the Supreme Court of Ontario for damages of $205,000 and also claimed damages of $500,000 for undisclosed claims. The Company also counter-claimed for $500,000 for damages suffered by the Company. In April 2018, the Company settled all the claims plus legal costs relating to Mr. Atkins lawsuit for the sum of $210,000, which included recoverable HST. The Company was reimbursed $30,000 by the insurance provider relating to this lawsuit.

Compensation Agreements

The Company had approved 12 month compensation agreement for the executive chairman at $10,000 per month and for another individual in management at $3,000 per month. The initial term of the contracts was 12 months to January 2014 which are automatically renewed for further incremental periods of 6 months at a time unless terminated by either party prior to expiry of the then term.

During the year ended March 31, 2019, the Company accepted the resignation of the executive chairman and director, effective November 22, 2018. The executive chairman’s contract of $10,000 per month was terminated as of November 30 with no further obligations.

The Company has a compensation agreement with its CEO for $15,000 per month through its amalgamation with Champagne, which is automatically renewable for successive one-year terms. (see note 12).

During the year ended March 31, 2019, the Company’s CEO agreed to take a $5,000 reduction in her monthly compensation, commencing December 1, 2018 and continuing until the earlier of March 31, 2019 and the closing of an equity financing by the Company which nets to the Company’s treasury at least $1,000,000. Any compensation so deferred will be accrued and payable thereafter only when and to the extent approved by the board of directors of the Company.