FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **American Pacific Mining Corp.** (the "Issuer").

Trading Symbol: **USGD**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

See Note 9 to interim financial statements for six months ended June 30, 2019.

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Apr. 15/19	Stock Options	Stock option grant	1,000,000	$0.28	-	-	arm's length and Related Persons(1)(2)	N/A

(1) Warwick Smith, CEO and a director of the Issuer and Eric Saderholm, President and a director of the Issuer.
(2) Norman Wareham, CFO, Corporate Secretary and a director of the Issuer, Ken Cunningham, director of the Issuer and Alnesh Mohan, director of the Issuer.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
Apr. 15/19	100,000	Warwick Smith(1)	N/A	$0.28	Apr. 15/24	$0.25
Apr. 15/19	100,000	Eric Saderholm(2)	N/A	$0.28	Apr. 15/24	$0.25
Apr. 15/19	100,000	Norman Wareham(3)	N/A	$0.28	Apr. 15/24	$0.25
Apr. 15/19	100,000	Alnesh Mohan(4)	N/A	$0.28	Apr. 15/24	$0.25
Apr. 15/19	100,000	Ken Cunningham(5)	N/A	$0.28	Apr. 15/24	$0.25
Apr. 15/19	500,000	N/A	Consultants	$0.28	Apr. 15/24	$0.25
Total:	**1,000,000**					

(1) Warwick Smith is CEO and a director of the Issuer.
(2) Eric Saderholm is President and a director of the Issuer
(3) Norman Wareham is CFO, Corporate Secretary and a director of the Issuer.
(4) Alnesh Mohan is a director of the Issuer.
(5) Ken Cunningham is a director of the Issuer.

3. Summary of securities as at the end of the reporting period. <u>See Schedule A</u>

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Description	Number Authorized	Par Value
Common shares	Unlimited	NPV

(b) number and recorded value for shares issued and outstanding,

Description	Number Issued & Outstanding	Amount
Common shares	53,420,333	$6,948,582

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Description	Number Outstanding	Exercise Price	Expiry Date
Stock options	2,050,000	$0.25	Mar. 8/23
Stock options	100,000	$0.30	Mar. 19/23
Stock options	300,000	$0.25	June 29/23
Stock options	1,000,000	$0.28	Apr. 15/24
Total Options:	**3,450,000**		
Warrants	7,654,640	$0.20	Feb. 28/20
Total Warrants:	**7,654,640**		
Total Options and Warrants:	**11,104,640**		

(a) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Description	Number Held in Escrow	Number Released During the Period
Common shares	1,050,001	262,500

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Positions Held	Since
Warwick Smith	CEO and Director	July 1, 2017
Norman Wareham	CFO, Secretary and Director	January 25, 2018
Eric Saderholm	President and Director	January 25, 2018
Alnesh Mohan	Director	January 25, 2018
Ken Cunningham	Director	January 25, 2018

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated September 9, 2019.

Warwick Smith
Name of Director or Senior Officer

"Warwick Smith"
Signature

CEO and Director
Official Capacity

Issuer Details Name of Issuer American Pacific Mining Corp.	For Quarter Ended June 30, 2019	Date of Report YY/MM/D 2019/09/09
Issuer Address Suite 910-510 Burrard Street		
City/Province/Postal Code Vancouver, BC V6C 3A8	Issuer Fax No. 604.608.5372	Issuer Telephone No. 866.646.5389
Contact Name Warwick Smith	Contact Position CEO and Director	Contact Telephone No. As above
Contact Email Address W@DataSystems.ca	Web Site Address www.americanpacific.ca	

American Pacific Mining Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2019

(Expressed in Canadian Dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated condensed consolidated interim financial statements of American Pacific Mining Corp. for the six months ended June 30, 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.

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

American Pacific Mining Corp.
Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in Canadian Dollars)

As at		**June 30, 2019**		December 31, 2018
ASSETS				
Current assets				
Cash	**$**	**650,725**	$	135,556
Term deposits		**-**		500,000
Amounts receivable (note 7)		**149,378**		52,498
Prepaid expenses (note 4)		**879,487**		16,451
		1,679,590		704,505
Non-current assets				
Reclamation deposit (note 5)		**26,173**		27,260
Equipment (note 6)		**5,228**		6,413
Exploration and evaluation assets (note 7)		**1,012,800**		583,736
		1,044,201		617,409
TOTAL ASSETS	**$**	**2,723,791**	$	1,321,914
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 9)	**$**	**167,354**	$	173,438
TOTAL LIABILITIES		**167,354**		173,438
EQUITY				
Share capital (note 8)		**6,948,582**		4,656,090
Stock options reserve (note 8)		**774,867**		618,769
Warrants reserve (note 8)		**22,028**		28
Accumulated deficit		**(5,153,927)**		(4,093,290)
Accumulated other comprehensive loss		**(35,113)**		(33,121)
TOTAL EQUITY		**2,556,437**		1,148,476
TOTAL EQUITY AND LIABILITIES	**$**	**2,723,791**	$	1,321,914

Corporate information and continuance of operations (note 1)
Commitments (note 7)
Segmented information (note 10)
Subsequent events (notes 7 and 13)

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

These interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Warwick Smith Director   */s/ Alnesh Mohan Director*

American Pacific Mining Corp.

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

(Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	June 30, 2019	June 30, 2018	**June 30, 2019**	June 30, 2018
EXPENSES				
Accretion of interest	**$ -**	$ -	**$ -**	$ 19,347
Bank charges	**572**	940	**1,323**	1,877
Consulting fees (notes 4 and 9)	**140,632**	121,964	**275,097**	244,846
Depreciation (note 6)	**593**	180	**1,185**	300
Directors' fees (note 9)	**7,852**	-	**7,852**	-
Exploration and evaluation costs (notes 7 and 9)	**80,669**	769,162	**156,387**	850,500
Foreign exchange loss	**2,283**	3,336	**6,469**	5,623
General and administrative costs	**32,780**	23,061	**67,294**	34,775
Professional fees (note 9)	**89,421**	52,543	**134,465**	220,298
Project evaluation costs	**3,344**	8,039	**7,256**	10,898
Share-based payments (note 8)	**156,098**	35,950	**156,098**	389,145
Shareholder information and investor relations	**150,195**	228,872	**208,727**	327,495
Transfer agent, regulatory and listing fees	**27,366**	63,764	**52,536**	123,238
Travel	**28,767**	49,834	**54,570**	71,444
	720,572	1,357,645	**1,129,259**	2,299,786
OTHER INCOME				
Finance income	**(3,046)**	-	**(3,190)**	-
Income from interest in mineral property (note 7)	**(65,432)**	-	**(65,432)**	-
LOSS FOR THE PERIOD	**$ 652,094**	$ 1,357,645	**$ 1,060,637**	$ 2,299,786
OTHER COMPREHENSIVE EXPENSES				
Foreign currency translation differences for foreign operations	**$ 6**	$ 2,329	**$ 1,992**	$ 2,329
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 652,100**	$ 1,359,974	**$ 1,062,629**	$ 2,302,115
Basic and diluted loss per share for the period attributable to common shareholders (warrants and options not included as the impact would be anti-dilutive)	**$ 0.01**	**$ 0.04**	**$ 0.02**	$ 0.09
Weighted average number of common shares outstanding (basic and diluted)	**53,420,333**	32,551,667	**46,599,803**	25,292,551

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

American Pacific Mining Corp.
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

		Share capital				Reserves				
	Note(s)	Number of shares	Amount	Equity portion of convertible notes	Subscriptions received in advance	Options	Warrants	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2018		**33,751,667**	**$ 4,656,090**	**$ -**	**$ -**	**$ 618,769**	**$ 28**	**$ (4,093,290)**	**$ (33,121)**	**$ 1,148,476**
Shares issued for cash	8	14,602,000	1,460,200	-	-	-	-	-	-	**1,460,200**
Share issue costs	8	-	(78,374)	-	-	-	-	-	-	**(78,374)**
Shares issued for exploration and evaluation assets	7 and 8	1,266,666	278,666	-	-	-	-	-	-	**278,666**
Shares issued for services	4 and 8	3,800,000	654,000	-	-	-	-	-	-	**654,000**
Fair value of finders' warrants	8	-	(22,000)	-	-	-	22,000	-	-	**-**
Share-based payments	8	-	-	-	-	156,098	-	-	-	**156,098**
Net loss for the period		-	-	-	-	-	-	(1,060,637)	-	**(1,060,637)**
Other comprehensive loss for the period		-	-	-	-	-	-	-	(1,992)	**(1,992)**
Balance at June 30, 2019		**53,420,333**	**$ 6,948,582**	**$ -**	**$ -**	**$ 774,867**	**$ 22,028**	**$ (5,153,927)**	**$ (35,113)**	**$ 2,556,437**

		Number of shares	Amount	Equity portion of convertible notes	Subscriptions received in advance	Options	Warrants	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2017		**10,730,001**	**$ 532,332**	**$ 362,381**	**$ 126,500**	**$ -**	**$ 2,560,178**	**$ (440,627)**	**$ -**	**$ 3,140,764**
Share issue costs		-	(4,119)	-	-	-	-	-	-	**(4,119)**
Shares issued for exploration and evaluation assets		766,666	191,667	-	-	-	-	-	-	**191,667**
Warrants issued for cash		-	-	-	-	-	177,500	-	-	**177,500**
Warrant issue costs		-	-	-	-	-	(26,554)	-	-	**(26,554)**
Fair value of finders' warrants		-	(28)	-	-	-	28	-	-	**-**
Shares issued for warrant exercise		11,365,000	2,711,124	-	-	-	(2,711,124)	-	-	**-**
Shares issued for conversion of convertible debentures		9,690,000	975,448	(401,856)	-	-	-	-	-	**573,592**
Equity portion of convertible debentures		-	-	39,475	-	-	-	-	-	**39,475**
Subscriptions received in advance		-	-	-	(126,500)	-	-	-	-	**(126,500)**
Share-based payments		-	-	-	-	389,145	-	-	-	**389,145**
Net loss for the period		-	-	-	-	-	-	(2,299,786)	-	**(2,299,786)**
Other comprehensive loss for the period		-	-	-	-	-	-	-	(2,329)	**(2,329)**
Balance at June 30, 2018		**32,551,667**	**$ 4,406,424**	**$ -**	**$ -**	**$ 389,145**	**$ 28**	**$ (2,740,413)**	**$ (2,329)**	**$ 2,052,855**

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

American Pacific Mining Corp.
Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in Canadian Dollars)

		For the six months ended		
		June 30, 2019		June 30, 2018
Cash flows provided from (used by):				
OPERATING ACTIVITIES				
Net loss for the period	$	**(1,060,637)**	$	(2,299,786)
Adjustments for items not affecting cash:				
Depreciation (note 6)		**1,185**		300
Share-based payments (note 8)		**156,098**		389,145
Accretion of interest		**-**		19,347
Effect of currency exchange rate changes on reclamation deposit		**1,087**		(1,652)
Net changes in non-cash working capital items:				
Amounts receivable		**(96,880)**		(29,008)
Prepaid expenses		**(209,036)**		147,084
Deposits		**-**		(126,322)
Accounts payable and accrued liabilities		**(6,040)**		135,114
Net cash flows used in operating activities		**(1,214,223)**		(1,765,778)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares, net of cash share issue costs (note 8)		**1,381,826**		(4,119)
Proceeds on issuance of convertible notes, net of cash issuance costs		**-**		87,197
Proceeds on issuance of warrants, net of cash issuance costs		**-**		30,946
Subscription receivable		**-**		19,000
Net cash flows from financing activities		**1,381,826**		133,024
INVESTING ACTIVITIES				
Purchase of equipment		**-**		(2,397)
Reclamation deposits		**-**		(24,603)
Exploration and evaluation assets (note 7)		**(150,398)**		(161,946)
Term deposit		**500,000**		-
Net cash flows from (used in) investing activities		**349,602**		(188,946)
Effects of exchange rate changes on cash		**(2,036)**		-
Net decrease in cash		**515,169**		(1,821,700)
Cash, beginning of period		**135,556**		3,414,736
Cash, end of period	$	**650,725**	$	1,593,036
Cash paid during the period for interest	$	**-**		-
Cash paid during the period for income taxes	$	**-**		-
Supplementary cash flow information				
Payment of finder's fees through issue of finder's warrants (note 8)	$	**22,000**	$	-
Shares issued for conversion of convertible debentures	$	**-**	$	975,448
Shares issued for conversion of special warrants	$	**-**	$	2,711,124
Shares issued for exploration and evaluation assets (notes 7 and 8)	$	**278,666**	$	191,667
Shares issued for services	$	**654,000**	$	-
Convertible note issue costs included in accounts payable and accrued liabilities	$	**-**		32,506

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

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

American Pacific Mining Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017, and is in the business of mineral exploration and development.

The Company's head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

At the date of the unaudited condensed consolidated interim financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These unaudited condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at June 30, 2019, the Company had working capital of $1,512,236 and an accumulated deficit of $5,153,927. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to funds operating costs over the next twelve months with cash and cash equivalents and through further equity financings. On July 29, 2019, the Company completed a non-brokered private placement of 9,325,000 units at a price of $0.10 for gross proceeds of $932,500. Management believes that the Company has sufficient working capital to meet its liabilities for the next twelve months.

These unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2019 were approved by the Board of Directors on August 26, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended December 31, 2018. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

Basis of preparation (continued)

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2018. However, this interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

Basis of consolidation

These unaudited condensed consolidated interim financial statements comprise the accounts of the Company and the following wholly-owned subsidiary of the Company:

- American Pacific Mining (US) Inc. ("APM US")

APM US has a reporting date of December 31.

Subsidiaries

A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The unaudited condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

3. NEW ACCOUNTING STANDARDS

Adoption of new and amended accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2019.

The adoption of the following IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements.

IFRS 16 – Leases

New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, as a lessee, the Company is required to recognize all leases in the statement of financial position as a "right-of-use" asset and a lease liability unless the lease term is 12 months or less or the underlying asset has a very low value.

3. NEW ACCOUNTING STANDARDS (CONTINUED)

Adoption of new and amended accounting standards (continued)

IFRS 16 – Leases (continued)

The asset is subsequently accounted for in accordance with the cost or revaluation model in IAS 16 Property, Plant and Equipment or as Investment Property under IAS 40 Investment Property. The liability is unwound over the term of the lease giving rise to an interest expense. The adoption of this standard did not have an impact on the unaudited condensed consolidated interim financial statements.

IFRIC 23 – Uncertainty over Income Tax Treatments

This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The adoption of this standard did not have an impact on the unaudited condensed consolidated interim financial statements

4. PREPAID EXPENSES

Prepaid expenses consist of amounts paid in advance for services which will be amortized over the term of the contract.

During the six months ended June 30, 2019, the Company entered into an arm's-length agreement with Wallace Hill Partners Ltd. and affiliates, a media specialist in the natural resources sector. The agreement is for a three-year term. The Company paid $329,142 (US$250,000) and issued a total of 2,800,000 of its common shares with a fair value of $504,000 in consideration for the consulting services. These amounts were initially classified as prepaid expenses and will be amortized over 3 years. During the six months ended June 30, 2019, $92,571 was charged to the statement of loss and comprehensive loss.

During the six months ended June 30, 2019, the Company entered into an arm's-length agreement with Capital Pearl Investments Inc. The agreement is for a one-year term. The Company paid $40,000 and issued a total of 1,000,000 of its common shares with a fair value of $150,000 in consideration for the consulting services. These amounts were initially classified as prepaid expenses and will be amortized over 12 months. During the six months ended June 30, 2019, $79,167 was charged to the statement of loss and comprehensive loss.

5. RECLAMATION DEPOSITS

The Company has reclamation deposits of $26,173 (US$20,000). These bonds were put up as collateral for the Tuscarora project in the event of future operations (December 31, 2018 – $27,260 (US$20,000)).

(Expressed in Canadian Dollars)

6. EQUIPMENT

		Computer equipment
Cost		
As at December 31, 2018	$	7,897
Balance as at June 30, 2019	**$**	**7,897**
Depreciation		
As at December 31, 2018	$	(1,484)
Charged for the period		(1,185)
Balance as at June 30, 2019	**$**	**(2,669)**
Net book value		
As at December 31, 2018	$	6,413
As at June 30, 2019	**$**	**5,228**

7. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets as of June 30, 2019

	South Lida claims	Tuscarora property	Gooseberry project	Total
Balance as at December 31, 2018	**$ 331,997**	**$ 251,739**	**$ -**	**$ 583,736**
Acqusition costs				
- cash	-	125,000	-	**125,000**
- shares	220,000	58,666	-	**278,666**
Staking costs	-	-	25,398	**25,398**
Balance as at June 30, 2019	**$ 551,997**	**$ 435,405**	**$ 25,398**	**$ 1,012,800**

Exploration and evaluation costs during the six months ended June 30, 2019

	Tuscarora	Gooseberry	Total
Consulting (note 9)	$ 56,169	$ 56,742	**$ 112,911**
Equipment rental	432	-	**432**
Field	-	2,022	**2,022**
Field office administration	-	95	**95**
Geological	-	14,844	**14,844**
Recoveries	(5,892)	-	**(5,892)**
Sample analysis	18,082	-	**18,082**
Transportation	5,013	1,512	**6,525**
Travel	3,836	3,532	**7,368**
	$ 77,640	**$ 78,747**	**$ 156,387**

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

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

South Lida claims (Nevada, US)

On July 1, 2017, the Company entered into a Claims Purchase Agreement (the "Claims Purchase Agreement") with David Saderholm (the "Trustee"), Eric Saderholm, Patricia Saderholm, Warwick Smith and Tarin Smith (collectively, the "Vendors") (the "Claims Purchase Agreement") whereby the Vendors agreed to sell the South Lida Property in exchange for shares in the Company.

Under the Claim Purchase Agreement, the Company will issue to the Vendors a total of 3,000,000 common shares (the "Property Shares") as follows:

a) 500,000 Property Shares on July 1, 2017 (issued);
b) 500,000 Property Shares on the listing date (issued);
c) 1,000,000 Property Shares on the earlier of (i) six months after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board of the Purchaser (issued); and
d) 1,000,000 Property Shares on the earlier of (i) the one-year anniversary after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board of the Purchaser (issued).

The acquisition of the South Lida property is a related party transaction as two of the Vendors are officers and directors of the Company.

Tuscarora property (Nevada, US)

On November 6, 2017, the Company entered into an option agreement (the "Option Agreement") with Novo Resources Corp. Pursuant to the Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Property (the "Option").

In consideration of the Option, the Company will:

a) make cash payments to Novo Resources Corp. of $375,000, in three equal installments of $125,000 as follows:

   (i) the first instalment due on the earlier of the listing date and January 31, 2018 (paid);
   (ii) the second instalment due on the earlier of the first anniversary of the listing date and January 31, 2019 (paid); and
   (iii) the third instalment due on the earlier of the second anniversary of the listing date and January 31, 2020;

b) issue 800,000 common shares of the Company to Novo Resources Corp. in three equal instalments, with one-third issued on each of the listing date (issued) and the first (issued) and second anniversaries of the listing date; and

c) incur USD$100,000 in expenditures on the property annually, starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora property (Nevada, US) (continued)

The property is subject to net smelter returns royalties of 0.5% which may be reduced to nil (0%) by paying US$500,000.

In addition, the Company is also required to make the following payments to the Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora property:

a) Annual minimum royalty payments

On or before:			
November 7, 2018	$	4,000	Paid
November 7, 2019		4,000	
November 7, 2020		4,000	
November 7, 2021		8,000	
November 7, 2022		8,000	
November 7, 2023		8,000	
November 7, 2024		8,000	
November 7, 2025		8,000	
November 7, 2026 and each succeeding anniversary		12,000	

b) Production royalty based on the net smelter returns from the production and sale of minerals from the Tuscarora property. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora property for which the royalty is payable as follows:

- less than or equal to $1,500 — Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 — Three percent (3%)
- greater than $2,000 — Four percent (4%)

The royalty percentage will apply for all other minerals is 2.5% of the net smelter returns.

On March 19, 2018 the Company expanded the Tuscarora Gold Project through the additional staking of 67 claims in Elko County, Nevada.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora property (Nevada, US) (continued)

Joint Venture with OceanaGold U.S. Holdings Inc. ("OceanaGold")

On April 15, 2019, the Company entered into an earn-in agreement with OceanaGold, a US subsidiary of OceanaGold Corp.

According to earn-in agreement, OceanaGold can earn up to 51% of the Tuscarora Gold Project by investing US$4,000,000 over the next four years ("Phase 1") as follows:

		in USD
On or before:		
April 15, 2020	$	625,000
April 15, 2021		750,000
April 15, 2022		1,125,000
April 15, 2023		1,500,000
	$	4,000,000

After Phase 1, OceanaGold has an option to earn an additional 24% interest by investing US$6,000,000 in the next four years.

To execute the earn-in agreement, OceanaGold will make an initial cash payment of US$50,000 to the Company ($65,432 (US$50,000) was received subsequent to June 30, 2019). OceanaGold will make a second payment of US$200,000 in cash or shares at Oceana's option when OceanaGold earns a 51-per-cent interest in the Tuscarora Gold Project.

OceanaGold will also make all payments to holders of underlying property interests and pay claim fees. OceanaGold will be the operator and, upon earning-in an interest, a joint venture management committee will be formed.

During the six months ended June 30, 2019, the Company incurred $83,531 evaluation and exploration costs related to Tuscarora property of which $5,892 was recovered by OceanaGold pursuant to the earn-in agreement.

Gooseberry Gold Project (Nevada, US)

On April 23, 2019, the Company acquired through staking the historic Gooseberry Mine in Storey Nevada, US. The Gooseberry Gold project includes 42 unpatented claims, totaling approximately 708 acres. The Gooseberry Gold Project contains gold-silver bearing quartz-calcite vein structures that are characterized as low-sulfidation epithermal style mineralization typified by banded to cockade quartz textures and the presence of adularia and kaolinite.

8. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Escrow shares

During the year ended December 31, 2018, the Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from date of listing. During the six months ended June 30, 2019, 262,500 common shares were released from escrow (June 30, 2018 – nil). At June 30, 2019, there were 1,050,001 common shares held in escrow (December 31, 2018 – 1,312,501).

c) Issued share capital

At June 30, 2019, the Company had 53,420,333 common shares issued and outstanding (December 31, 2018 – 33,751,667) with a value of $6,948,582 (December 31, 2018 – $4,656,090).

During the six months ended June 30, 2019

- On March 1, 2019, the Company completed a non-brokered private placement of 14,602,000 units at a price of $0.10 for gross proceeds of $1,460,200. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.20 at any time prior to February 28, 2020. In connection with the private placement, the Company paid $78,374 and issued 353,640 finders warrants priced at $0.20 as share issue costs.

  The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 1.78%, an expected life of 12 months, an expected volatility of 78% and an expected dividend yield of 0%, which totaled $22,000, and recorded these values as share issuance costs.

- On March 8, 2019, the Company issued 1,000,000 common shares with a fair value of $220,000 for the South Lida Property.

- On March 8, 2019, the Company issued 266,666 common shares with a fair value of $58,666 for the Tuscarora Property.

- The Company issued 2,800,000 common shares with a fair value of $504,000 to Wallace Hill Partners Ltd. and affiliates in consideration for a three-year consulting services agreement.

- The Company issued 1,000,000 common shares with a fair value of $150,000 to Capital Pearl Investments in consideration for a one-year consulting services agreement.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (CONTINUED)

d) Warrants

The changes in warrants during the six months ended June 30, 2019 are as follows:

	Number outstanding		Weighted average exercise price
Balance, December 31, 2018	**6,021,300**	**$**	**0.35**
Granted	7,654,640		0.20
Expired	(6,021,300)		0.35
Balance, June 30, 2019	**7,654,640**	**$**	**0.20**

During the six months ended June 30, 2019

- 6,021,300 warrants expired unexercised.

The following summarizes information about warrants outstanding at June 30, 2019:

Expiry date	Warrants outstanding		Exercise price		Estimated grant date fair value	Weighted average remaining contractual life (in years)
February 28, 2020	7,654,640	$	0.20	$	22,000	0.67
	7,654,640			**$**	**22,000**	**0.67**

e) Stock options

The Company has a Stock Option Plan (the "Plan") applicable to directors, officers and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, an option's maximum term is ten years from the grant date. Under the stock option plan, management has the option of determining vesting periods.

The changes in stock options during the six months ended June 30, 2019 are as follows:

	Number outstanding		Weighted average exercise price
Balance, December 31, 2018	2,450,000		0.25
Granted	1,000,000		0.28
Balance, June 30, 2019	**3,450,000**	**$**	**0.26**

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (CONTINUED)

e) Stock options (continued)

On April 15, 2019, the Company granted 1,000,000 options with an exercise price of $0.28 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

The estimated grant date fair value of the options granted during the six months ended June 30, 2019 and 2018 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the six months ended	
	June 30, 2019	June 30, 2018
Risk-free interest rate	1.61%	1.99%
Expected annual volatility	80.27%	80.74%
Expected life (in years)	5.00	5.00
Expected dividend yield	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

The following summarizes information about stock options outstanding and exercisable at June 30, 2019:

Expiry date	Options outstanding	Options exercisable	Exercise price	Estimated grant date fair value	Weighted average remaining contractual life (in years)
March 8, 2023	2,050,000	2,050,000	$ 0.25	$ 564,102	3.69
March 19, 2023	100,000	100,000	$ 0.30	$ 18,717	3.72
June 29, 2023	300,000	300,000	$ 0.25	$ 35,950	4.00
April 15, 2024	1,000,000	1,000,000	$ 0.28	$ 156,098	4.80
	3,450,000	**3,450,000**		**$ 774,867**	**4.04**

During the six months ended June 30, 2019, the Company recognized share-based payments expense arising from stock options of $156,098 (June 30, 2018 – $389,145).

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Total compensation of key company personnel during the six months ended June 30, 2019 and 2018 are as follows:

	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Consulting fees	**$ 124,364**	$ 91,965
Directors' fees	**7,852**	-
Exploration and evaluation costs	**112,910**	126,693
Professional fees	**46,800**	79,560
Shareholder information and investor relations	**-**	39,375
Share-based payments	**66,342**	195,792
	$ 358,268	$ 533,385

<u>During the six months ended June 30, 2019</u>

- The Company incurred consulting fees of $79,364 to Harbourside Consulting Ltd. which is controlled by the Chief Executive Officer and a Director of the Company (June 30, 2018 – $75,965).
- The Company incurred consulting fees of $45,000 to Inlet Consulting Ltd. which is controlled by the Chief Financial Officer and Director of the Company (June 30, 2018 – $10,000).
- The Company paid $46,800 for professional fees to Quantum Advisory Partners LLP whose incorporated partner is a Director of the Company (June 30, 2018 – $79,560).

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $39,152 as at June 30, 2019 (December 31, 2018 – $87,923), which were paid subsequent to June 30, 2019. These amounts are unsecured, non-interest bearing and payable on demand.

10. SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located are as follows:

	Canada	United States	Total
As at June 30, 2019			
Reclamation deposits	$ -	$ 26,173	**$ 26,173**
Equipment	5,228	-	**5,228**
Exploration and evaluation assets	-	1,012,800	**1,012,800**
	$ 5,228	**$ 1,038,973**	**$ 1,044,201**
As at December 31, 2018			
Reclamation deposits	$ -	$ 27,260	**$ 27,260**
Equipment	6,413	-	**6,413**
Exploration and evaluation assets	-	583,736	**583,736**
	$ 6,413	**$ 610,996**	**$ 617,409**

(Expressed in Canadian Dollars)

11. CAPITAL MANAGEMENT

The Company defines its components of equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the six months ended June 30, 2019. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

a) Fair value

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	June 30, 2019	December 31, 2018
Financial assets:		
Fair value through profit and loss		
Cash	$ 650,725	$ 135,556
Amortized cost		
Term deposits	-	500,000
Amounts receivable	65,432	2,685
Reclamation deposit	26,173	27,260
	$ 742,330	$ 665,501
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 167,354	$ 173,438

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included in 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: Inputs that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value (continued)

The levels of the fair value inputs used in determining estimated fair value of the Company's financial assets and liabilities at FVTPL, and FVTOCI financial instruments as at June 30, 2019 and December 31, 2018 are shown below.

		Estimated fair values		
	June 30, 2019	Level 1	Level 2	Level 3
Cash	$ 650,725	$ 650,725	$ -	$ -

		Estimated fair values		
	December 31, 2018	Level 1	Level 2	Level 3
Cash	$ 135,556	$ 135,556	$ -	$ -

At June 30, 2019 and December 31, 2018, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

b) Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash, term deposits and amounts receivable.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash and term deposits based in Canada are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

At June 30, 2019, the Company had cash of $650,725 and accounts payable and accrued liabilities of $167,354. All accounts payable and accrued liabilities are current.

12. FINANCIAL INSTRUMENTS (CONTINUED)

b) Financial risk management (continued)

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held at a Canadian chartered bank. Management believes that the credit risk concentration with respect to cash is remote as the cash are easily accessible.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and term deposit. A 1% change in interest rates on the balance of cash at June 30, 2019 would result in an approximately $65,000 change to the Company's net loss for the six months ended June 30, 2019.

Foreign Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("CAD"). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, subscriptions receivable, and accounts payable and accrued liabilities are held in CAD and United States dollars ("USD"); therefore, USD accounts are subject to fluctuation against the CAD.

The Company's financial instruments were denominated as follows as at June 30, 2019:

	in Canadian dollars	in US dollars
Cash	638,638	9,236
Amounts receivable	65,432	-
Reclamation deposit	-	20,000
Accounts payable and accrued liabilities	(99,079)	(52,173)
Total foreign currencies	**604,991**	**(22,937)**
Foreign currency rate	1.000	1.3086
Equivalent to Canadian dollars	**$ 604,991**	**$ (30,016)**

Based on the above net exposures as at June 30, 2019, and assuming that all other variables remain constant, a 10% change of the CAD against the USD would change profit or loss by approximately $3,000.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

13. SUBSEQUENT EVENTS

Subsequent to June 30, 2019:

- On July 29, 2019, the Company completed a non-brokered private placement of 9,325,000 units at a price of $0.10 for gross proceeds of $932,500. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.20 at any time prior to July 29, 2020, subject to earlier expiry of the exercise period if, at any time after four months from July 29, 2019, the closing price of the shares is greater than $0.25 for five or more consecutive trading days. A total of $23,400 plus 234,000 warrants was paid as finders' commission to Mackie Research Capital Corp., PI Financial Corp., Haywood Securities Inc., and Canaccord Genuity Corp. All securities issued under the non-brokered private placement are subject to a four-month hold period.

American Pacific Mining Corp.

MANAGEMENT DISCUSSION & ANALYSIS
(Form 51-102F1)

For the Six Months Ended June 30, 2019

(Expressed in Canadian Dollars)

BACKGROUND

This Management Discussion and Analysis ("MD&A") of American Pacific Mining Corp. ("APMC", "American Pacific" or the "Company") financial position and results of operations for the six months ended June 30, 2019 is prepared as at August 26, 2019. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2019 and the supporting notes. Those unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This discussion contains "forward-looking statements" that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

This MD&A may contain forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company is engaged in the business of mineral exploration and its objective is to locate and develop mineral properties in Western United States.

The head office of the Company is located at Suite 910 - 510 Burrard Street, Vancouver, BC V6C 3A8. The registered and records office of the Company is located at Suite 1500 – 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia V6E 4N7.

The Company has one wholly-owned subsidiary, American Pacific Mining (US) Inc. ("APM Sub"). APMB Sub was incorporated in Nevada, United States pursuant to Chapter 78 of the *Nevada Revised Statutes* on January 13, 2018.

DESCRIPTION OF THE BUSINESS

South Lida claims (Nevada, US)

On July 1, 2017, the Company entered into a Claims Purchase Agreement (the "Claims Purchase Agreement") with David Saderholm (the "Trustee"), Eric Saderholm, Patricia Saderholm, Warwick Smith and Tarin Smith (collectively, the "Vendors") (the "Claims Purchase Agreement") whereby the Vendors agreed to sell the South Lida Property in exchange for shares in the Company.

Under the Claim Purchase Agreement, the Company will issue to the Vendors a total of 3,000,000 common shares (the "Property Shares") as follows:

a) 500,000 Property Shares on July 1, 2017 (issued);
b) 500,000 Property Shares on the listing date (issued);
c) 1,000,000 Property Shares on the earlier of (i) six months after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board (issued on October 25, 2018); and
d) 1,000,000 Property Shares on the earlier of (i) the one-year anniversary after the listing date and (ii) the date the Property is sold or otherwise transferred as part of a transaction for value approved by the Board (issued on March 8, 2019).

The acquisition of the South Lida property is a related party transaction as two of the Vendors are officers and directors of the Company.

Tuscarora property (Nevada, US)

On November 6, 2017, the Company entered into the Option Agreement with Novo Resources Corp. ("Novo") to acquire a one hundred percent right, title and interest in and to the Tuscarora Property (the "Option"). The Tuscarora Property consists of 24 claims covering approximately 447 acres within the Tuscarora Mining District in Elko County, Nevada centered on UTM coordinates 565568E/4573240N. The Tuscarora District lies at the foot of Mount Blitzen on the eastern slope of the Northern Tuscarora Range. Tuscarora is a high-level, epithermal gold/silver district containing numerous precious metal veins within the project area. Mineralization is coeval with that found in the nearby world-class Carlin and Cortez Trends but differs in that it is hosted in a 40-million-year-old volcanic rock sequence on the flanks of an ancient caldera. Historic drilling along the South Navajo Zone has intersected high-grade mineralization from the South Navajo Vein, just one of many veins that project into the property and are covered by pediment gravels.

In consideration for the Option, the Company will:

(a) make cash payments to Novo of $375,000, in three equal installments of $125,000 as follows:
    (i) the first instalment due on the earlier of the listing date and January 31, 2018 (paid);
    (ii) the second instalment due on the earlier of the first anniversary of the listing date and January 31, 2019 (paid); and
    (iii) the third instalment due on the earlier of the second anniversary of the listing date and January 31, 2020;
(b) issue 800,000 common shares of the Company to Novo Resources Corp. in three equal instalments, with one-third issued on each of the listing date (issued) and the first (issued) and second anniversaries of the listing date; and
(c) incur USD$100,000 in expenditures on the property annually starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter.

The Company may exercise the Option at any time after completing the cash and share payments.

The property is subject to net smelter returns royalties of 0.5% which may be reduced to nil (0%) by paying five hundred thousand US dollars (US$500,000).

In addition, the Company is also required to make the following payments to the Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora property:

a) Annual minimum royalty payments

On or before:			
November 7, 2018	$	4,000	Paid
November 7, 2019		4,000	
November 7, 2020		4,000	
November 7, 2021		8,000	
November 7, 2022		8,000	
November 7, 2023		8,000	
November 7, 2024		8,000	
November 7, 2025		8,000	
November 7, 2026 and each succeeding anniversary		12,000	

b) Production royalty based on the net smelter returns from the production and sale of minerals from the Tuscarora property. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora property for which the royalty is payable as follows:

- less than or equal to $1,500 — Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 — Three percent (3%)
- greater than $2,000 — Four percent (4%)

The royalty percentage will apply for all other minerals is 2.5% of the net smelter returns.

On March 19, 2018 the Company expanded the Tuscarora Gold Project through the additional staking of 67 Claims in Elko County, Nevada. The 24 claim, 447-acre project has significantly increased in size to 91 claims and 1,818 acres. Tuscarora consists of two previously-tested, high grade gold drill targets, the South Navajo and the East Pediment Zones. Tuscarora is a low sulphidation, epithermal gold prospect 50 km northwest of Elko, Nevada.

In April 2018 the Company started a gravity survey that will cover the 1,818-acre Tuscarora property and the data will be incorporated into a 3D Gravity Model. The survey is designed to show where the major faults/structures are on the historic gold property. Results will be incorporated into a 19-hole drill program.

On May 2, 2018 commenced the drilling program at the 1,818-acre Tuscarora Gold Project. The staged drill program will include an initial 7,500 feet of drilling, or approximately 10-12 holes. Results will be evaluated and then a second stage of drilling will complete the approximate 19-hole program.

On June 28, 2018 the Company announced the initial results of the first five drill holes from the drill program at the Tuscarora Gold Project in Elko, Nevada which included high-grade intercepts from the oxide mineralization zone known as South Navajo Vein Zone.

On July 18, 2018, the Company issued an interim note on exploration of Tuscarora Gold Project where initial assays from a Phased drill program were announced on June 28, 2018. The property is located in a historic mining district northeast of the Carlin trend, and 20km southwest of the Jerritt Canyon District where over 8 million ounces of gold have been produced since 1981. According to the note, while the South Navajo vein has been a primary target at Tuscarora due to its historical production and high-grades, a series of other historically productive veins exist on the property controlled by the Company. These veins were tested and locally mined where exposed at the surface in the late 1800s, but minimally explored when they dipped under pediment gravel.

On August 15, 2018 the Company announced assay results of the remaining holes from the Phase 1 drill program on the Tuscarora Gold Project.

On October 9, 2018, the Company provided results from screen metallic samples of the previously announced 2018 drill program results.

On August 14, 2019, the Company completed a comprehensive geophysical survey, known as CSAMT (Controlled Source Audio-frequency Magneto- tellurics).

Joint Venture with OceanaGold U.S. Holdings Inc. ("OceanaGold")

On April 15, 2019, the Company entered into an earn-in agreement with OceanaGold, a US subsidiary of OceanaGold Corp.

According to earn-in agreement, OceanaGold can earn up to 51% of the Tuscarora Gold Project by investing US$4,000,000 over the next four years ("Phase 1") as follows:

		in USD
On or before:		
April 15, 2020	$	625,000
April 15, 2021		750,000
April 15, 2022		1,125,000
April 15, 2023		1,500,000
	$	4,000,000

To execute the earn-in agreement, OceanaGold will make an initial cash payment of US$50,000 to the Company (paid subsequent to June 30, 2019). OceanaGold will make a second payment of US$200,000 in cash or shares at Oceana's option when OceanaGold earns a 51-per-cent interest in the Tuscarora Gold Project.

OceanaGold will also make all payments to holders of underlying property interests and pay claim fees. OceanaGold will be the operator and, upon earning-in an interest, a joint venture management committee will be formed.

During the six months ended June 30, 2019, the Company incurred $83,531 evaluation and exploration costs related to Tuscarora property of which $5,892 was recovered by OceanaGold pursuant to the earn-in agreement.

Gooseberry Gold Project (Nevada, US)

On April 23, 2019, the Company acquired through staking the historic Gooseberry Mine in Storey Nevada, US. The Gooseberry Gold project includes 42 unpatented claims, totaling approximately 708 acres. The Gooseberry Gold Project contains gold-silver bearing quartz-calcite vein structures that are characterized as low-sulfidation epithermal style mineralization typified by banded to cockade quartz textures and the presence of adularia and kaolinite.

Initial surface sampling and exploration around the property commenced May 10, 2019. total of nine initial samples were taken from the dumps and old mineralized stockpiles at Gooseberry, with highlight results including the following:

- Sample GB19ECS-007- 1.05 kg: 18.45 g/t Au and 595 g/t Ag
- Sample GB19ECS-003- 0.59 kg: 17.75 g/t Au and 310 g/t Ag
- Sample GB19ECS-001- 1.25 kg: 10.25 g/t Au and 218 g/t Ag
- Sample GB19ECS-006- 0.70 kg: 10.20 g/t Au and 273 g/t Ag

Samples were taken from mineralized vein material composed of dolomite, calcite and quartz. Grab samples are selective samples and may not necessarily be representative of the mineralization hosted on the property. Historically, mined materials were brought to the surface and stockpiled at Gooseberry, crushed and then run through a heap leach. These nine samples were taken from materials most likely extracted late in the mining phase due to their location on the upper stockpile. Some materials have gone through a primary crushing process only. According to historical records Asamera Minerals Inc. ceased hard rock mining during 1989 due to low metals prices and higher underground production costs and moved to the more easily accessible mine tailings.

RESULTS OF OPERATIONS

Three months ended June 30, 2019

During the three months ended June 30, 2019, the Company recorded a net loss of $652,094 compared to $1,357,645 for the three months ended June 30, 2018.

During the three months ended June 30, 2019, the Company incurred the following significant expenditures:

- Consulting fees of $140,632 (June 30, 2018 – $121,964);
- Exploration and evaluation costs of $80,669 (June 30, 2018 – $769,162);
- General and administrative costs of $32,780 (June 30, 2018 – $23,061);
- Professional fees of $89,421 (June 30, 2018 – $52,543);
- Share-based payments of $156,098 (June 30, 2018 - $35,950);
- Shareholder information and investor relations of $150,195 (June 30, 2018 – $228,872); and
- Transfer agent, regulatory and listing fees of $27,366 (June 30, 2018 – $63,764).

In addition, the Company recognized income from interest in mineral property of $65,432 which is related to the earn-in agreement with OceanaGold during the three months ended June 30, 2019 (June 30, 2018 – $nil).

Six months ended June 30, 2019

During the six months ended June 30, 2019, the Company recorded a net loss of $1,060,637 compared to $2,299,786 for the six months ended June 30, 2018.

During the six months ended June 30, 2019, the Company incurred the following significant expenditures:

- Consulting fees of $275,097 (June 30, 2018 – $244,846);
- Exploration and evaluation costs of $156,387 (June 30, 2018 – $850,500);
- General and administrative costs of $67,294 (June 30, 2018 – $34,775);
- Professional fees of $134,465 (June 30, 2018 – $220,298);
- Share-based payments of $156,098 (June 30, 2018 - $389,145);
- Shareholder information and investor relations of $208,727 (June 30, 2018 – $327,495); and

- Transfer agent, regulatory and listing fees of $52,536 (June 30, 2018 – $123,238).

In addition, the Company recognized income from interest in mineral property of $65,432 which is related to the earn-in agreement with OceanaGold during the six months ended June 30, 2019 (June 30, 2018 – $nil).

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	June 30, 2019	**March 31, 2019**	**December 31, 2018**	**September 30, 2018**
Interest income	$ 3,046	$ 144	$ 2,206	$ 479
Net loss	(652,094)	(408,543)	(701,255)	(651,622)
Comprehensive loss	(652,100)	(410,529)	(734,171)	(649,498)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

	Three months ended			
	June 30, 2018	**March 31, 2018**	**December 31, 2017**	**September 30, 2017**
Interest income	$ -	$ -	$ -	$ -
Net loss	(1,357,645)	(942,141)	(425,617)	N/A
Comprehensive loss	(1,359,974)	(942,141)	(425,617)	N/A
Basic and diluted loss per share	(0.04)	(0.13)	(0.13)	N/A

SELECTED INFORMATION

	For the six months ended		
	June 30, 2019	**June 30, 2018**	**June 30, 2017**
Interest and miscellaneous income	$ 3,190	$ -	N/A
Operating expenses	(1,129,259)	(2,299,786)	N/A
Net loss	(1,060,637)	(2,299,786)	N/A
Comprehensive loss	(1,062,629)	(2,302,115)	N/A
Basic and diluted loss per share	$ (0.02)	$ (0.09)	N/A

As at:	**June 30, 2019**	**December 31, 2018**	**December 31, 2017**
Working capital	$ 1,512,236	$ 531,067	$ 3,615,787
Total assets	2,723,791	1,321,914	$ 3,775,369
Total liabilities	167,354	173,438	$ 634,605
Share capital	6,948,582	4,656,090	$ 532,332
Deficit	(5,153,927)	(4,093,290)	$ (440,627)

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

As of June 30, 2019, the Company has working capital of $1,512,236

OUTSTANDING SHARE DATA

Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Escrow shares

During the year ended December 31, 2018, the Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from date of listing. During the six months ended June 30, 2019, 262,500 common shares were released from escrow (June 30, 2018 – nil). At June 30, 2019, there were 1,050,001 common shares held in escrow (December 31, 2018 – 1,312,501).

c) Issued share capital

At June 30, 2019, the Company had 53,420,333 common shares issued and outstanding (December 31, 2018 – 33,751,667) with a value of $6,948,582 (December 31, 2018 – $4,656,090).

During the six months ended June 30, 2019

- On March 1, 2019, the Company completed a non-brokered private placement of 14,602,000 units at a price of $0.10 for gross proceeds of $1,460,200. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common Share at an exercise price of $0.20 at any time prior to February 28, 2020. In connection with the private placement, the Company paid $78,374 and issued 353,640 finders warrants priced at $0.20 as share issue costs.

- On March 8, 2019, the Company issued 1,000,000 common shares with a fair value of $220,000 for the South Lida Property.

- On March 8, 2019, the Company issued 266,666 common shares with a fair value of $58,666 for the Tuscarora Property.

- The Company issued 2,800,000 common shares with a fair value of $504,000 to Wallace Hill Partners Ltd. and affiliates in consideration for a three-year consulting services agreement.

- The Company issued 1,000,000 common shares with a fair value of $150,000 to Capital Pearl Investments in consideration for a one-year consulting services agreement.

Subsequent to June 30, 2019

- On July 29, 2019, the Company completed a non-brokered private placement of 9,325,000 units at a price of $0.10 for gross proceeds of $932,500. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.20 at any time prior to July 29, 2020, subject to earlier expiry of the exercise period if, at any time after four months from July 29, 2019, the closing price of the shares is greater than $0.25 for five or more consecutive trading days. A total of $23,400 plus 234,000 warrants was paid as finders' commission to Mackie Research Capital Corp., PI Financial Corp., Haywood Securities Inc., and Canaccord Genuity Corp. All securities issued under the non-brokered private placement are subject to a four-month hold period.

d) Warrants

During the six months ended June 30, 2019

- 6,021,300 warrants expired unexercised.

e) Options

During the six months ended June 30, 2019

- The Company granted 1,000,000 options with an exercise price of $0.28 to certain directors and consultants. The options are exercisable for a period of five years.

As of the date of this MDA, the Company had:

- 62,745,333 common shares issued and outstanding;
- 12,551,140 warrants with an exercise price of $0.20; and
- 3,450,000 stock options with an exercise price ranging from $0.25 to $0.30.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Total compensation of key company personnel during the six months ended June 30, 2019 and 2018 are as follows:

	For the six months ended	
	June 30, 2019	June 30, 2018
Consulting fees	**$ 124,364**	$ 91,965
Directors' fees	**7,852**	-
Exploration and evaluation costs	**112,910**	126,693
Professional fees	**46,800**	79,560
Shareholder information and investor relations	**-**	39,375
Share-based payments	**66,342**	195,792
	$ 358,268	$ 533,385

During the six months ended June 30, 2019

- The Company incurred consulting fees of $79,364 to Harbourside Consulting Ltd. which is controlled by the Chief Executive Officer and a Director of the Company (June 30, 2018 – $75,965).
- The Company incurred consulting fees of $45,000 to Inlet Consulting Ltd. which is controlled by the Chief Financial Officer and Director of the Company (June 30, 2018 – $10,000).
- The Company paid $46,800 for professional fees to Quantum Advisory Partners LLP whose incorporated partner is a Director of the Company (June 30, 2018 – $79,560).

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were $39,152 as at June 30, 2019 (December 31, 2018 – $87,923), which were paid subsequent to June 30, 2019. These amounts are unsecured, non-interest bearing and payable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the period ended December 31, 2018 for details on critical accounting estimates and judgments.

CHANGES IN ACCOUNTING POLICIES

Adoption of new and amended accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning before or on January 1, 2019.

The adoption of the following IFRS pronouncement will result in enhanced financial statement disclosures in the Company's annual consolidated financial statements.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. Under IFRS 16, as a lessee, the Company is required to recognize all leases in the statement of financial position as a "right-of-use" asset and a lease liability unless the lease term is 12 months or less or the underlying asset has a very low value. The asset is subsequently accounted for in accordance with the cost or revaluation model in IAS 16 Property, Plant and Equipment or as Investment Property under IAS 40 Investment Property. The liability is unwound over the term of the lease giving rise to an interest expense. The adoption of this standard did not have an impact on the unaudited condensed consolidated interim financial statements.

- IFRIC 23 – Uncertainty over Income Tax Treatments: This standard was issued by the IASB in June 2017 and specifies the interpretation to be applied to the determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The adoption of this standard did not have an impact on the unaudited condensed consolidated interim financial statements.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 12 of our unaudited condensed consolidated interim financial statements for the six months ended June 30, 2019. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended December 31, 2018.

OTHER MD&A REQUIREMENTS

Management's responsibility for financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Risks and uncertainties

Investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of operations.

General

The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of its securities.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of the Private Placement was to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

Speculative Nature of Mineral Exploration

Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its option to acquire an interest in the Tuscarora Property there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Gold Deposits

The Tuscarora Property and Gooseberry Gold Project are in the exploration stage only and is without a known body of gold deposits. Development of this property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Permits and Government Regulations

The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Tuscarora Property.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Mineral Titles

The Company is satisfied that evidence of title to the Tuscarora Property and the Gooseberry Gold Project is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the Tuscarora Property. The Company may face challenges to the title of the Tuscarora Property or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

Loss of Interest in Properties

The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to raise additional funds by equity financing.

Failure to obtain additional financing may result in the Company being unable to complete the required work required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Tuscarora Property.

Fluctuating Mineral Prices

The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Competition

The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Financing Risks

The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Negative Cash Flows from Operations

The Company had negative operating cash flow for the period from incorporation to June 30, 2019. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the Offering. The initial public offering price of the Common Shares has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia Business Corporations Act. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

- Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Dividends

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.