NORRA METALS CORP.

(FORMERLY OK2 MINERALS LTD.)

(An Exploration Stage Company)

FINANCIAL STATEMENTS

NOVEMBER 30, 2018 AND 2017

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Norra Metals Corp. (formerly OK2 Minerals Ltd.)

We have audited the accompanying financial statements of Norra Metals Corp. (formerly OK2 Minerals Ltd.) (the "Company"), which comprise the statements of financial position as at November 30, 2018 and 2017 and the statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Norra Metals Corp. (formerly OK2 Minerals Ltd.) as at November 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about the ability of Norra Metals Corp. (formerly OK2 Minerals Ltd.) to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

March 27, 2019

NORRA METALS CORP.
(FORMERELY OK2 MINERALS LTD.)
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT

	November 30, 2018	November 30, 2017
ASSETS		
Current assets		
Cash	$ 241,943	$ 349,513
Receivables (Note 4)	66,242	90,123
Prepaid expenses and deposits (Note 5)	11,710	18,600
Total current assets	319,895	458,236
Non-current assets		
Reclamation bond (Note 6)	29,000	21,000
Total assets	$ 348,895	$ 479,236
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	$ 144,910	$ 148,643
Total liabilities	144,910	148,643
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	9,111,529	8,335,945
Subscriptions received in advance (Note 8)	-	85,000
Reserves (Note 8)	848,056	706,266
Deficit	(9,755,600)	(8,796,618)
Total shareholders' equity	203,985	330,593
Total liabilities and shareholders' equity	$ 348,895	$ 479,236

Nature and continuance of operations (Note 1)
Commitments (Note 13)
Subsequent events (Note 16)

Approved by the Board of Directors and authorized for issue on March 25, 2019:

"Minaz Devji"	Director	*"Tag Gill"*	Director
Minaz Devji		Tag Gill	

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

NORRA METALS CORP.
(FORMERELY OK2 MINERALS LTD.)
(An Exploration Stage Company)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
FOR THE YEAR ENDED NOVEMBER 30,

	2018	2017
EXPENSES		
Advertising, marketing and promotion	$ 59,686	$ 266,308
Consulting, director, and management fees (Note 11)	173,175	340,526
Exploration and evaluation expenditures – Property specific (Note 6)	16,189	2,117,890
Exploration and evaluation expenditures – General	67,709	85,132
Investor relations	71,558	144,706
Office and miscellaneous	85,833	101,892
Other income (Note 13)	-	(47,535)
Professional fees (Note 11)	138,594	119,303
Rent	81,449	77,310
Share-based payments (Note 8)	139,260	32,014
Transfer agent and filing fees	25,454	26,081
Travel expenses	102,145	150,636
Write-off of accounts payable	-	(28,045)
Loss and comprehensive loss for the year	$ (961,052)	$ (3,386,218)
Basic and diluted loss per common share	$ (0.03)	$ (0.14)
Weighted average number of outstanding common shares – basic and diluted	32,658,336	24,076,765

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

NORRA METALS CORP.
(FORMERELY OK2 MINERALS LTD.)
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEAR ENDED NOVEMBER 30,

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year	$ (961,052)	$ (3,386,218)
Items not involving cash:		
Other income	-	(47,535)
Share-based payments	139,260	32,014
Write-off of accounts payable	-	(28,045)
Changes in non-cash working capital items:		
Decrease in receivables	23,881	106,145
Decrease in prepaid expenses	6,890	37,362
Increase (decrease) in accounts payable and accrued liabilities	11,867	(16,424)
Net cash used in operating activities	(779,154)	(3,302,701)
CASH FLOW FROM INVESTING ACTIVITIES		
Reclamation bonds	(8,000)	(3,500)
Net cash used in investing activities	(8,000)	(3,500)
CASH FLOW FROM FINANCING ACTIVITIES		
Private placement	715,950	1,841,250
Flow-through private placements	-	1,234,940
Subscriptions received in advance	-	85,000
Share issuance costs	(36,366)	(139,310)
Net cash provided by financing activities	679,584	3,021,880
Change in cash during the year	(107,570)	(284,321)
Cash, beginning of year	349,513	633,834
Cash, end of year	$ 241,943	$ 349,513
Interest received	$ -	$ -
Interest paid	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 12)

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

NORRA METALS CORP.
(FORMERELY OK2 MINERALS LTD.)
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Common shares	Share capital	Subscriptions received in advanced	Reserves	Deficit	Total shareholders' equity
Balance, November 30, 2016	19,677,947	$ 5,452,019	$ -	$ 636,898	$ (5,410,400)	$ 678,517
Private placement	4,910,000	1,841,250	-	-	-	1,841,250
Share issuance costs - cash	-	(103,629)	-	-	-	(103,629)
Share issuance costs – warrants	-	(37,354)	-	37,354	-	-
Flow-through private placement	4,929,409	1,234,940	-	-	-	1,234,940
Share issuance costs	-	(51,281)	-	-	-	(51,281)
Subscription received in advance	-	-	85,000	-	-	85,000
Share-based payments	-	-	-	32,014	-	32,014
Loss and comprehensive loss for the year	-	-	-	-	(3,386,218)	(3,386,218)
Balance, November 30, 2017	29,517,356	8,335,945	85,000	706,266	(8,796,618)	330,593
Private placement	3,140,980	800,950	(85,000)	-	-	715,950
Share issuance costs - cash	-	(20,766)	-	-	-	(20,766)
Share issuance costs – warrants	-	(4,600)	-	4,600	-	-
Share-based payments	-	-	-	139,260	-	139,260
Expiry of options	-	-	-	(2,070)	2,070	-
Loss and comprehensive loss for the year	-	-	-	-	(961,052)	(961,052)
Balance, November 30, 2018	32,658,336	$ 9,111,529	$ -	$ 848,056	$ (9,755,600)	$ 203,985

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

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Norra Metals Corp. (formerly OK2 Minerals Ltd.) (the "Company") is incorporated under the laws of the province of British Columbia, Canada on July 19, 2007 and its common shares are listed on the TSX Venture Exchange ("TSX-V"). On February 6, 2019, the Company changed its name from OK2 Minerals Ltd. to Norra Metals Corp. and commenced trading on the TSX-V under the "NORA" trading symbol on February 15, 2019. The Company's principal business activities include the acquisition and exploration of resource properties.

On February 14, 2019, the Company consolidated its share capital on a three to one basis. These financial statements retrospectively reflect this share consolidation for all shares, options, warrants and per share amounts.

The head office of the Company is located at Suite 480 - 505 Burrard Street, Vancouver, BC, Canada, V7X 1M3. The registered address and records office of the Company is located at Suite 1780 - 400 Burrard Street, Vancouver, BC, Canada, V6C 3A6.

<u>Going concern of operations</u>

These financial statements are 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 incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term.

As at November 30, 2018 the Company had an accumulated deficit of $9,755,600 and has incurred losses since inception. These material uncertainties may raise substantial doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance the future exploration and development of the Company's mineral assets, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

		November 30, 2018		November 30, 2017
Deficit	$	(9,755,600)	$	(8,796,618)
Working capital		174,985		309,593

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. BASIS OF PREPARATION (cont'd...)

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments 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. All dollar amounts presented are in Canadian dollars, which is the functional currency of the Company, unless otherwise specified. All amounts are rounded to the nearest dollar.

Significant accounting judgments and critical accounting estimates

The preparation of these financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these financial statements.

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

i) Determination and assessment of the Company's ability to continue going concern (Note 1); and

ii) Determining whether qualified expenditures have been incurred for flow-through shares.

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Deferred income taxes – The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives; and

ii) Share-based payment – The fair value of share-based payment is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

3. SIGNIFICANT ACCOUNTING POLICIES

Resource properties – exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow through shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow-through share premium liability is recognized for the difference. The liability is reversed when the qualifying expenditures are made and is recorded as other income. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

As at November 30, 2018 and 2017, the Company has determined that it does not have any decommissioning obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has classified its cash and receivables (excluding good and services tax receivables) as *loans and receivables.*

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes all other liabilities, all of which are recognized at amortized cost. The Company's accounts payable and accrued liabilities are classified as *other financial liabilities.*

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in reserves is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued using the residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the warrants. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up, is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the date of the agreement to issue shares.

Loss per share

The Company recognizes the dilutive effect on loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

Share issuance costs

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New accounting pronouncements

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

<u>New or revised standards and amendments to existing standards not yet effective</u>

The Company has not applied the following new, revised and amended standards that have been issued but are not yet effective for the November 30, 2018 reporting period:

i) IFRS 16, Leases, specifies how an issuer will recognize, measure, present and disclose leases; effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact that this standard will have on the Company's financial statements.

ii) IFRS 9, Financial Instruments replaces the current standard IAS 39, Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value through profit and loss, as well as modifications to financial asset impairment assessments, using an expected credit loss model. The standard is in effect for periods beginning on or after January 1, 2018. Adoption is not anticipated to have a material impact on the Company's financial statements.

(Expressed in Canadian dollars)

4. RECEIVABLES

The Company's receivables are as follows:

	November 30, 2018	November 30, 2017
GST receivable	$ 60,572	$ 53,284
Other receivable	5,670	36,839
	$ 66,242	$ 90,123

5. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses, deposits and advances are as follows:

	November 30, 2018	November 30, 2017
Prepaid expenses – marketing	$ -	$ 7,500
Other prepaid expenses	6,000	5,390
Security deposit	5,710	5,710
	$ 11,710	$ 18,600

6. RESOURCE PROPERTIES

	Pyramid Property	Kinskuch Property	VMS and Golden Mickey Properties	Total
Exploration and evaluation costs during the year ended November 30, 2018				
Acquisition costs - cash	$ -	$ 30,000	$ -	$ 30,000
Assaying and surveying	383	-	-	383
Geological and consulting	47,340	128,220	-	175,560
Cost recoveries	(22,611)	-	-	(22,611)
Mineral exploration tax credit	(25,112)	(142,031)	-	(167,143)
	$ -	$ 16,189	$ -	$ 16,189
Exploration and evaluation costs during the year ended November 30, 2017				
Acquisition costs - cash	$ -	$ 75,000	$ 75,000	$ 150,000
Assaying and surveying	52,313	4,200	2,262	58,775
Aircraft rentals	468,074	64,728	34,853	567,655
Camp costs	61,262	22,738	12,243	96,243
Drilling	431,127	-	-	431,127
Geological and consulting	627,498	136,997	62,796	827,291
Mineral exploration tax credit	(13,201)	-	-	(13,201)
	$ 1,627,073	$ 303,663	$ 187,154	$ 2,117,890

6. RESOURCE PROPERTIES (cont'd...)

Pyramid Copper, Canada

The Company holds a 100% interest in mineral claims collectively known as the Pyramid Copper Property, located in northern British Columbia, Canada.

At November 30, 2018, the Company had a reclamation bond with the B.C. Ministry of Energy and Mines for the Pyramid Copper Property in the amount of $29,000 (2017 - $21,000).

Kinskuch Project, Canada

On August 18, 2016, the Company entered into an option agreement, and amended in September 2018, to earn a 100% interest in claims known as the Kinskuch Project, located in northern British Columbia. To earn a 100% interest, the Company must make the following payments:

i) pay $50,000 on the closing date (paid);
ii) pay $75,000 and incur $100,000 of exploration expenditures on or before August 18, 2017 (paid and incurred);
iii) pay $60,000 on or before August 18, 2018 ($30,000 paid; remaining $30,000 paid subsequent to November 30, 2018) and incur $20,000 on specified survey results (subsequently incurred)
iv) pay $100,000 and incur $250,000 of exploration expenditures (incurred) on or before November 1, 2019;
v) pay $170,000 and incur $500,000 of exploration expenditures on or before November 1, 2020;
vi) pay $270,000 and incur $750,000 of exploration expenditures on or before November 1, 2021; and
vii) pay $1,000,000 on or before December 1, 2022.

The Kinskuch property is subject to a 2% NSR of which 1% can be repurchased for $1,100,000 and advanced royalty payments commencing after the Company has earned its 100% interest.

VMS and Golden Mickey Properties, Canada

On October 26, 2016, the Company entered into an option agreement to earn a 100% interest in claims known as the VMS and Golden Mickey properties. The claims are located in northern British Columbia. To earn a 100% interest, the Company must make the following payments:

i) pay $50,000 on the closing date (paid);
ii) pay $75,000 and incur $100,000 of exploration expenditures on or before October 26, 2017 (paid and incurred);
iii) pay $100,000 and incur $250,000 of exploration expenditures on or before October 26, 2018 (below);
iv) pay $150,000 and incur $500,000 of exploration expenditures on or before October 26, 2019;
v) pay $250,000 and incur $750,000 of exploration expenditures on or before October 26, 2020; and
vi) pay $1,000,000 on or before October 26, 2021.

The VMS and Golden Mickey properties are subject to a 2% NSR of which 1% can be repurchased for $1,000,000 and advanced royalty payments commencing after the Company has earned its 100% interest.

During the year ended November 30, 2018, the Company lapsed on the option payments of the properties and no longer have interest in the claims. Subsequent to November 30, 2018, the Company is attempting to renegotiate the terms of the property option agreement.

(Expressed in Canadian dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	November 30, 2018	November 30, 2017
Trade payables	$ 19,667	$ 41,394
Accrued liabilities	15,169	65,668
Due to related parties (Note 11)	110,074	41,581
	$ 144,910	$ 148,643

8. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

On February 14, 2019, the Company consolidated its share capital on a three to one basis. These financial statements retrospectively reflect this share consolidation for all share, option, warrant and per share amounts.

During the year ended November 30, 2018, the Company:

- In December 2017, the Company completed a private placement of 3,140,980 units at a price of $0.255 per unit for gross proceeds of $800,950, of which $85,000 was received during the year ended November 30, 2017. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant may be exercised to purchase one common share at a price of $0.45 for a period of two years. In relation to the financing, the Company paid finders fees of $20,766 cash, and issued 81,359 broker's warrants valued at $4,600 using the Black-Scholes option pricing model assuming expected life of 2 years, a risk-free interest rate of 1.49%, a forfeiture and dividend rate of 0% and an expected volatility of 74.91%.

During the year ended November 30, 2017, the Company:

- In March 2017, the Company completed a private placement of 4,910,000 units at a price of $0.375 per unit for gross proceeds of $1,841,250. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant may be exercised to purchase one common share at a price of $0.60 for a period of two years, subject to acceleration where after the common shares of the Company have traded at or above $0.60 per common share for a period of 10 consecutive trading days, the Company may provide notice by news release that the holders of the warrants shall have 30 days after the date of such news release to exercise such warrants. In relation to the financing, the Company paid finders fees of $92,400 cash and issued 156,667 share purchase warrants valued at $37,354 using the Black-Scholes option pricing model assuming expected life of 2 years, a risk-free interest rate of 0.82%, a forfeiture and dividend rate of 0% and an expected volatility of 127.35%. The Company paid an additional $11,229 in other share issuance costs.
- In September 2017, the Company issued 3,200,000 flow-through shares at a price of $0.24 for gross proceeds of $768,000. The flow-through shares were valued at $0.24 for a total value of $768,000 and the residual value of $Nil was allocated to deferred premium on flow-through shares. In relation to the financing, a total of $15,000 cash was paid in share issuance costs and the Company paid an additional $20,590 in other share issuance costs.
- In October 2017, the Company issued 988,668 flow-through shares at a price of $0.27 for gross proceeds of $266,940. The flow-through shares were valued at $0.27 for a total value of $266,940 and the residual value of $Nil was allocated to deferred premium on flow-through shares. In relation to the financing, a total of $9,956 cash was paid in share issuance costs and the Company paid an additional $2,985 in other share issuance costs.

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (cont'd...)

- In October 2017, the Company issued 740,741 flow-through shares at a price of $0.27 for gross proceeds of $200,000. The flow-through shares were valued at $0.27 for a total value of $200,000 and the residual value of $Nil was allocated to deferred premium on flow-through shares. The Company paid an additional $2,750 in other share issuance costs.

Stock options

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

During the year ended November 30, 2018 and 2017, no options were granted.

Stock options outstanding as at the year ended November 30, 2018:

Expiry Date	Exercise Price	November 30, 2017	Granted	Exercised	Expired / Cancelled	November 30, 2018	Exercisable
April 13, 2019	$ 0.69	166,667	-	-	-	166,667	166,667
August 26, 2019	0.54	75,000	-	-	-	75,000	75,000
August 26, 2019	0.54	33,333	-	-	-	33,333	33,333
June 29, 2020	0.36	228,333	-	-	-	228,333	228,333
May 3, 2021	0.69	133,333	-	-	-	133,333	133,333
August 26, 2021	0.54	641,667	-	-	-	641,667	641,667
September 17, 2023(1)	0.30	600,000	-	-	(16,666)	583,334	583,334
November 1, 2023(1)	0.30	83,333	-	-	-	83,333	83,333
Total		1,961,666	-	-	(16,666)	1,945,000	1,945,000
Weighted average exercise price		$ 0.46	-	-	$ 0.30	$ 0.46	$ 0.46
Weighted average remaining contractual life						2.97 years	

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

Stock options (cont'd…)

Stock options outstanding as at the year ended November 30, 2017:

Expiry Date	Exercise Price	November 30, 2016	Granted	Exercised	Expired / Cancelled	November 30, 2017	Exercisable
April 13, 2019	$ 0.69	166,667	-	-	-	166,667	166,667
August 26, 2019	0.54	75,000	-	-	-	75,000	75,000
August 26, 2019	0.54	33,333	-	-	-	33,333	33,333
June 29, 2020	0.36	228,333	-	-	-	228,333	228,333
May 3, 2021	0.69	133,333	-	-	-	133,333	133,333
August 26, 2021	0.54	641,667	-	-	-	641,667	641,667
September 17, 2023(i)	0.30	600,000	-	-	-	600,000	600,000
November 1, 2023(i)	0.30	83,333	-	-	-	83,333	83,333
Total		1,961,666	-	-	-	1,961,666	1,961,666
Weighted average exercise price		$ 0.46	-	-	-	$ 0.46	$ 0.46
Weighted average remaining contractual life						2.24 years	

i) During the year ended November 30, 2018, the Company extended 583,334 and 83,333 stock options an additional 5 years to expiry dates of September 17, 2023 and November 1, 2023, respectively. As a result of the modification, the Company recognized incremental share-based payment expense of $139,260 using the Black Scholes option pricing model assuming expected life of 5.6 years, a risk-free interest rate of 2.01%, a forfeiture and dividend rate of 0%, and an expected volatility of 138.51%. These amounts were also recorded as reserves on the statements of financial position.

During the year ended November 30, 2017, the fair value of stock options vested during the year and recognized as share-based payment expense was $32,014. These amounts were also recorded as reserves on the statements of financial position.

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (cont'd…)

Warrants

Warrants outstanding as at the year ended November 30, 2018:

Expiry Date	Exercise Price	November 30, 2017	Granted	Exercised	Expired / Cancelled	November 30, 2018	Exercisable
March 2, 2018	$ 0.60	109,000	-	-	(109,000)	-	-
July 21, 2018	0.60	888,667	-	-	(888,667)	-	-
July 21, 2018	0.60	98,113	-	-	(98,113)	-	-
March 2, 2019*	0.60	2,166,667	-	-	-	2,166,667	2,166,667
March 8, 2019*	0.60	2,455,000	-	-	-	2,455,000	2,455,000
March 8, 2019*	0.60	156,667	-	-	-	156,667	156,667
December 6, 2019	0.45	-	1,570,490	-	-	1,570,490	1,570,490
December 6, 2019	0.45	-	81,359	-	-	81,359	81,359
Total		5,874,114	1,651,849	-	(1,095,780)	6,430,183	6,430,183
Weighted average exercise price		$ 0.60	$ 0.45	-	0.60	$ 0.56	$ 0.56
Weighted average remaining contractual life						0. 46 years	

* Subsequent to November 30, 2018 these warrants expired unexercised

Warrants outstanding as at the year ended November 30, 2017:

Expiry Date	Exercise Price	November 30, 2016	Granted	Exercised	Expired / Cancelled	November 30, 2017	Exercisable
March 2, 2018	$ 0.60	109,000	-	-	-	109,000	109,000
July 21, 2018	0.60	888,667	-	-	-	888,667	888,667
July 21, 2018	0.60	98,113	-	-	-	98,113	98,113
March 2, 2019	0.60	2,166,667	-	-	-	2,166,667	2,166,667
March 8, 2019	0.60	-	2,455,000	-	-	2,455,000	2,455,000
March 8, 2019	0.60	-	156,667	-	-	156,667	156,667
Total		3,262,447	2,611,667	-	-	5,874,114	5,874,114
Weighted average exercise price		$ 0.60	$ 0.60	-	-	$ 0.60	$ 0.60
Weighted average remaining contractual life						0.77 years	

(Expressed in Canadian dollars)

9. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the year.

10. SEGMENTED INFORMATION

The Company operates in one segment – the acquisition and exploration of resource properties. As at November 30, 2018 and 2017, all of the Company's operations and assets were held in Canada.

11. RELATED PARTY TRANSACTIONS

During the year ended November 30, 2018, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include certain directors and officers.

Transactions with related parties and key management personnel are as follows:

Paid or accrued to:	Nature of transactions	November 30, 2018	November 30, 2017
Key management personnel:			
Directors and companies controlled by Directors	Director fees	$ 26,813	$ 42,600
A company controlled by a family member of the former Corporate Secretary	Consulting	18,000	42,000
A company controlled by the CEO	Consulting	120,000	153,335
A company controlled by a Director	Geological consulting	120,000	117,500
A company controlled by the former President	Management	-	148,335
Directors	Share-based payments	132,210	-
A company controlled by a Director	Professional	64,000	80,800
Total		$ 481,023	$ 584,570
Related parties:			
A family member of a Director	Geological consulting	$ 60,000	$ 60,000

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (cont'd…)

The amounts due to related parties included in accounts payable and accrued liabilities are as follows:

	November 30, 2018	November 30, 2017
Due to the Directors and companies controlled by Directors	$ 110,074	$ 41,581
Total	$ 110,074	$ 41,581

The amounts due to related parties included in prepaid expenses and deposits are as follows:

	November 30, 2018	November 30, 2017
Due from the Directors and companies controlled by Directors	$ 5,000	$ -
Total	$ 5,000	$ -

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended November 30, 2018 include the Company:

i) granted 81,359 warrants in connection with a private placement with an aggregate fair value of $4,600.

ii) allocated $2,070 of reserves to deficit pursuant to the expiry of options.

Significant non-cash transactions during the period ended November 30, 2017 include the Company:

i) granted 156,667 warrants in connection with private placements with an aggregate fair value of $37,354.

ii) accrued $15,600 in share issuance costs through accounts payable and accrued liabilities.

(Expressed in Canadian dollars)

13. COMMITMENTS

Flow-through private placements

As at November 30, 2017, in connection with the issuance of flow-through common shares in July 2016, the Company was obligated to incur $1,200,670 of qualifying flow-through expenditures (fulfilled).

The flow-through shares were issued at a premium to the non-flow-through shares which is a reflection of the value of the income tax write-offs that the Company will pass on to the flow-through shareholders. The premium was determined to be $141,255 and was recorded as a reduction of share capital. An equivalent flow-through share premium liability was recorded which is reversed as the required exploration expenditures are completed.

The following is a continuity schedule of the deferred premium on flow-through shares issuance:

Balance at November 30, 2016	$	47,535
Settlement of flow-through share liability on incurring expenditures – other income		(47,535)
Balance at November 30, 2017 and November 30, 2018	$	-

At November 30, 2018, the Company is committed to spend $51,879 (2017 - $273,727) on flow-through eligible exploration expenditures on or before December 31, 2018.

Leased Premises

The Company is committed to the following minimum payments (before applicable taxes) for the leased premises located at suite 480 – 505 Burrard Street, through July 2018. During the year ended November 30, 2018, the Company extended the lease to July 2020. The terms of the lease are as follows:

Year	**Premises**
2018	$ 7,295
2019	87,541
2020	51,066

14. FINANCIAL AND CAPITAL RISK MANAGEMENT

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 described below.

Level 1 - quoted prices (unadjusted) 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 for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company has various financial instruments including cash, receivables and accounts payable and accrued liabilities. The carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because a portion of receivables are comprised of goods and services tax (GST) and other government refunds, which is recoverable from the governing body in Canada. Management does not believe the receivables are impaired. The Company doesn't believe there is significant credit risk associated with cash as these amounts are held with major Canadian banks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2018, the Company had a cash balance of $241,943 (2017 – $349,513) to settle current liabilities of $144,910 (2017 – $148,643). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited as it does not have any significant interest-bearing financial instruments.

Price risk

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

Foreign currency risk

As at November 30, 2018 and 2017, the Company did not have any accounts in foreign currencies and considered foreign currency risk insignificant.

(Expressed in Canadian dollars)

15. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	November 30, 2018	November 30, 2017
Loss before taxes for the year	$ (961,052)	$ (3,386,218)
Canadian federal and provincial income tax rates	27.00%	26.00%
Expected income tax recovery based on the above rate	$ (259,000)	$ (880,000)
Effect of change in tax rates	(57,000)	3,000
Non-deductible items	36,000	(35,000)
Tax benefit non recognized	227,000	490,000
Impact of flow-through shares	-	321,000
Adjustment to prior years provision	53,000	101,000
Total income taxes	$ -	$ -
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	November 30, 2018	November 30, 2017
Non-capital losses	$ 1,201,000	$ 967,000
Cumulative exploration and development expenses	515,000	514,000
Share issuance costs	40,000	48,000
	$ 1,756,000	$ 1,529,000
Unrecognized deferred tax assets	(1,756,000)	(1,529,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

(Expressed in Canadian dollars)

15. INCOME TAXES (cont'd…)

		2018	Expiry Date Range		2017	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	1,907,000	No expiry date	$	1,976,000	No expiry date
Share issue costs		150,000	2038 to 2041		186,000	2037 to 2040
Non-capital losses available for future periods		4,447,000	2026 to 2037		3,720,000	2026 to 2036

16. SUBSEQUENT EVENTS

Subsequent to November 30, 2018, the Company:

a) completed a private placement of 12,326,667 units at $0.06 for a total gross proceeds of $739,600, each unit consists of one common share and one-half of one share purchase warrant exercisable for a term of two years at $0.10 for each warrant. The Company paid finders' fees in the amount of $18,620.

b) issued 4,808,770 common shares pursuant to a purchase and sale agreement to acquire a 100% interest in certain mineral exploration licenses located in Norway and Sweden. Additionally, the Company must complete a minimum of $5,000,000 in financings to explore and develop the projects. If the Company has not raised and incurred $2,000,000 within 2 years of closing, the Company shall issue to the vendors additional shares totalling 5% of the ownership in the Company on a non-diluted basis on the date 2 years from closing. In addition, the Company is required to issue common shares to maintain the vendor's percentage interest, ranging from 9.9% to 14.9%, up to a maximum of 21,350,956 common shares, in the Company up to December 12, 2023 for no additional consideration. The projects are subject to a 3% NSR, with annual advance royalty payments required. The Company may repurchase up to 1% of the NSR, subject to certain conditions.

   The vendor has the right to appoint one member to the Company's board of directors, subject to certain conditions.