FREEPORT
RESOURCES INC.

Financial Statements For The Three Months Ended April 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

FREEPORT
RESOURCES INC.

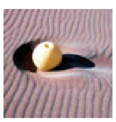
Management Discussion & Analysis

For the Period Ended
April 30, 2019

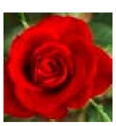
The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Freeport Resources Inc. (the "Company" or "Freeport") as at January 31, 2019 and related notes thereto. This MD&A should be read in conjunction with the financial statements for the year ended January 31, 2018 and supporting notes. These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is June 25, 2019. Additional information about the Company is available on SEDAR.

NATURE OF BUSINESS: Overall Performance & Current Highlights

Freeport Resources Inc. (TSX-V: FRI) is a Canadian mineral exploration company with a diversified portfolio of properties: the Hutton Garnet Beaches discovery in Labrador, and 3 BC projects -- the Red Rose Mine (a past producer of tungsten-gold-copper), Spanish Mountain Gold (adjacent to a proposed open pit gold mine near Williams Lake), and the Q (a large well known CaF_2 deposit with accessory MoS_2 and silver).



HUTTON GARNET BEACHES: India's garnet export ban at Tamil Nadu has significantly increased demand world-wide, favourably impacting pricing. Freeport has been in discussions with interested parties on development opportunities and recently updated its Business Plan. Pilot plant work on 100 tonnes of bulk sample material already on hand includes waterjet product development and marketing studies. Freeport is currently exploring funding options. Bulk sampling was released from Environmental Assessment, a public process. Please visit *www.freeportresources.com/i/pdf/corporatepresentation.pdf* for more info.



RED ROSE MINE: Our 100% owned Red Rose tungsten mine was one of the most important in the Rocher Deboule camp, producing tungsten, copper and gold. Increased exploration work in the area is underway, as the adjacent Rocher Deboule mine, held by American Manganese, now under evaluation by New World Cobalt Ltd. (Australia). In addition to tungsten and copper, Red Rose has excellent gold potential with grades of 63.8 g/mt over 0.3m (1.86 oz/ton over 1.0 ft) & 49.0 g/mt over 0.7m (1.43 oz/ton over 2.2 ft) previously reported. Detailed evaluation of gold-rich zones is recommended.

THE Q: Significant historical fluorite resources include 24,000,000 tonnes averaging 11.5% CaF_2 estimated in 1984 by Eaglet Mines (not verified by Freeport or NI 43-101 compliant), identified by extensive drilling (~126 surface and 9 underground holes) and underground workings (2 adits - one over 1200' long, accessing mineralized zones). Freeport recently outlined a combined length of 126 metres (410 feet) with an average grade of 8.7% CaF_2 in Adit 2. Current work includes re-evaluation of drill logs and 3D studies to evaluate ore distribution and potential mining methods. (see *www.freeportresources.com/i/pdf/Freeport-Q-2012.pdf*).

SPANISH MOUNTAIN GOLD: Freeport's claims are adjacent and on strike with an advanced stage, multi-million ounce open pit gold project worked by Spanish Mountain Gold Ltd. (SMG). Infill drilling on the east side of SMGL's proposed pit returned some of the best assay results to date, with 64.0m grading 3.25 g/t gold, including 41.5m of 4.85 g/t gold, 18.0m of 10.73 g/t gold, and 8.5m of 22.47 g/t gold. Mineralization is proven to extend on Freeport's claims, less than half a mile east of the pit. Please see *www.freeportresources.com/i/pdf/spanishmt2011.pdf* for our Spanish Mountain presentation.

Forward-Looking Statements

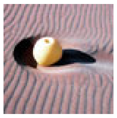
This MD&A together with the Company's financial statements contain certain statements that may be deemed "forward-looking statements". All statements in this MD&A, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects to occur, are forward looking statements. Forward looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Information inferred from the interpretation of drilling results and information concerning resource estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements.

Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including risks that may affect the Company's operating or capital plans, including risks generally encountered in the exploration and development of natural resource properties, such as unusual or unexpected geological formations, unanticipated metallurgical difficulties, ground control problems, process upsets and equipment malfunctions; risks associated with labour and unavailability of skilled labour; fluctuations in the market prices of the Company's principal products, which are cyclical and subject to substantial price fluctuations; risks created through competition for natural resource properties; risks associated with lack of access to markets; risks associated with mineral and resource estimates, including the risk of errors in assumptions or methodologies; risks posed by fluctuations in exchange rates and interest rates, as well as general economic conditions; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; risks associated with the Company's dependence on third parties in the provision of transportation and other critical services; risks associated with aboriginal title claims and other title risks; social and political risks associated with operations in foreign countries; and risks associated with legal proceedings.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the following assumptions: that there is no material deterioration in general business and economic conditions; that there is no unanticipated fluctuation of interest rates and foreign exchange rates; that the supply and demand for, deliveries of, and the level and volatility of commodity prices develop as expected; that the Company receives regulatory and governmental approvals as are necessary on a timely basis; that the Company is able to obtain financing as necessary on reasonable terms; that there is no unforeseen deterioration in the Company's activity costs; that the Company is able to continue to secure adequate transportation as necessary for its exploration activities; that the Company is able to procure equipment and supplies, as necessary, in sufficient quantities and on a timely basis; that exploration activity timetables and capital costs for the Company's planned projects are not incorrectly estimated or affected by unforeseen circumstances; that costs of closure of various operations are accurately estimated; that there are no unanticipated changes to market competition; that the Company's estimates in relation to its natural resource interests are within reasonable bounds of accuracy (including with respect to size, grade and recoverability of mineral projects) and that the geological, operational and price assumptions on which these are based are reasonable; that no environmental and other proceedings or disputes arise; and that the Company maintains its ongoing relations with its employees, consultants and advisors.

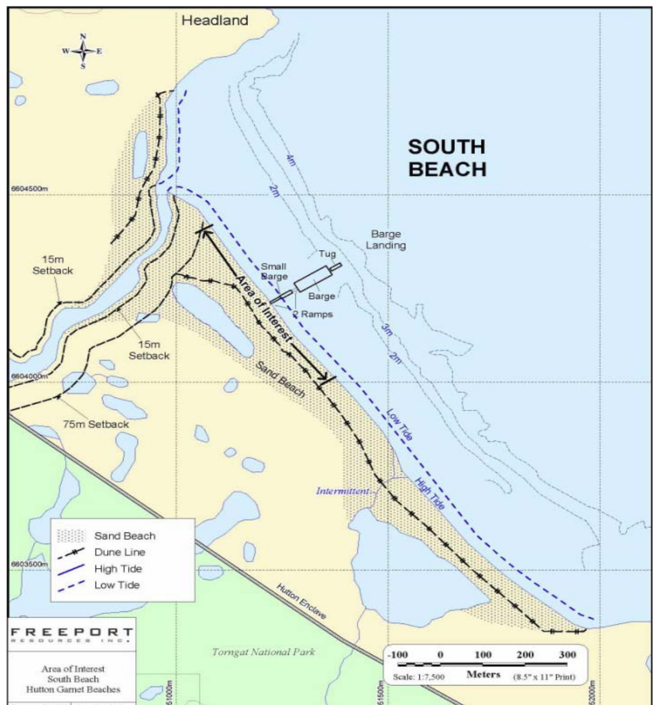
Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause the Company's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

HUTTON GARNET BEACHES



The **Hutton Garnet Beaches** (113 claims, 28 sq. km.) have received ongoing international attention due to exceptionally high garnet content: South Beach, clearly red on satellite photos, averages over 60% and exceeds 75% locally – **one of the highest grade placer garnet deposits known world-wide**. Preliminary resource and reserves estimated over 1.25 million tonnes garnet (2004). The Hutton is an important Canadian garnet resource, well positioned to supply eastern North America and Europe.

The Hutton is at an advanced stage. Feasibility of the marine operational plan for exploiting the garnet sands has been confirmed – a significant project milestone. Environmental studies included a bird survey at both beaches. Sampling needed to update tonnage estimates was also completed. Freeport greatly appreciates incentive funding from the Government of NL's Junior Exploration Assistance program, with $150,000 received for the most recent work at the site.



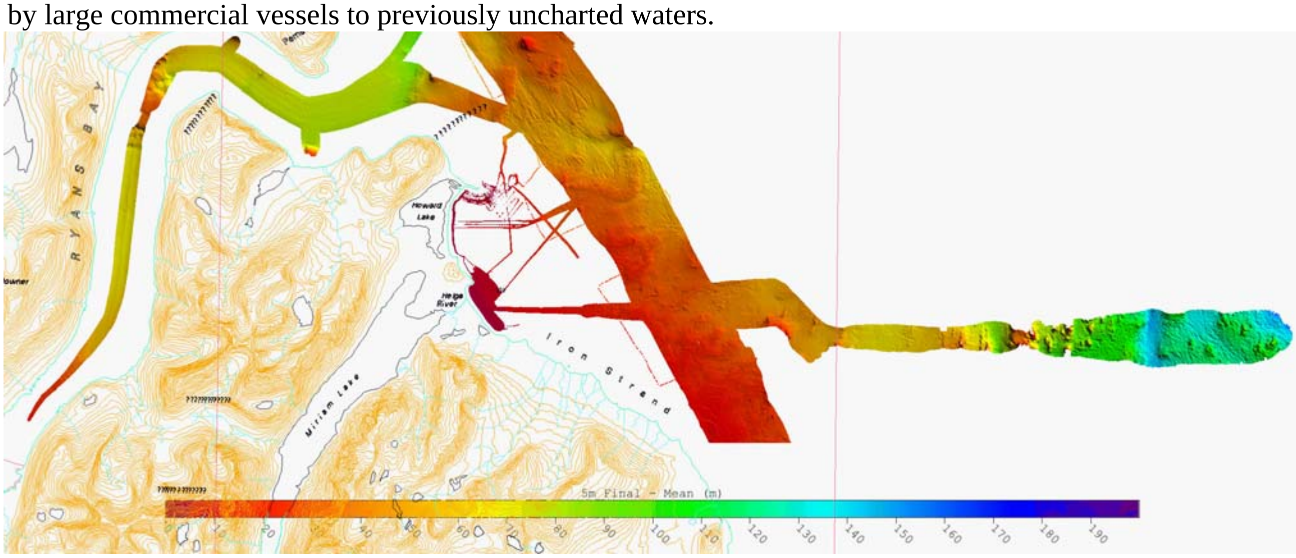
Project Concept: **The Hutton is a unique mineral project with minimal visual and environmental impacts.** Garnet is chemically inert and environmentally benign. The deposits are on surface with very limited overburden or vegetation. It would operate like a small, shallow, and seasonal sand quarry. However, no permanent structures, roads, or marine transport facilities are required. Natural processes – waves, wind, and winter ice – will remove all traces of work. The garnet sand would be loaded on a barge and shipped to a processing plant for separation into different waterjet and possibly sandblasting products.

Hutton Garnet & Abrasive Waterjet cutting: Hutton garnet is **high quality almandine garnet**, naturally suited to waterjet cutting due to its size, angularity, competence, and lack of inclusions. Various Hutton concentrates produced with distinct processing methods met or exceeded commercially available products in three industry-wide tests in the UK, Canada and the US. Waterjet tests in North America & Europe have been very successful, with the Hutton concentrate performance comparable to other high quality commercial products, and consistently favourable responses from users. The waterjet market is expanding in major eastern industrial centres (i.e. Montreal, Toronto, NY, etc.).

Export Market Development & Business Plan (EMD & BP): The Hutton Business Plan was recently updated and appears robust. Extensive market research, product testing, industry regulation research and North American distribution planning/costing were conducted. The EMD study and BP were partly funded by the Atlantic Canada Opportunities Agency (ACOA).

Mineral Processing: Mineral processing of 100 tonnes of stockpiled bulk sample material will facilitate pilot plant development and implementation. Commercial scale garnet separation of bulk sample material has been evaluated at several industrial minerals plants. Further beneficiation work will be undertaken to fine-tune the products, based on the processing model established by Dr. Bern Klein, at UBC's Center for Industrial Minerals Innovations (CIMI). The proposed flow sheet consists of a scalping screen, wet gravity concentration, and dry high intensity rare earth magnetic separation. Simple and economical, it forms the basis for pilot plant design.

Site surveys: A detailed Beach Formation Study was prepared by Dr. Catto, a respected geomorphologist specializing in beach formation and glacial processes. Due to lack of publicly available, accurate onshore maps, Freeport commissioned and completed two onshore legal surveys. The second was coordinated with an archeological study, confirming no known sites will be impacted by work at the beaches. Comprehensive offshore maps were prepared in collaboration with the Canadian Hydrographic Service, allowing site access by large commercial vessels to previously uncharted waters.



Offshore Survey of Hutton Garnet Beaches – a collaborative effort with Canadian Hydrographic Services

Drill Program & Bulk Sample: A total of 98 holes were drilled with a split spoon sampler over the extent of the South and North Beaches. At South Beach, 72 holes were drilled to an average of 3 metres depth, mainly to meet the timeframe constraints of the program. The holes were drilled at 100m intervals with side lines at 25m intervals, for a total distance of 1800 metres along the beach. Several deeper holes were attempted, but terminated at 5 metres due to physical limitations of the drill. At North Beach, 26 holes were drilled to 2-3 metres in depth, at average spacing of 100m intervals along total beach length of 2350 metres. The bulk sample consisted of 141 bulk bags (one cubic metre each) from South and North Beach, for mineral processing, testing and market studies.

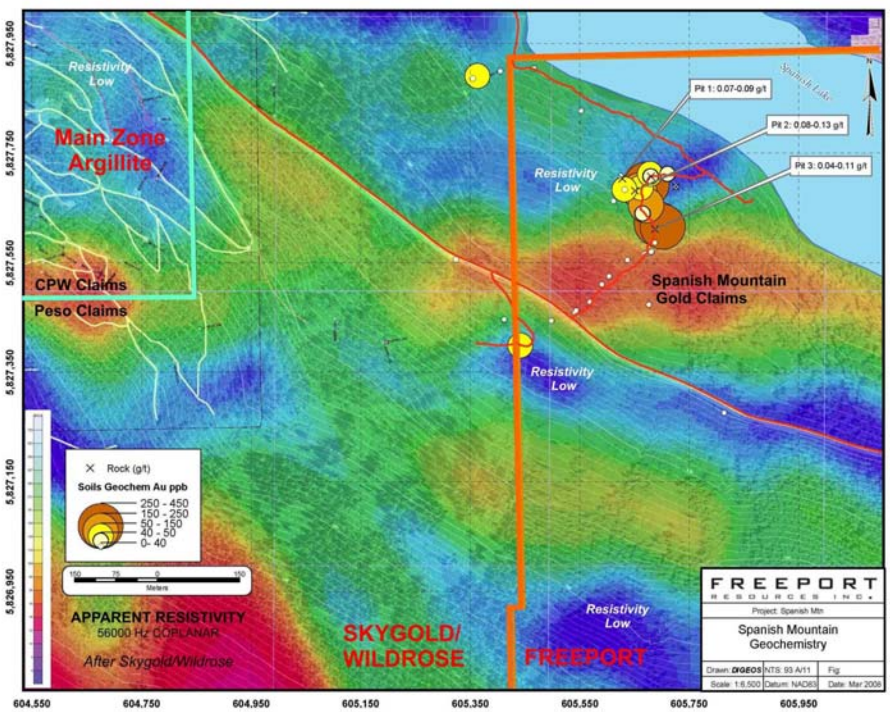
The Prefeasibility Report and Marketing Study (PRMS) outlines preliminary resource and reserve estimates at 1,307,950 metric tonnes garnet (1,438,750 short tons). At South Beach, a one metre depth was sufficiently verified to classify half the total Measured Resource – 256,150 tonnes – as a Probable Reserve (included in Measured Resources as noted above). In accordance with NI 43-101, the effective date of the estimates is October 18, 2004.

Technical Advisors on the project have included: Dr. Derek Wilton, PGEO, ZD Hora, PGEO, Don Hains, PGEO, MBA, Dr. Norm Catto, Peter Dimmell, PGEO, John Fleming, PGEO, John Archibald, Geologist, Fred Archibald, APGO, and Ross Glanville, BASc, PGEng, MBA, CGA. For more detailed information, please see our website, at *http://www.freeportresources.com/s/Hutton.asp*, and view our PowerPoint presentation at *www.freeportresources.com/i/pdf/corporatepresentation.pdf*.

SPANISH MOUNTAIN GOLD (Juan A)

Freeport's **Spanish Mountain Gold** property (150 hectares, 6 units) is immediately adjacent to and on strike with an advanced stage, multi-million ounce sediment-hosted gold project held by Spanish Mountain Gold Ltd. (previously Skygold Ventures, referred to as Skygold/SMG below). SMG released an update of their Preliminary Economic Assessment estimating a 24 year project life and life of mine production of approximately 2.2 million ounces of gold and 1.5 million ounces of silver (NI43-101 Resource calculation, April 2017, at *www.spanishmountaingold.com*). The mineralized horizon traced on Freeport's claims suggests an easterly extension of the zone -- drilling has extended within 50 m. of the claim boundary.

According to Skygold/SMG, *"Drilling within the Main Zone has consistently intersected gold in the Upper Argillite horizon which now forms a sheet of mineralization traced along strike for approximately 800 metres with a width of approximately 500m and up to 135 metres thick."* Geophysical 'resistivity lows' correspond with broad zones of argillite stratigraphy favourable for sediment-hosted gold, associated with a contact between argillites and greywackes, with higher grade gold in greywacke host rock. Airborne geophysical data shows structural continuity from SMG's "Main Zone", with resistivity lows continuing across Freeport's claims, without discontinuities or major offsetting features. Freeport's claims are less than half a mile east of and on strike with the mineralized zone.



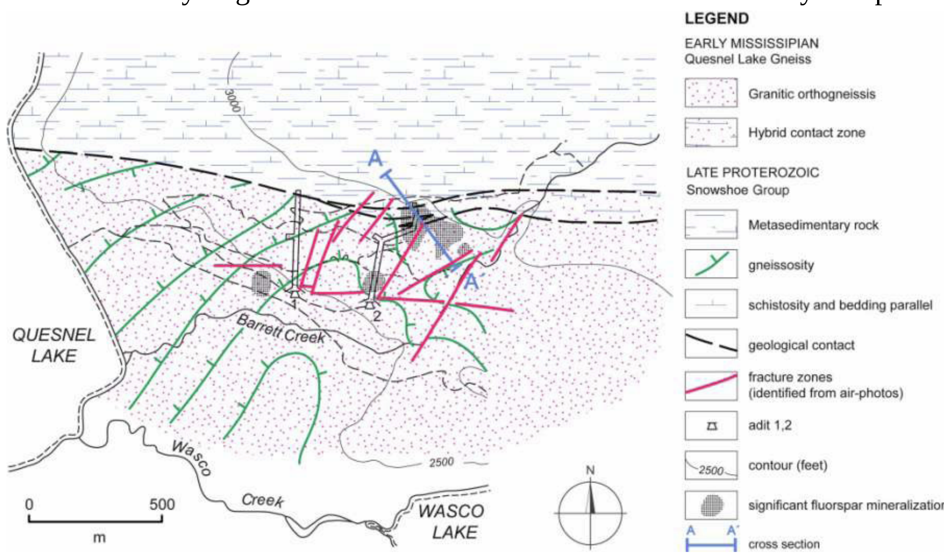
Soil and rock samples collected by Freeport over one geophysical 'resistivity low' at the north end of the property sampled to date are **strongly anomalous in gold,** reaching over 400 ppb in soil and up to 0.13 g/t in weathered pyritic argillite and greywacke surface rocks. This indicates an easterly extension of SMG's large mineralized zone called the 'Main Zone Argillite', which also coincides with a **resistivity low**. Freeport's sampling tested the most northerly resistivity low of three identified by the airborne survey. Three hand trenches were dug on pits along a previously unknown access road cross-cutting the stratigraphy. The pits exposed **pyritic argillite and greywacke** with some quartz veining – rocks that appear identical to the mineralized horizon on Skygold/SMG's adjacent claims. Assays of surface grab samples from all 3 pits returned gold values clustered around 0.1 grams per tonne. Gold values in the right rock type in all three trenches indicate the **mineralized stratigraphy extends onto Freeport's claims.** Gold values could be expected to increase below surface weathered exposures of the rocks. **Sampling of untested prospective geophysical targets is planned, with follow-up drilling to locate favorable gold mineralized stratigraphic/structural horizons. With minor rehabilitation, the road will provide easy access for equipment and drills over the north part of the claims, especially as an offshoot of the road extends up to the main logging haul road.**

For more information, please visit *www.freeportresources.com/s/SpanishMountain.asp*, and view our new PowerPoint presentation at http://www.freeportresources.com/i/pdf/spanishmt2011.pdf

Q (EAGLET)

The **Q** claims (12 sq.km., 4.6 sq.mi., 1200 hectares, 48 units), are on the north arm of Quesnel Lake in BC's Cariboo. **New fluorspar results confirm several significant mineralized zones in Adit 2**, particularly in a faulted and folded zone. The most important consists of three generally continuous intervals of fluorspar mineralization with a c**ombined length of 126 metres (410 feet), averaging 8.7% CaF2**. Some higher grade sections include 15 m. (50 ft.) of 10.3% CaF2 and 30 m. (100 ft.) of 11.1% CaF2. The Adit ends in a mineralized zone 369 m. (1210 ft.) from the portal. These grades and continuity suggest the possibility of bulk open pit mining. Access is by barge, with many existing trails and logging roads at the site.

The Q is a 'Developed Prospect' ("Eaglet"), with over 22,000 metres of diamond drilling (126 surface and 9 underground holes) and 2 adits. Eight distinct flat-lying lenticular fluorite zones with accessory silver, molybdenum and lead were defined, varying in thickness from 3 to 30 metres, with an average of 8 metres. Mineral reserve estimates of 24,000,000 tonnes of fluorite, averaging 11.5% CaF2 with silver, molybdenum and lead by-products were published in 1984 by Eaglet Mines -- a historical estimate not verified by Freeport or NI 43-101 compliant.



The Q is also being evaluated for widespread molybdenite present in both adits and a number of drill holes, reaching values up to 0.19% MoS_2. Two new molybdenite-enriched zones in Adit 2 were recently discovered, based on assay of over 600 pulp samples representing the extent of Adit 2, which is 369 m (1211') long. Each zone is about 50m (165') long, occurring along shear structures, with elevated values from 0.0167% - 0.191% MoS_2. Molybdenite and fluorite both correspond to fracturing and schistosity identified in structural mapping of the adit and high resolution air photographs. The north-east, structurally more complex part of the adit is of most interest -- characterized by faults and local scale folding.

Metallurgy: BC Mining Research Ltd. (BCMR, Dr. Bern Klein) prepared a commercial-grade molybdenite concentrate for Freeport, with very encouraging results, confirming previous work by Eaglet Mines, whose Prefeasibility Study reported calculated recoveries of "one-half pound Mo per ton" (September 1984).

Two BC Geological Survey Fieldwork articles were recently published on the property, including "Eaglet Property Revisited: **Fluorite-Molybdenite Porphyry-like Hydrothermal System**". Different types of mineralization as well as relationships of individual minerals of economic interest are discussed. Host rock is interpreted as a replacement product of the interaction of alkali sodium and successive potassium-bearing fluids with a consolidated orthogneiss series with metasedimentary intercalations. This process, followed by hydrothermal activity contributing quartz, molybdenite, fluorite, carbonates and celestite with a few minor minerals, is considered to be an aureole of a well-differentiated granitic body at depth. Cretaceous in age (by dating of mica and fluorite), the intrusion is thus within the range of stocks and dikes with known molybdenum mineralization in the Quesnel and Kootenay Terrane. Distribution of fluorspar (calcium fluoride) and celestite (strontium sulphate) is mainly controlled by mechanical properties of more brittle host rocks susceptible to fracturing, and percolation by hydrothermal fluids. Molybdenite has been observed mostly along schistosity and in quartz-filled veinlets. Review of high resolution air photo imagery confirms a concentration of linear fracture patterns in the vicinity of Adit 2, near the contact between granitic orthogneisses and metasedimentary rocks. This zone coincides with the zones of significant fluorspar at the northeast of Adit 2 noted above, as well as areas of elevated MoS_2 in Adit 2 and nearby drill holes.

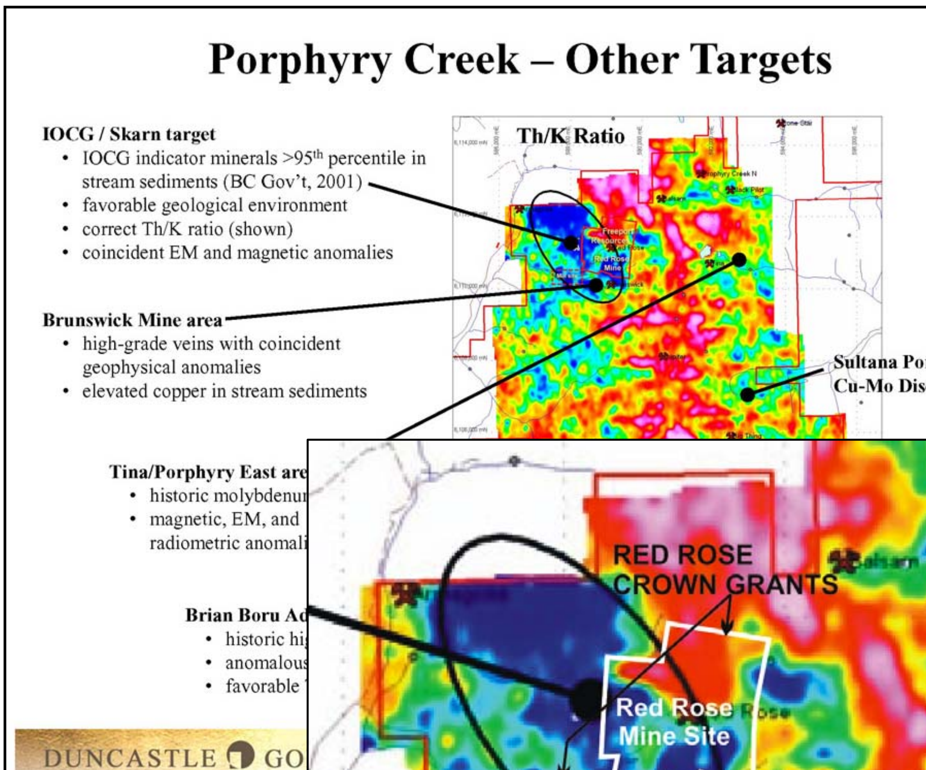
The Q is interesting today as a potentially large source of fluorspar defined by extensive underground workings and drilling. Recommended work includes upgrading historical estimates to current NI43-101 standards, evaluating spatial distribution of fluorspar and molybdenite, especially in Adit 2 and the surrounding area, and re-evaluating the deposit model for vertical stockwork. Due to the Q deposit's large scale, **Freeport seeks an industry partner interested in project development.** For more information, visit *www.freeportresources.com/s/TheQ.asp* and *www.freeportresources.com/i/pdf/Freeport-Q-2012.pdf*

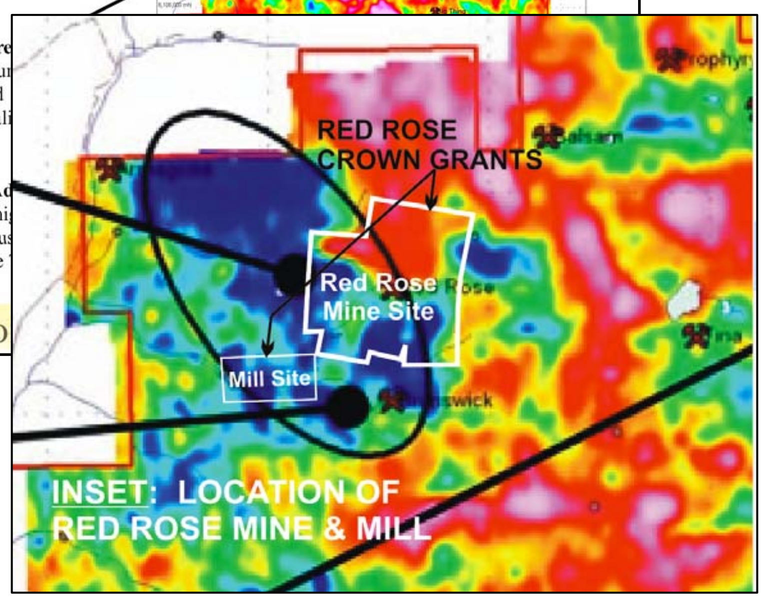
RED ROSE MINE

The **Red Rose Mine is an important past tungsten gold producer** in northern BC's Rocher Deboule mining camp, with average scheelite grade of 1.5%. Other nearby past producers include the Rocher Deboule, Victoria, Highland Boy, Great Ohio, Armagosa, Blue Lake and Black Prince, producing tungsten, gold, silver, copper, zinc, cobalt, molybdenum and lead. Red Rose produced over a million kg tungsten with copper, gold and silver by-products from 1942-54. Low tungsten demand after WWII prompted closure with substantial ore remaining. Freeport's last drill program intersected the vein 100m beneath the lowest level.

Freeport owns 15 crown grants containing the Red Rose mine site, as well as 2 crown grant land parcels over the mill site in the valley below (outlined in white on inset map below).

A geophysical airborne survey sponsored by Duncastle Gold shows the Red Rose crown grants are prominently located in an area prospective for IOCG/skarn target, with a favourable geological environment and correct Th/K ratio (map from Duncastlegoldcorp.com).





Note: ***RED ROSE Crown Grants outlined in white on inset map – above right,*** *over potential IOCG/Skarn target area identified in airborne geophysical survey (geophysics & interpretation by Duncastle Gold Corp.)*

Freeport is re-evaluating the Red Rose for gold potential. Published gold values in Adit No. 1 averaged 19.2 g/tonne over a width of 0.7 m and a strike length of over 49 m (0.56 ounces/ton over 2.1 feet over 160 feet).

Bonanza grades of **63.8 g/mt over 0.3m** (1.86 oz/ton over 1.0 feet) and **49.0 g/mt over 0.7m** (1.43 oz/ton over 2.2 feet) have also been reported. Recommended work includes sampling north and south of the mine, especially along the Red Rose shear zone where the most interesting gold values have been found to date, but remaining largely unexplored. Although past exploration concentrated mainly on tungsten, the Red Rose Shear structure has known copper-gold and silver-lead-zinc showings. During the last 2 years of operation, 620 ounces (19,299 g) of gold were recovered from 60,855 tonnes milled (BC Minfile 093M 067). Mineralization is genetically related to the Rocher Deboule stock, one of the Late Cretaceous Bulkley Intrusions. The Red Rose vein is 1.2 to 2.8 metres wide, 60 to 120 metres along strike, and at least 335 metres down dip. Extensive lenses of chalcopyrite occur in the hanging wall shear.

The Red Rose Mine has extensive underground workings, including 12 levels and sub levels, multiple raises, 4 access adits and an inclined shaft that extends in the vein from the 600 level to the lowest level (1100). An aerial tram was used to transport ore to the mill site.

Scheelite is the main tungsten ore, occurring in a pegmatitic vein composed mostly of quartz and feldspar. Molybdenite, chalcopyrite and gold are found locally. The vein fills the Red Rose shear. It was mined over 60 to 120 metres, from the surface down to the 800 level (335 metres). The lower levels from the 800 level down to the 1100 level were only partially mined -- approximately 57,700 tonnes of ore is estimated remaining, including 13,600 tonnes of ore at a grade of approximately 1.9% WO_3 above the 1100 level (BC Minfile 093M 067). These historical reserves have not been verified by Freeport and are not NI 43-101 compatible, but are of interest to ongoing exploration efforts. Freeport's two hole drill program intersected the extension of the vein at the 1450 level, proving continuity well below the known workings.

For more information, please see http://www.freeportresources.com/s/RedRose.asp

TSIRKU

The Tsirku project (10 claims) was "frozen" in Oct. 1993 due to establishment of the Tatshenshini-Alsek Park in BC. This was one of Freeport's major projects in the 1980's, with **expenditures exceeding $1.6 million**. Road access is within 3 miles and the deep sea port of Haines located just 35 miles southeast. Freeport's claims have a 'protected' status, can no longer be worked, and Freeport intends to actively pursue compensation from the BC Government.

The area hosts the Windy Craggy deposit as well as Kennecott and Hecla's large Greens Creek Mine (reportedly 8.5 M tons at 13.9% Zn, 5.1% Pb, 0.17 oz/ton Au and 21.4 oz/ton Ag; global resource of > 24 M tons at slightly lower grades). Constantine Metals' Palmer copper-zinc discovery is within several kilometres from Freeport, just across the Alaska border, and is being actively worked, with over six million dollars recently raised for an extensive drill program (under option/jv to Dowa Metals & Mining co. of Japan).

APRIL 30/2019 MDA

RISKS AND UNCERTAINTIES

The Company's activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks being:

1. Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;
2. The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them;
3. Although the Company has taken steps to verify title to the mineral properties it has an interest in or is earning into, there is no guarantee that the property will not be subject to title disputes or undetected defects; and
4. The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company.

RESULTS OF OPERATIONS – FOR THE THREE MONTHS ENDED APRIL 30, 2019 COMPARED TO THE THREE MONTHS ENDED APRIL 30, 2018

During the three months ended April 30, 2019, the Company recorded a loss of $35,328 or ($0.00) basic and diluted loss per share, compared to $30,785 or ($0.00) basic and diluted loss per share for the same period in the prior year.

The loss consisted primarily of management fees of $22,500 (2018 - $22,500) accrued to a company controlled by a director, in consideration of management services provided by such director, including day to day administration for the Company, and overseeing regulatory filings and requirements. During the period, the Company also incurred stock exchange fees and licenses of $5,854 (2018 - $5,267) and bank charges and interest of $4,399 (2018 - $598). The remaining expenses were relatively comparable to the same period in the prior year.

SUMMARY OF QUARTERLY REPORTS

The following table summarizes the Company's financial results for each of the most recently completed quarters:

	Revenue $	Income (Loss) $	Income (Loss) Per Share
April 30, 2019	Nil	(35,328)	(0.00)
January 31, 2019	Nil	(32,962)	(0.00)
October 30, 2018	Nil	(27,190)	(0.00)
July 30, 2018	Nil	(32,407)	(0.00)
April 30, 2018	Nil	(30,785)	(0.00)
January 31, 2018	Nil	(37,556)	(0.00)
October 31, 2017	Nil	(28,537)	(0.00)
July 30, 2017	Nil	(30,774)	(0.00)
April 30, 2017	NIL	(33,707)	(0.00)

Over the last eight quarters, expenditures have been consistent reflecting operational activities. The Company's expenses are comprised mainly of management, office, stock exchange and transfer fees and audit and accounting fees. Expenses have remained low as a result of management of corporate and operational activity.

LIQUIDITY AND CAPITAL RESOURCES

The accompanying financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Company is dependent upon the continuing financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations. As the outcome of these matters cannot be predicted at this time, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. The Company's primary capital assets are mineral property assets. The company expenses all costs related to the mineral properties, so they do not appear on the Balance Sheet as an asset.

	April 30, 2019	**January 31, 2019**
Working capital deficiency	50,135	58,979
Deficit	5,700,969	5,665,641

TRANSACTIONS WITH RELATED PARTIES

The following balances owing to directors, officers and companies controlled by the directors and officers as at April 30, 2019 and January 31, 2019 are:

	April 30, 2019 $	January 31, 2019 $
Due to a company controlled by the President of the Company (*)	1,472,150	1,449,650
Due to the President of the Company (**)	127,292	106,865
Due to former directors of the Company (*)	234,393	234,393
Due to a company controlled by a related party (**)	43,181	41,936
	1,877,016	1,832,844

(*) The balances owing are non-interest bearing, unsecured and due on June 1, 2020.
(**) The balances owing are interest bearing at 12% per annum, unsecured and due on June 1, 2020. During the three months ended April 30, 2019, the Company recognized $3,476 (January 31, 2019 - $13,684) in interest expense.

The Company had the following transactions with a director of the Company and key management personnel during the periods ended April 30, 2019 and 2018

	April 30, 2019 $	April 30, 2018 $
Management fees	22,500	22,500

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The details of Freeport's accounting policies are presented in Note 2 of the condensed interim financial statements for the period ended April 30, 2019. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's audited financial statements and the uncertainties that could have a bearing on its financial results.

ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Our significant accounting policies are set out in Note 2 of the condensed interim financial statements for the period ended April 30, 2019.

FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, marketable securities, trades payables and amounts owing to related parties. The Company has exposures to financial risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are liquidity risk and funding risk.

Fair Value

As at April 30, 2019, the Company’s financial instruments consisted of cash, sales, available-for-sale investment, trade payables and amounts due to related parties. The fair values of cash, trade payables and amounts due to related parties approximate their carrying values because of their current nature.

The Company’s financial instruments are exposed to a number of risks that are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company’s functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company’s exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company’s cash account is relatively small and unaffected by changes in short term interest rates.

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 has a planning and budgeting processing place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Liquidity risk is assessed as high.

CAPITAL MANAGEMENT

The Company manages its capital structure which consists of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

The exploration and evaluation assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the three months period ended April 30, 2019.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

DISCLOSURE OF OUTSTANDING SHARE DATA

The information on the Company's share capital including numbers of shares outstanding, details of any conversion features, number of shares issuable on conversion of stock options and warrants, etc. are detailed in the Company's audited annual financial statements. The number of common shares outstanding as of the date of this report is 16,831,232 shares.

FREEPORT RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited-Prepared by Management)

	Notes	April 30, 2019 $	January 31, 2019 $
ASSETS			
Current Assets			
Cash		155	101
GST receivable		5,395	4,810
Prepaid expense		-	870
Marketable securities		-	300
Total current assets		5,550	6,081
Non-current assets			
Exploration and evaluation assets	3	1,245,201	1,245,201
Total non-current assets		1,245,201	1,245,201
Total assets		1,250,751	1,251,282
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities			
Trade payables and accrued liabilities	4	55,685	65,060
Total current liabilities		55,685	65,060
Non-current Liabilities			
Due to related parties	5	1,877,016	1,832,844
Total non-current liabilities		1,877,016	1,832,844
Total Liabilities		1,932,701	1,897,904
Shareholders' deficiency			
Share capital	6	5,019,019	4,620,561
Share-based payment reserve	6	-	398,458
Deficit		(5,700,969)	(5,665,641)
Total shareholders' deficiency		(681,950)	(646,622)
Total liabilities and shareholders' deficiency		1,250,751	1,251,282

Approved for issuance on behalf of the Board of Directors:

"Brenda Clark" Director *"Martin MacKinnon"* Director

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

FREEPORT RESOURCES INC

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited-Prepared by Management)

	Notes	Three Months Ended April 30, 2019 $	Three Months Ended April 30, 2018 $
EXPENSES			
Advertising and promotion		180	360
Bank charges and interest		4,399	598
Management fees	5	22,500	22,500
Office and general		-	204
Stock exchange fees and licenses		5,854	5,267
Telephone		663	1,430
Transfer agents fees		1,432	426
Impairment loss		300	-
NET AND COMPREHENSIVE LOSS		(35,328)	(30,785)
LOSS PER COMMON SHARE – BASIC AND DILUTED		(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		16,831,232	16,831,232

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

FREEPORT RESOURCES INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars)
(Unaudited-Prepared by Management)

	Common shares		Share-based Payment Reserve	Deficit	Total
	Number	Amount			
		$	$	$	$
Balance, January 31, 2018	16,831,232	4,620,561	398,458	(5,528,649)	(509,630)
Net loss for the period	-	-	-	(30,785)	(30,785)
Balance, April 30, 2018	16,831,232	4,620,561	398,458	(5,559,434)	(540,415)
Balance, January 31, 2019	16,831,232	4,620,561	398,458	(5,665,641)	(646,622)
Reclassification	-	398,458	(398,458)	-	-
Net loss for the period	-	-	-	(35,328)	(35,328)
Balance, April 30, 2019	16,831,232	5,019,019	-	(5,700,969)	(681,950)

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

FREEPORT RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited-Prepared by Management)

	Three Months Ended April 30, 2019 $	Three Months Ended April 30, 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(35,328)	(30,785)
Adjustments for non-cash items		
Interest accrued	3,476	-
Impairment loss	300	-
Working capital adjustments:		
GST receivable	(585)	1,483
Prepaid expense	870	-
Trade payables and accrued liabilities	(9,375)	(10,170)
Amounts due to related parties	-	22,500
Net cash used in operating activities	(40,642)	(16,972)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	-	(228)
Net cash used in investing activities	-	(228)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts advanced from related parties	40,696	19,037
Net cash provided by financing activities	40,696	19,037
Change in cash	54	1,837
Cash, beginning of the period	101	195
Cash, ending of the period	155	2,032

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Freeport Resources Inc. (the "Company") is incorporated in British Columbia and is listed on the TSX Venture Exchange ("TSX-V"). The Company is a Canadian junior mineral exploration company with a diversified portfolio of exploration and evaluation assets in Newfoundland and Labrador (NL) and British Columbia (BC).

The Company's head office, principal address and registered and records office are located at 8711 Elsmore Road, Richmond, B.C., V7C 2A4.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2019, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. 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. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and or private placement of common shares.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements were authorized for issue on June 25, 2019 by the directors of the Company.

Statement of compliance

The condensed interim financial statements of the Company comply with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

Basis of preparation

The condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant estimates and assumptions

The preparation of condensed interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting years include the recoverability of the carrying value of exploration and evaluation assets and the recoverability and measurement of deferred tax assets.

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

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Share-based payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black–Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

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

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") on a retroactive basis in accordance with the transitional provisions. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The standard promulgates a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. The adoption of IFRS 9 did not result in any change in the carrying values of any of the Company's financial assets on the transition date; therefore, comparative figures have not been restated.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial asset/ liability	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Amortized cost	Amortized cost
Reclamation Bond	Amortized cost	Amortized cost
Due from related parties	Amortized cost	Amortized cost
Marketable securities	Available-for-sale	Fair value through other comprehensive income
Accounts payable	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

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

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks. The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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).

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

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

On the issuance of flow-through shares, any premium received in excess of the closing market price of the Company's common shares is initially recorded as a liability ("flow-through tax liability") . Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred and a deferred tax liability is recognized. The reduction to the flow-through tax liability is recognized in profit or loss as other income.

To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

2. **SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)**

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration 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 Company's estimates of restoration costs could change as a result of changes in regulatory requirements. These changes are recorded directly to mining assets with a corresponding entry to the restoration 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.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during
production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

At present, the Company has not identified any significant restoration and environmental obligations. Accordingly, no provision has been made.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

The Company adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the entity satisfies a performance obligation

The Company has concluded that there are no differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

Adoption of new accounting standards

The Company has adopted the following new standard, with a date of initial application of February 1, 2019:

IFRS 16, Leases ("IFRS 16") IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. This standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company's management has assessed the impact of IFRS 16 on its leases which are short-term and fall under the exemptions of IFRS 16. The adoption of this amendment did not have a significant impact on the financial statements.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

	Hutton Property NL, Canada $	Red Rose Mine BC, Canada $	Q (Eaglet) Property BC, Canada $	Spanish Mountain Gold Property BC, Canada $	Tsirku-Jarvis Property BC, Canada $	Total $
Acquisition costs:						
Balance, January 31, 2019, 2018 and April, 2019	-	15,000	1	1	1	15,003
Exploration and evaluation costs:						
Balance, January 31, 2018	1,216,293	11,583	2,750	-	-	1,230,626
Additions:						
Field expenditures	440	783	-	-	-	1,223
Cost recoveries	-	-	(1,651)	-	-	(1,651)
Balance, January 31, 2019	1,216,733	12,366	1,099	-	-	1,230,198
Additions:						
Field expenditures	-	-	-	-	-	-
Cost recoveries	-	-	-	-	-	-
Balance, April 30, 2019	1,216,733	12,366	1,099	-	-	1,230,198
Total balance, April 30, 2019	1,216,733	27,366	1,100	1	1	1,245,201

The Hutton Property is located in Northern Labrador, Canada and is an exploration and evaluation stage garnet sand project. The Company acquired the property in 1997 and owns 100% of the interest in the property.

The Company owns 100% of the remaining properties and has no future commitments with respect to these properties.

4. TRADE PAYABLES AND ACCRUED LIABILTIES

	April 30, 2019 $	January 31, 2019 $
Trade payables	46,685	56,060
Accrued liabilities	9,000	9,000
Total	55,685	65,060

(Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS

The following balances owing to directors, officers and companies controlled by the directors and officers as at April 30, 2019 and January 31, 2019 are:

	April 30, 2019 $	January 31, 2019 $
Due to a company controlled by the President of the Company (*)	1,472,150	1,449,650
Due to the President of the Company (**)	127,292	106,865
Due to former directors of the Company (*)	234,393	234,393
Due to a company controlled by a related party (**)	43,181	41,936
	1,877,016	1,832,844

(*) The balances owing are non-interest bearing, unsecured and due on June 1, 2020.
(**) The balances owing are interest bearing at 12% per annum, unsecured and due on June 1, 2020. During the period ended April 30, 2019 and the year ended January 31, 2019, the Company recognized $3,476 and $13,684 in interest expense, respectively.

The Company had the following transactions with a director of the Company and key management personnel during the three months ended April 30, 2019 and 2018.

	April 30, 2019 $	April 30, 2018 $
Management fees	22,500	22,500

6. SHARE CAPITAL

Authorized share capital

Unlimited common shares without par value.

Stock options and warrants

The Company has a stock option plan allowing for the granting of options to the Company's directors, officers, employees, consultants and other service providers. Under this plan, the exercise price shall be determined by the Board of Directors or its designated committee (collectively the "Committee") at the time the option is granted, provided the exercise price shall not be less than the market price less applicable discounts permitted by the TSX-V. All options granted shall vest in six equal installments over a period of 18 months, with the first installment vesting immediately and the remaining options vesting upon six months, nine months, one year, 15 months and 18 months after the date of grant. The option period shall be determined by the Committee at the time of the grant and may be up to ten years from the date of the grant.

There were no stock options and warrants outstanding during the period ended April 30, 2019 and year ended January 31, 2019.

Share-based payment reserve

Share-based payment reserve records the fair value of warrants and options issued for services until such time that the warrants are exercised or expire, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian Dollars)

7. CAPITAL MANAGEMENT

The Company manages its capital structure which consists of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The exploration and evaluation assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the period ended April 30, 2019.

8. FINANCIAL RISK MANAGEMENT

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	April 30, 2019 $	January 31, 2019 $
Amortized cost:		
Cash	155	101
Fair value through OCI assets:		
Marketable securities	-	300
	155	401

Financial liabilities included in the statement of financial position are as follows:

	April 30, 2019 $	January 31, 2019 $
Non-derivative financial liabilities		
Trade payables	55,685	65,060
Due to related parties	1,877,016	1,819,196
	1,932,701	1,884,256

(Expressed in Canadian Dollars)

10. FINANCIAL RISK MANAGEMENT (continued)

Fair Value

As at April 30, 2019, the Company's financial instruments consisted of cash, marketable securities, trade payables and amounts due to related parties. The fair values of cash and trade payables approximate their carrying values because of their current nature. The fair value of amounts due to related parties is not determinable.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market date.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

	As at April 30, 2019		
	Level 1	Level 2	Level 3
	$	$	$
Cash	155	-	-
	155	-	-

	As at January 31, 2019		
	Level 1	Level 2	Level 3
	$	$	$
Cash	101	-	-
Marketable securities	300	-	-
	401	-	-

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

10. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash account is relatively small and unaffected by changes in short term interest rates.

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 has a planning and budgeting processing place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Liquidity risk is assessed as high.