GRAY ROCK RESOURCES LTD.

For the nine months ended September 30, 2019 and 2018

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements of Gray Rock Resources Ltd. (the "Company") are the responsibility of the Company's management. The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities, and reviews the results of the audit and reviews of the audited consolidated financial statements and condensed consolidated interim financial statements prior to their approval.

The condensed consolidated interim financial statements as at September 30, 2019, and for the periods ended September 30, 2019 and 2018, have not been reviewed or audited by the Company's independent auditors.

"David Wolfin"

David Wolfin
President & CEO
November 28, 2019

"Nathan Harte"

Nathan Harte, CPA
Chief Financial Officer
November 28, 2019

Gray Rock Resources Ltd.
Condensed Consolidated Interim Statements of Financial Position
Expressed in Canadian Dollars

	Note	September 30, 2019 (Unaudited)	December 31, 2018
ASSETS			
Current Assets			
Cash		$ 101,101	$ 115,242
Sales taxes receivables and other		3,293	1,089
		104,394	116,331
Non-Current Assets			
Investments	**3**	343,773	195,651
Exploration and evaluation assets	**4**	306,844	303,848
Reclamation deposit	**5**	3,000	3,000
Website development costs		4,767	7,627
TOTAL ASSETS		$ 762,778	$ 626,457
LIABILITIES			
Current Liabilities			
Trade and other payables		$ 555	$ 15,895
Due to related parties	**7**	66,262	-
		66,817	15,895
Non-Current Liabilities			
Promissory notes issued to related parties	**7**	177,980	162,876
Site restoration obligation		3,000	3,000
TOTAL LIABILITIES		247,797	181,771
EQUITY			
Share capital	**6**	4,297,472	4,297,472
Contributed surplus		500,792	576,092
Accumulated other comprehensive income		(249,691)	(429,014)
Deficit		(4,033,592)	(3,999,864)
TOTAL EQUITY		514,981	444,686
TOTAL LIABILITIES AND EQUITY		$ 762,778	$ 626,457

Note 1 – Nature of Operations and Going Concern

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 28, 2019:

“David Wolfin” **Director** “Brian Johnston” **Director**

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

Gray Rock Resources Ltd.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
Expressed in Canadian Dollars (Unaudited)

	Note	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
General and Administrative Expenses					
Administrative benefits and salaries		$ 6,440	$ 8,384	$ 23,252	$ 29,629
Automobile		453	158	1,061	475
Consulting fees		7,663	7,500	22,663	22,500
Depreciation		953	953	2,861	2,860
Foreign exchange loss (gain)		113	7	117	(264)
Interest and bank charges		43	25	111	99
Listing and filing fees		1,300	2,872	6,224	9,647
Office and miscellaneous		4,262	1,687	16,599	6,397
Professional fees		-	3,986	2,735	28,567
Share-based recovery		-	(68,800)	-	(72,000)
Shareholder information		74	705	1,837	3,987
Transfer agent fees		3,368	596	4,934	5,947
Travel		271	9	330	49
Operating Income (Loss)		(24,940)	41,918	(82,724)	(37,893)
Other Items					
Interest and other income		-	941	-	941
Realized loss on sale of marketable securities	**3**	(11,200)	-	(11,200)	-
Fair value adjustment for promissory note payable		(5,184)	(18,730)	(15,104)	(29,537)
Cost recovery on disposition of mineral property	**3, 4**	-	-	-	624,000
Net Income (Loss) For The Period		(41,324)	24,129	(109,028)	557,511
Other Comprehensive Income (Loss)					
Unrealized gain (loss) on investment securities	**3**	113,599	(238,609)	179,322	(271,924)
Total Comprehensive Income (Loss)		$ 72,275	$ (214,480)	$ 70,294	$ 285,587
Basic and Diluted Income (Loss) per Share		$ (0.00)	$ 0.00	$ (0.00)	$ 0.02
Weighted Average Number of Shares Outstanding		22,260,461	22,097,418	22,260,461	22,493,794

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

Gray Rock Resources Ltd.
Condensed Consolidated Interim Statements of Changes in Equity
Expressed in Canadian Dollars (Unaudited)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, January 1, 2018		**22,960,461**	**$ 4,172,472**	**$ 648,092**	**$ (4,553,014)**	**$ 3,255**	**$ 270,805**
Common shares issued for cash:							
Exercise of warrants		2,500,000	125,000				125,000
Common shares returned to treasury		(3,200,000)					
Share-based recovery				(72,000)			(72,000)
Net income for the period		-	-	-	557,511	-	557,511
Comprehensive loss on fair value of investment securities		-	-	-	-	(271,294)	(271,294)
Balance, September 30, 2018		**22,260,461**	**$ 4,297,472**	**$ 576,092**	**$ (3,995,503)**	**$ (268,669)**	**$ 609,392**
Balance, January 1, 2019		**22,260,461**	**$ 4,297,472**	**$ 576,092**	**$ (3,999,864)**	**$ (429,014)**	**$ 444,686**
Stock options cancelled or expired		-	-	(75,300)	75,300	-	-
Net loss for the period		-	-	-	(109,028)	-	(109,028)
Comprehensive income on fair value of investment securities	**4**	-	-	-	-	179,323	179,323
Balance, September 30, 2019		**22,260,461**	**$ 4,297,472**	**$ 500,792**	**$ (4,033,592)**	**$ (249,691)**	**$ 514,981**

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

Gray Rock Resources Ltd.
Condensed Consolidated Interim Statements of Cash Flows
Expressed in Canadian Dollars (Unaudited)

	Nine months ended September 30, 2019	2018
Cash used in:		
Operating Activities		
Net Income (Loss)	$ (109,028)	$ 557,511
Items not involving cash in the period		
Cost recovery of disposition of mineral property	-	(624,000)
Loss on sale of investments	11,200	-
Depreciation	2,861	2,860
Fair value adjustment for promissory note payable	15,104	29,538
Share-based compensation (recovery)	-	(72,000)
Changes in non-cash working capital items:		
Other receivables and prepaid expenses	(2,204)	10,216
Trade and other payables	(15,340)	(2,505)
Due to related parties	66,262	13,536
	(31,145)	(84,844)
Financing Activities		
Issuance of common shares for cash, net	-	-
Exercise of warrants	-	125,000
Promissory notes repaid to related parties	-	(56,007)
	-	68,993
Investing Activities		
Disposition of marketable securities	20,000	-
Exploration and evaluation expenditures	(2,996)	(500)
Additions to website development costs	-	-
	17,004	(500)
Increase (Decrease) in Cash	(14,141)	(16,351)
Cash, Beginning of Period	115,242	131,207
Cash, End of Period	$ 101,101	$ 114,856
Supplementary Disclosure of Cash Flow Information:		
Interest Paid	$ -	$ -
Taxes Paid	$ -	$ -
Significant Non-Cash Transactions:		
Issuance of common shares for mineral property	$ -	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gray Rock Resources Ltd. ("Gray Rock" or the "Company") was incorporated under the laws of the Province of British Columbia, Canada. It is in the exploration stage with regards to its business of exploration and development of mineral properties. The Company owns the Silver Stream mineral claims in British Columbia, Canada. The Company's head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada.

Gray Rock is in the exploration stage and has not yet determined whether the property contains ore reserves which are economically recoverable. The underlying carrying value of the mineral property interest and related exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, confirmation of Gray Rock's interest in the mineral claims, the ability of Gray Rock to obtain necessary financing to complete the exploration and development, and future profitable production or proceeds from the sale of all or an interest in its mineral claims.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2019, the Company has accumulated losses of $4,033,592. The Company has not yet generated any revenues from its operations, and requires financing through the sale of shares or issuance of debt to continue with its operations and to develop its mineral properties. Although management intends to secure additional financing, there is no assurance that management will be successful in its efforts to secure additional financing, or that it will ever develop a self-supporting business. These factors together form a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company, except for the accounting policies, which have changed as a result of the adoption of new and revised standards and interpretations, which are effective January 1, 2019. These condensed consolidated interim financial statements do not contain all of the financial information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's December 31, 2018 annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Adoption of IFRS 16 Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract based on whether the customer controls the asset. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. A lessee can choose to apply IFRS 16 using either a full retrospective approach or a modified retrospective approach. The Company has applied IFRS 16 at the date it becomes effective using a modified retrospective approach. By applying this method, the comparative information for the 2018 fiscal year has not been restated.

At the inception of a contract, the Company assesses whether a contract is or contains a lease. If so, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which consists of:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date
- Any indirect costs incurred
- An estimate of costs to dismantle or remove the underlying asset or to restore the site on which the asset is located
- Any incentives received from the lessor

The Company has elected not to recognize right of use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term.

The Company has reviewed all existing leases and concluded that all leases that were previously expensed over the lease term where considered to be either short-term leases or leases of low value assets, and therefore there is no impact to the consolidated financial statements upon adoption of IFRS 16.

Adoption of IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

On June 7, 2017, the IASB issued IFRIC 23 *Uncertainty over Income Tax Treatments.* The interpretation provides guidance on the accounting for current and deferred income tax liabilities and assets when there is uncertainty over income tax treatments. IFRIC 23 was applicable for annual periods beginning on or after January 1, 2019.

IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation is effective for annual periods beginning on or after January 1, 2019.

The Company adopted IFRIC 23 in its consolidated financial statements for the annual period beginning on January 1, 2019, with no impact on the financial statements.

Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period, in which the estimate is revised, and may affect both current and future periods.

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019, are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2018

Functional Currency

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar.

Foreign Currency Translation

Expressed in Canadian Dollars (Unaudited)

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the condensed consolidated interim statement of financial position. Non-monetary items that denominated in foreign currencies are translated at historical rates.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Cortez, a company incorporated on June 21, 2006 in Nevada, USA.

Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation

3. INVESTMENTS

Investments consist of the following:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	September 30, 2019 Fair Value	December 31, 2018 Fair Value
Discovery Metals Corp.	3,520	1,792	$ 226	$ 1,566	$ 928
SciVac Therapeutics Inc.	333	539	332	207	723
Garibaldi Resources Corp	190,000	592,800	250,800	342,000	194,000
		$ 595,131	$ 251,358	$ 343,773	$ 195,651

During the nine months ended September 30, 2019, the Company recognised an unrealized gain of $159,322 (nine months ended September 30, 2018 – loss of $268,669) on its investment securities. The Company also realized a loss on sale of shares of Garibaldi Resources Corp (“Garibaldi”), trading under stock symbol “GGI” on the TSX-V, of $11,200 during the nine months ended September 30, 2019 (nine months ended September 30, 2018 – Nil).

During the nine months ended September 30, 2019, the Company’s shares in Levon Resources (“LVN”) were consolidated and converted into Discovery Metals Corporation (“DSV”).

During the year ended December 31, 2018, the Company received 200,000 shares of Garibaldi, as part of the settlement of the agreements with DeCoors Mining (“DeCoors”).

The closing price of Garibaldi on June 15, 2018, the day of the transaction approval, was $3.12 per share, and thus settlement proceeds from mineral property costs of $624,000 were recorded in income for the year ended December 31, 2018.

The Company has elected to designate these investments as financial assets at fair value through other comprehensive income or loss, in accordance with IFRS 9.

Expressed in Canadian Dollars (Unaudited)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of the following:

	Silver Stream Claims	Total Mineral Property Claims
Balance, January 1, 2018	$ 303,348	$ 303,348
Exploration costs incurred during the period:		
Taxes and licensing	500	500
Balance, December 31, 2018	303,848	303,848
Exploration costs incurred during the period:		
Taxes and licensing	500	500
Geological	2,496	
Balance, September 30, 2019	$ 306,844	$ 304,348

a) Silver Stream Claims

The Company has a 100% interest in two mineral claims in the Lillooet mining district of British Columbia, subject to a 3% net smelter returns royalty, known as Silver Stream 1 and Silver Stream 2 claims, collectively the Silver Stream Claims.

The Company has entered into a mining lease agreement for the Silver Stream 2 property with David R. Deering ("Deering") and Saxifrage Geological Services Ltd. ("Saxifrage"). In accordance with the terms of the agreement, Deering and Saxifrage have agreed to pay the Company an annual rental of $10,000 for a term of seven years, with the first payment due on December 12, 2015. On December 12, 2015, the parties agreed that the first annual rental payment of $10,000 would be postponed, added to the succeeding annual rentals, and paid in equal annual installments of $2,000 starting December 12, 2016. In addition, the Company granted Deering and Saxifrage an option to purchase the property for $500,000 payable at any time during the term of the agreement, subject to a 5% Net Smelter Returns Royalty on metals and a 5% Gross Overriding Royalty on any jade production. Any future royalty payments due to the Company from Deering and Saxifrage after the exercise of option shall be reduced by $500,000. On May 2, 2016, the parties further agreed that Deering and Saxifrage would perform exploration and development work of at least $12,000 in value in lieu of the $12,000 payment due on December 12, 2016.

In October 2017, the Company amended the existing mineral lease claim agreement for the Silver Stream I and II properties, by assigning and transferring to Marshall Creek Jade Inc. all rights, titles, interest and obligations from Saxifrage Geological Services Ltd.

During the year ended December 31, 2018, the Company received a notice from David Deering and Marshall Creek Jade Inc. to terminate the mineral claims lease agreement, as amended and assigned, for the Silver Stream Property. The claims comprising the Silver Stream Claims remain in good standing until July 29, 2021.

Expressed in Canadian Dollars (Unaudited)

5. RECLAMATION DEPOSIT

As at September 30, 2019, and December 31, 2018, the Company has hypothecated a term deposit in the amount of $3,000 as security to the Province of British Columbia for future mineral claims site reclamation costs.

6. SHARE CAPITAL

(a) Authorized: Unlimited common shares without par value.

(b) Issued during 2019 and 2018:

In July 2018, the Company issued 2,500,000 common shares upon the exercise of 2,500,000 share purchase warrants for gross proceeds of $125,000.

In June 2018, the Company had 3,200,000 common shares returned to treasury for cancellation, subsequent to the settlement and return of the Surprise Lake and Hot Bath Properties to DeCoors Mining (“DeCoors”).

(c) Share purchase warrants

At September 30, 2019, the Company had 1,725,250 (December 31, 2018 – 1,725,250) share purchase warrants outstanding and exercisable.

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, January 1, 2018	4,250,450	$0.16
Exercised	(2,500,000)	$0.05
Forfeited	(25,200)	$0.60
Outstanding and exercisable, December 31, 2018 and September 30, 2019	1,725,250	$0.31

At September 30, 2019, weighted average remaining contractual life of warrants outstanding was 0.75 years (December 31, 2018 – 1.50 years).

The following table summarizes information about the Company’s warrants outstanding at September 30, 2019:

Expiry Date	Exercise Price	Warrants Outstanding and Exercisable
February 15, 2020	$0.50	500,000
August 15, 2020	$0.10	905,000
September 15, 2020	$0.60	320,250
		1,725,250

Expressed in Canadian Dollars (Unaudited)

(d) Stock option plan

The Company established a stock option plan, under which it may grant stock options totalling in aggregate up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis, and to any one optionee in a 12 month period not to exceed 5% of the total number of shares issued and outstanding on a non-diluted basis. The stock option plan limits the options issuable within a one year period to regular employees and persons providing investor-relation or consulting services to 5% and 2% respectively of the Company's total number of issued and outstanding shares on a non-diluted basis on the date of grant.

The stock options are fully vested on the date of grant. The option price must be greater or equal to the discounted market price on the grant date, and the option expiry date cannot exceed five years after the grant date.

Continuity of stock options for the nine months ended September 30, 2019, is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, January 1, 2018	1,940,000	
Cancelled	(215,000)	$0.39
Outstanding and exercisable, December 31, 2018	1,715,000	$0.40
Cancelled	(100,000)	$0.39
Forfeited	(120,000)	$0.42
Outstanding and exercisable, September 30, 2019	1,495,000	$0.40

Details of stock options outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Options Outstanding and Exercisable
February 23, 2022	$0.39	1,095,000
June 23, 2022	$0.44	400,000
		1,495,000

As at September 30, 2019, the weighted average remaining contractual life of stock options outstanding was 2.49 years (December 31, 2018 – 3.04 years).

Option pricing requires the use of highly subjective estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing stock options is based on volatility observed in historical periods. Changes in the underlying assumptions can materially affect the fair value estimates.

Expressed in Canadian Dollars (Unaudited)

7. RELATED PARTY BALANCES, TRANSACTIONS, AND KEY MANAGEMENT COMPENSATION

(a) Key management compensation

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the three and nine months ended September 30, 2019 and 2018 are as follows:

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
Salaries, benefits, and consulting fees	$ 10,772	$ 9,724	$ 30,662	$ 29,170
Share-based payments (recovery)	-	(64,000)	-	(64,000)
	$ 10,772	$ (54,276)	$ 30,662	$ (34,830)

(b) Amounts due to related parties

In the normal course of operations the Company transacts with companies related to Avino's directors or officers. All amounts payable are non-interest bearing, unsecured, and due on demand. As at September 30, 2019, and December 31, 2018, the following amounts were due to related parties:

	September 30, 2019	December 31, 2018
Oniva International Services Corp.	$ 42,637	$ -
Intermark Capital Corp.	23,625	-
	$ 66,262	$ -

(c) Promissory notes issued to related parties

	Intermark Capital Corp.		Oniva	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Beginning balance	$ 7,364	$ 12,888	$ 155,512	$ 164,569
Borrowing	-	10,500	-	24,718
Repayment of the note	-	(18,375)	-	(37,632)
Loss on repayment of the note	-	4,702	-	9,630
Unwinding of the discount	684	785	14,420	18,950
Fair market value adjustment	-	(3,136)	-	(24,723)
Ending balance	$ 8,048	$ 7,364	$ 169,932	$ 155,512

As at September 30, 2019, $264,360 (December 31, 2018 - $221,723) was due to Oniva International Services Corp. ("Oniva"). The Company receives rent, office and administrative supplies, and services from Oniva, a private company owned and controlled by a director of the Company.

At December 31, 2018, the Company and Oniva agreed to convert the current portion due to Oniva of $30,711, along with the existing $197,005, to a long-term promissory note payable of $221,723 that is non-interest bearing, unsecured, and due on demand after December 31, 2021.

The fair value of the promissory note at September 30, 2019 was $169,932 (December 31, 2018 - $155,512), reflecting a fair market interest rate. The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the three-year period. The initial fair value adjustment of $24,723 was recognized in the statement of operations and comprehensive loss. The Company further recorded expenses of $14,420 related to the unwinding of the discount during the nine months ended September, 2019 (year ended December 31, 2018 - $18,950).

During the year ended December 31, 2018, the Company entered into a loan agreement with one of its directors. The Company and the director agreed to convert the current portion due to the director of $10,500 to a long-term promissory note payable. The note payable is non-interest bearing, unsecured and is due on demand after December 31, 2021.

The fair value of the promissory note at September 30, 2019 was $8,048 (December 31, 2018 - $7,364) The Company's calculations were performed using an interest rate of 12%, compounding quarterly over the period. The initial fair value adjustment of $3,136 was recognized in the statement of operations and comprehensive loss. The Company further recorded expenses of $684 related to the quarterly unwinding of the discount during the nine months ended September 30, 2019 (year ended December 31, 2018 - $785).

(d) Related party transactions

During the nine months ended September 30, 2019, $43,607 (2018 - $37,608) was charged for office, occupancy, miscellaneous costs and salaries, and administrative services paid on behalf of the Company by Oniva. Further, the Company paid $990 of administrative fees (2018 - $953) to Oniva and $500 (2018 - $500) for reimbursement of mineral claim taxes, license fees, and staking.

The Company takes part in a cost-sharing arrangement to reimburse Oniva for a variable percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses. The arrangement may be terminated with one-month notice by either party.

8. FINANCIAL INSTRUMENTS

The fair values of the Company's cash, loan from a related party, trade and other payables, and amounts due to related party approximate their carrying values because of the short-term nature of these instruments. The fair value of the Company's available for sale investments is detailed in Note 3.

The Company's financial instruments are exposed to certain financial risks comprising credit risk, liquidity risk and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at high credit rated Canadian financial institutions.

Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with a single Canadian financial institution.

Expressed in Canadian Dollars (Unaudited)

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash in the amount of $101,101 (December 31, 2018 - $115,242) in order to meet short-term business requirements. At September 30, 2019, the Company had current liabilities of $66,817 (December 31, 2018 – $15,895). Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at September 30, 2019, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable and accrued liabilities	$ 555	$ 555	$ -	$ -
Due to related parties	244,242	66,262	177,980	-
Total	$ 244,797	$ 66,817	$ 170,980	$ -

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk, and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid short-term investments and therefore management considers the interest rate risk to be minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

At this time, the Company is not exposed to significant foreign currency risk, as the company currently has minimal transactions and balances in currencies other than the Canadian dollars.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to other price risk with respect to its investment in marketable securities, as they are carried at fair value based on quoted market prices.

(d) Classification of Financial instruments

IFRS 7 'Financial Instruments: Disclosures' establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at September 30, 2019:

	Level 1	**Level 2**	**Level 3**
Cash	$ 101,101	$ -	$ -
Investments	343,773	-	-
	$ 444,874	$ -	$ -