

Dixie Gold Inc.

(formerly Clean Commodities Corp.)

Condensed Consolidated Interim Financial Statements
September 30, 2019 and 2018 – Third Quarter
(expressed in Canadian dollars, except where indicated)

**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 an auditor has not reviewed the financial statements.

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.

Dixie Gold Inc.

(formerly Clean Commodities Corp.)

Statements of Financial Position

(expressed in Canadian dollars, except where indicated)

	Note	September 30, 2019	December 31, 2018
		\$	\$
Assets			
Current assets			
Cash		1,464,964	1,608,285
Other receivables		14,382	3,817
Prepaid expenses and deposits		3,460	-
Investments		7,500	107,250
		1,490,306	1,719,352
Exploration and evaluation assets ("E&EA")	6	1,260,311	1,392,234
Total assets		2,750,617	3,111,586
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		2,843	18,276
Total liabilities		2,843	18,276
Shareholders' equity			
Share capital	7	10,392,849	10,392,849
Reserves		1,477,307	1,373,307
Accumulated other comprehensive income (loss)		-	-
Deficit	4	(9,122,382)	(8,672,846)
Total shareholders' equity		2,747,774	3,093,310
Total liabilities and shareholders' equity		2,750,617	3,111,586

Nature of operations (note 1)

Approved by the Board of Directors

"Ryan Kalt"

Director

"Brian Hearst"

Director

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

Dixie Gold Inc.
Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars, except where indicated)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2019	2018	2019	2018
		\$	\$	\$	\$
Expenses					
General and administrative	9	118,852	60,122	224,561	403,148
Professional fees	9	10,466	7,500	44,369	26,529
Farm leases for Western Hemp Corp.		75,000	-	75,000	-
Marketing and business development		-	3,741	-	35,793
Share-based compensation	8	104,000	-	104,000	-
Loss before other items		(308,318)	(71,363)	(447,930)	(465,470)
Other items					
Interest income	6	6,148	-	16,093	-
Realized loss on disposal of investments		-	-	(273,450)	-
Derecognition of investments		-	-	255,751	-
Loss before income tax		(302,170)	(71,363)	(1,606)	(465,470)
Deferred income tax recovery (expense)		-	-	-	-
Net loss for the period		(302,170)	(71,363)	(449,536)	(465,470)
Other comprehensive income					
Unrealized gain (loss) on investment, net of tax		-	-	-	-
Comprehensive loss for the year		(302,170)	(71,363)	(449,536)	(465,470)
Loss per share					
Basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding					
Basic and diluted		102,648,746	102,648,746	102,648,746	102,408,274

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

Dixie Gold Inc.
Statements of Changes in Shareholders' Equity

(expressed in Canadian dollars, except where indicated)

			Reserves				
	Common shares outstanding	Share capital	Share based compensation reserves	Warrants reserves	Accumulated other comprehensive Income (loss)	Deficit	Total shareholders' equity
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2018	102,648,746	10,392,849	1,055,027	318,280	-	(8,672,846)	3,093,310
Stock-based compensation	-	-	104,000	-	-	-	104,000
Net loss and other comprehensive loss for the period	-	-	-	-	-	(449,356)	(449,356)
Balance at September 30, 2019	102,648,746	10,392,849	1,159,027	318,280	-	(9,122,382)	2,747,774

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

Dixie Gold Inc.

Statements of Changes in Shareholders' Equity

(expressed in Canadian dollars, except where indicated)

	Common shares outstanding	Share capital	Reserves		Accumulated other comprehensive Income (loss)	Deficit	Total shareholders' equity
			Share based compensation reserves	Warrants reserves			
		\$	\$	\$	\$	\$	\$
Balance at December 31, 2017	100,766,099	10,184,199	1,055,027	318,280	(127,325)	(7,647,153)	3,783,028
Share issuance costs	-	(3,475)	-	-	-	-	(3,475)
Share subscription receivable received	-	75,000	-	-	-	-	75,000
Warrant exercises	1,882,647	133,650	-	-	-	-	133,650
Net loss and other comprehensive loss for the period	-	-	-	-	-	(465,470)	(465,470)
Balance at September 30, 2018	102,648,746	10,389,374	1,055,027	318,280	(127,325)	(8,112,623)	3,522,733

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

Dixie Gold Inc.
Statements of Cash Flows

(amounts expressed in Canadian dollars, except where indicated)

	For the nine months ended September 30	
	2019	2018
	\$	\$
Cash used from (used in) operating activities		
Net loss for the period	(449,536)	(465,470)
Items not affecting cash		
Cost recovery	-	-
Fair value adjustments on investments	-	-
Realized gain (loss) on sale of investments	273,450	-
Derecognition of investment asset	(255,750)	-
Share-based compensation	104,000	-
	(327,836)	(465,470)
Change in non-cash operating working capital		
(Increase) decrease in other receivables and prepaid expenses and deposits	(14,025)	157,418
Increase (decrease) in accounts payable and accrued liabilities	(15,435)	(109,105)
	(357,296)	(417,157)
Cash flows from (used in) investing activities		
Option payment received	150,000	125,000
Expenditures on exploration and evaluation assets	(18,075)	(47,324)
Short-term investment	(7,500)	-
Proceeds from the sale of investments	89,550	-
	213,975	77,676
Cash flows from (used in) financing activities		
Share subscriptions received	-	75,000
Finders fees	-	-
Share issuance costs	-	(3,475)
Gross proceeds from warrant and stock option exercises	-	133,650
Share subscription received	-	-
	-	205,175
Increase (decrease) in cash	(143,321)	(134,306)
Cash - beginning of the period	1,608,285	1,681,684
Cash- end of the period	1,464,964	1,547,378

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

Dixie Gold Inc.

Notes to the Condensed Financial Statements

September 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

1 Nature of operations

Dixie Gold Inc. (formerly Clean Commodities Corp.)(the “Company”) was incorporated on August 24, 2011, pursuant to the *Business Corporation Act* (Alberta) and was continued into British Columbia under the *Business Corporation Act* (British Columbia) on November 10, 2015. The Company is extra-provincially registered in the provinces of Saskatchewan and Quebec, as well as in the territories of Nunavut and Northwest Territories. The Company holds mineral tenures for the purpose of exploring for and developing mineral resources and is considered to be in the exploration stage.

On September 23, 2019, the Company announced an intention to spin-out its wholly-owned subsidiary, Western Hemp Corp. (“WHC”) to the Company’s shareholders for listing on a Canadian securities exchange (see news release dated September 23, 2019). WHC is a licensed hemp producer under the *Cannabis Act* (Canada) and is pursuing a high-margin CBD-focused business model.

On May 9, 2019, the Company entered into a letter of intent (“LOI”) to acquire the shares of Pacific North Hemp Inc. (“PNH”) by way of share purchase agreement (the “PNH LOI”)(see news release dated May 13, 2019). On June 4, 2019, the Company terminated the PNH LOI (see news release dated June 4, 2019).

The Company’s corporate office and principal place of business is Suite 605, 815 Hornby St., Vancouver, B.C., V6Z 2E6. Management believes the Company will realize its assets and discharge its liabilities in the normal course of business however the Company’s ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, more immediately, to obtain the necessary financing to meet its obligations and pay liabilities as they become due. External financing, predominantly by the issuance of equity, will be sought to finance the operations of the Company. These uncertainties cast significant doubts regarding the Company’s ability to continue as a going concern. 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 in business.

2 Basis of presentation

Statement of compliance with International Financial Reporting Standards

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of November 25, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed consolidated interim financial statements.

3 Estimates, risks and uncertainties

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are continuously evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

Significant accounting estimates

- a) The inputs used in accounting for share-based compensation in profit or loss.
- b) Amounts of provisions, if any, for environmental rehabilitation and restoration.
- c) The inputs used in the fair value of investments (see note 10)

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Notes to the Condensed Financial Statements

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Significant accounting judgments

- a) The determination of categories of financial assets and financial liabilities.
- b) The assessment of indications of impairment of each mineral property and the related determination of the recoverable amount and write-down of those properties where applicable.
- c) The tax basis of assets and liabilities and related deferred income tax assets and liabilities.
- d) Assessment of the Company's ability to continue as a going concern.

4 New accounting pronouncements

IFRS 16 – Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, *Leases*. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that 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. The Company is currently assessing the impact of this standard but has not yet determined the extent of the impact.

IFRS 16 is applicable to the Company's annual period beginning on January 1, 2019. There was no impact to the financial statements with the adoption of this accounting policy.

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5 Exploration and evaluation assets

	Syndicate – Preston Lake	Labrador Trough	Whabouchi Project	Torp Lake & Phoenix Project	Juliet Lithium Project	Other	Total
	\$	\$	\$	\$	\$	\$	\$
December 31, 2017	367,492	300,052	158,524	393,099	101,818	307,771	1,628,756
Geology	-	137	948	29,841	348	685	31,959
Tenure and acquisition	-	3,151	-	3,783	9,057	-	15,991
Recovery of deferred costs	(125,000)	-	(365,000)	-	-	-	(490,000)
Cost recovery	-	-	205,528	-	-	-	205,528
December 31, 2018	242,492	303,340	-	426,723	111,223	308,456	1,392,234
Tenure and acquisition	-	-	-	8,648	-	9,429	18,077
Cost recovery	(150,000)	-	-	-	-	-	(150,000)
September 30, 2019	92,492	303,340	-	435,372	111,223	317,885	1,260,311

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Western Athabasca Syndicate / Preston Uranium Project

On July 9, 2013, the Company entered into a formal agreement (the “Agreement”) with Skyharbour Resources Ltd. (“Skyharbour”)(TSX-V: SYH), Noka Resources Inc. (“Noka”)(TSX-V: NX) and Rojo Resources Ltd. (“Rojo”, formerly Lucky Strike Resources Ltd.)(TSX-V: RJ) to form a strategic alliance, the Western Athabasca Syndicate (the “Syndicate”), which would expand the Company’s exploration land coverage, generate working capital, and provide third-party funded exploration on its Preston Uranium Property thereby expediting the Company’s ongoing uranium exploration efforts.

Under terms of the Agreement, the Company combined its Preston Uranium Property with Skyharbour’s Athabasca Properties to develop and explore a uranium project base (the “Western Athabasca Syndicate Project”).

Under the terms of the Agreement, each of the Company, Skyharbour, Noka and Rojo received an option to earn 25% of the combined lands by making a series of cash payments, share payments and incurring exploration expenditures over the two-year earn-in term of the agreement. If carried to completion, the agreement called for \$6,000,000 of exploration on the project over two years. The Company was appointed as the operator of the project (the “Operator”), a role that transitioned to Skyharbour in the third quarter of 2014.

On August 17, 2015, two signatory companies, Noka and Rojo, had their participation interest in the Western Athabasca Syndicate terminated as a result of not fulfilling the final stage of the expenditure requirements related to the drill program that commenced in the third quarter of 2015. The net result to the Company, who met its funding requirement (along with Skyharbour), was an increase in the Company’s working interest in the Preston Uranium Project from 25% to 50%. The final exploration stage of the earn-in process for the Syndicate was a drill program that commenced on August 18, 2015, to which the Company contributed its final earn-in obligation of cash of \$322,667.

On March 7, 2017, the Company, in conjunction with Preston Uranium Project partner Skyharbour, executed an option agreement with Orano Canada Inc. (formerly AREVA Resources Canada Inc.) which provides Orano an earn-in option to acquire up to a 70-per-cent working interest in a portion of the Preston uranium project. Under the agreement, Orano will contribute cash and exploration program consideration totalling up to \$8-million in exchange for up to 70 per cent of the applicable project area over six years with a first option where Orano may acquire an initial 51-per-cent working interest in the Preston segment for a period of three years by financing exploration expenditures in the total amount of \$2.8-million and making combined cash payments totalling \$200,000 to the Company and Skyharbour.

On March 27, 2017, the Company, in conjunction with Preston Uranium Project partner Skyharbour, executed an option agreement with Azincourt Energy Corp. (formerly Azincourt Uranium Inc.) (“Azincourt”) which provides Azincourt an earn-in option to acquire a 70-per-cent working interest in a portion of the Preston uranium project known as the East Preston property. Under the agreement, Azincourt will issue 4.5 million listed common shares and contribute cash and exploration expenditure consideration totalling up to \$3.5-million in exchange for up to 70 per cent of the applicable property area over three years. Of the \$3.5-million in project consideration, \$1-million will be in cash payments to the Company and Skyharbour, as well as \$2.5-million in exploration expenditures over a three-year period. Azincourt issued the Company and Skyharbour each 2.25 million common shares upfront for a combined total issuance of 4.5 million common shares.

On November 9, 2017, the Company announced details of an exploration program funded and operated by Orano Canada Inc. (formerly Areva) at the Preston Uranium Project.

On November 5, 2018, the Company announced details of a planned \$2.2 million exploration program funded and operated by Orano Canada Inc. (formerly Areva) at the Preston Uranium Project.

During the second quarter of 2019, Azincourt provided an update of new target areas within the East Preston Project (see Azincourt news release dated May 15, 2019).

On August 8, 2019, Azincourt independently provided an update to their shareholders regarding the East Preston Project in which they indicated that drill permitting was ongoing and that Azincourt was proposing a winter 2019/2020 drill program that

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would comprise 2,000 to 2,500 metres of land-based diamond drilling (up to 15 drill holes) based on a projected budget of approximately \$1.2-million (see Azincourt news release dated August 8, 2019).

The Preston Uranium Project (and its optioned components) is considered to be the Company's principal asset of exploration focus.

Whabouchi Project

During the year ended December 31, 2016, the Company acquired tenure related to the Whabouchi Lithium Project (Dumont and Spodumene Lake claim sets) located in Quebec through the payment of certain licensing fees and the granting of a two percent royalty. An exploration program was conducted on the property during calendar 2016.

On November 30, 2017, the Company entered into an option agreement with Cameo Cobalt Corp. ("Cameo")(formerly Cameo Resources Corp.), whereby Cameo has the option to acquire an 80% interest in the Dumont and Spodumene Lake projects by completing \$5,000,000 of exploration work over a four year period (being the completion of \$500,000 of work in year one, \$1,000,000 of work in year two, \$1,500,000 of work in year three and \$2,000,000 of work in year four), issuing 500,000 common shares (received on February 8, 2018) of Cameo and payment of \$25,000 (received December 29, 2017). As of November 30, 2018 (being the one year anniversary of the option agreement), Cameo had not completed the necessary exploration work required during the first year of the option agreement and as such the Whabouchi Project reverted back to the Company in whole.

Labrador Trough Project

During the year ended December 31, 2016, the Company acquired the tenure related to the Labrador Trough Project located in Quebec through the payment of certain licensing fees and the granting of a two percent royalty. An exploration program was conducted on the property during calendar 2016. The Company did not execute an exploration program on the project during 2018 and 2019.

Juliet Lithium Project

During the year ended December 31, 2016, the Company acquired the tenure related to the Juliet Lithium Project located in Quebec through the payment of certain licensing fees and the granting of a two percent royalty. An exploration program for the Juliet Lithium Project was conducted during the third quarter of 2017 with results announced on September 26, 2017. In addition, the Company acquired additional tenure at the project in calendar 2017.

Torp Lake & Phoenix Lithium Projects

On May 20, 2016, the Company acquired the Torp Lake and Phoenix claims from North Arrow Minerals Inc. ("North Arrow"). As consideration for the Torp Lake and Phoenix lithium claims, North Arrow received 2,500,000 common shares of Company at a fair value of \$0.08 as well as 1,000,000 common share purchase warrants with an exercise price of \$0.20 per common share exercisable for a two-year period. The warrants expired during the year 2018.

During the year ended December 31, 2017, the Company sold a 1% gross royalty on both the Torp Lake and Phoenix Lithium projects to the Chief Executive officer of the Company for \$10,000 each or \$20,000 total, the proceeds of which were spent at the projects as further described in the Management Discussion & Analysis accompanying these financials.

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Other Mineral Projects

(i) Manitou Cobalt Project

On February 17, 2017, the Company entered into an earn-in agreement to acquire a 50% interest in the Manitou Cobalt Project in exchange for a one-time cash renewal payment for the claims under the agreement and funding a \$50,000 exploration program in 2017.

On July 24, 2017, the Company announced an option to increase its earn-in percentage on the project to 75% in exchange for funding a \$150,000 exploration program in 2017.

During the third-quarter of 2017, the Company conducted an exploration program at the Manitou Cobalt Project, with results announced by news release dated September 21, 2017. The Company continues to assess potential exploration plans at the Manitou Cobalt Project in conjunction with a third-party public company which holds a minority interest in the project.

(ii) Isko Gold Project

During calendar 2017, the Company acquired the Isko Gold Project in Quebec in exchange for a cash payment of staking fees and the granting of a two percent royalty. The Company performed a soil sampling program at the project in 2017 and is reviewing potential follow-up exploration options for the project during 2020.

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6 Share Capital

- a) The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.
- b) 2019 share capital activities:
- i) There was no share capital activity during this period.
- c) 2018 share capital activities:
- i) Through the period ended December 31, 2018, 1,882,647 share purchase warrants were exercised for gross proceeds of \$133,650.
- d) Warrants

	September 30, 2019		December 31, 2018	
	Number of warrants (000's)	Weighted average exercise price	Number of warrants (000's)	Weighted average exercise price
Outstanding - beginning	12,167	\$ 0.10	15,708	\$ 0.15
Issuance – private placement	-	-	-	-
Issuance – finder fees	-	-	-	-
Exercised	-	-	(1,883)	(0.07)
Expired	-	-	(1,658)	(0.15)
Outstanding - ending	12,167	0.10	12,167	0.10

The following table discloses the number of warrants outstanding as at September 30, 2019:

Number of warrants ('000s)	Price per share	Expiry Date
	\$	
1,200	0.05	July 24, 2020
8,935	0.10	December 13, 2019
1,065	0.10	December 14, 2019
967	0.10	December 14, 2019
12,167		

7 Share-based Compensation

- a) Stock options

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options

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granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

During the period ended September 30, 2019

On July 22, 2019, 3,000,000 share purchase options were granted to officers, directors with a fair value measurement of \$104,000 using Black-Scholes option pricing model with the following weighted average assumptions: share price on issue date of \$0.04, expected life of stock option of 5 years, volatility of 137%, annual rate of dividends of 0.00% and a risk free rate of 2.04% (see Company news release dated July 22, 2019).

	September 30, 2019		December 31, 2018	
	Number of options (000's)	Weighted average exercise price	Number of options (000's)	Weighted average exercise price
Outstanding - beginning	6,945	\$ 0.09	7,145	\$ 0.08
Granted	3,000	0.05	-	-
Expired or Cancelled	(870)	0.08	(200)	(0.05)
Outstanding - ending	9,075	0.08	6,945	0.09

The following table discloses the number of options and vested options outstanding as at September 30, 2019:

Number of options outstanding (‘000s)	Number of options exercisable (‘000s)	Price per share (\$)	Expiry Date
475	475	0.05	February 26, 2020
1,650	1,650	0.05	March 21, 2021
1,250	1,250	0.12	June 28, 2021
1,200	1,200	0.065	October 26, 2021
1,500	1,500	0.14	December 5, 2022
3,000	3,000	0.05	July 22, 2024
9,075	9,075		

8 Related Party Transactions

The value of transactions and outstanding balances relating to key officers and directors and entities over which they have control or significant influence were as follows:

During the nine-month period ended September 30, 2019, the Company incurred \$90,000 (2018 - \$90,000) of consulting fees included in general and administrative with a company controlled by the Chief Executive Officer for services performed.

During the nine-month period ended September 30, 2019, the Company incurred \$22,500 (2018 - \$22,500) of professional fees with a company controlled by the Chief Financial Officer for services performed.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to or from related parties are non-interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise noted.

9 Capital Management

The Company includes cash and shareholders' equity, comprising of issued common shares, share-based compensation reserves and warrants reserves, deficit and accumulated other comprehensive income (loss) in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition,

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exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2019. The Company is not subject to externally imposed capital requirements.

10 Financial Instruments

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

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 by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total September 30, 2019
Cash	\$ 1,464,964	\$ -	\$ -	\$ 1,464,964
Investments	\$ -	\$ -	\$ 7,500	\$ -

	Level 1	Level 2	Level 3	Total December 31, 2018
Cash	\$ 1,608,285	\$ -	\$ -	\$ 1,608,205
Investments	\$ 107,250	\$ -	\$ -	\$ 107,250

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, liquidity risk, commodity price risk, and foreign exchange risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

Concentration Risk

At September 30, 2019, substantially all the Company's cash was held at Canadian national financial institutions. As a result, the Company was exposed to all of the risks associated with these institutions.

Credit Risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The Company's maximum exposure to credit risk is the carrying amount of cash and other receivables on the statement of financial position.

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 manages liquidity risk by forecasting its cash flows from operations and anticipating investing and financing activities. Senior management is

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Notes to the Condensed Financial Statements

September 30, 2019 and 2018

(amounts expressed in Canadian dollars, except where indicated)

actively involved in the review and approval of planned expenditures. As at September 30, 2019, the Company's working capital of \$1,487,463 (December 31, 2018 - \$1,701,076) is sufficient to meet its short-term business requirements. Future operations or exploration programs will require additional financing primarily through equity markets.

Commodity Price Risk

The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Foreign Exchange Risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. As at September 30, 2019, the Company has no monetary assets or liabilities in foreign currencies.

11 Subsequent Events

On October 17, 2019, the Company completed a corporate name change from Clean Commodities Corp. to Dixie Gold Inc. (see news release dated October 17, 2019).

On November 13, 2019, the Company announced that its exploration project partner, Orano Canada Inc., would commence a DC resistivity ground geophysics exploration program on the Preston Uranium Project starting in the first quarter of 2020, with the exploration program having a proposed budget of \$735,000 (see news release dated November 13, 2019).