

VISCOUNT MINING CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE NINE MONTHS ENDED
May 31, 2019 and 2018
(Unaudited)**

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Viscount Mining Corp. (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 condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review on condensed interim consolidated financial statements by an entity’s auditor

VISCOUNT MINING CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

	Notes	As at May 31, 2019 \$	As at August 31, 2018 Audited \$
ASSETS			
Current assets			
Cash and cash equivalents	3	22,267	24,989
Amounts receivable and prepaid expenses	4, 7	36,495	31,503
		58,762	56,492
Reclamation bond		24,180	24,180
Exploration and evaluation properties	5	3,052,274	2,738,445
Total Assets		3,135,216	2,819,117
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	360,065	170,175
Loan payable	7	17,160	62,000
Amounts due to related parties	7	152,566	35,374
Total Liabilities		529,791	267,549
SHAREHOLDERS' EQUITY			
Share capital	8	10,464,337	9,726,932
Reserves	8	1,489,304	1,475,220
Accumulated deficit		(9,348,216)	(8,650,584)
Total shareholders' equity		2,605,425	2,551,568
Total Shareholders' Equity and Liabilities		3,135,216	2,819,117

Nature and Continuance of Operations (Note 1)
Commitments and Contingency (Note 10)
Events Occurring After the Reporting Date (Note 13)

These consolidated interim financial statements are authorized for issuance by the Board of Directors on July 30, 2019

On behalf of the Board:

"Jim MacKenzie" Director

"William Macdonald" Director

VISCOUNT MINING CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

(Unaudited)

		For the Nine	For the Nine	For the Three	For the Three
	Notes	Months Ended	Months Ended	Months Ended	Months Ended
		May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
		\$	\$	\$	\$
Expenses					
Bank charges and interest		2,037	1,280	(5,158)	351
Consulting	7	393,833	419,141	268,195	143,944
Insurance		39,914	31,947	29,685	18,588
Legal and accounting	7	71,175	70,842	50,368	8,460
Office and miscellaneous		13,731	23,266	11,335	13,978
Promotion		151,188	361,288	124,259	99,516
Share-based payments	7, 8	-	120,075	-	(102,527)
Transfer agent and filing fees		17,703	22,423	14,425	3,788
Travel		2,799	15,084	1,705	(6,941)
Total expenses		(692,380)	(1,065,346)	(494,814)	(179,157)
Foreign exchange gain (loss)		1,348	(1,089)	7,622	53,370
Interest income		(6,600)	-	(6,600)	(273)
Net loss and comprehensive loss for the year		(697,632)	(1,066,435)	(493,792)	(126,060)
Loss per share, basic and diluted		(0.01)	(0.02)	(0.01)	(0.00)
Weighted average number of common shares outstanding		51,862,201	48,892,665	53,841,129	49,864,410

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

VISCOUNT MINING CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the Nine Months Ended May 31, 2019	For the Nine Months Ended May 31, 2018
	\$	\$
Cash flows used in operating activities		
Net loss for the year	(697,632)	(1,066,435)
Adjustments for non-cash items:		
Share-based payments	-	120,075
Changes in operating assets and liabilities:		
Decrease in amounts receivable and prepaid expenses	(4,992)	147,812
Increase (decrease) in due to related parties	117,192	4,150
Increase (decrease) in trade payables and accrued liabilities	273,273	28,605
	(312,159)	(765,793)
Cash flows used in investing activities		
Reclamation Bond	-	-
Exploration and evaluation properties expenditures	(361,878)	(741,819)
	(361,878)	(741,819)
Cash flows from financing activities		
Issuance of common shares (net)	716,155	958,750
Subscriptions received in advance	-	-
Related Party loan	(44,840)	-
Shares issued costs	-	-
	671,315	958,750
Increase (decrease) in cash and cash equivalents	(2,722)	(548,862)
Cash and cash equivalents, beginning of year	24,989	940,379
Cash and cash equivalents, end of year	22,267	391,517

Supplemental Cash Flow Information (Note 9)

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

VISCOUNT MINING CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MAY 31, 2019

(Expressed in Canadian dollars)

(Unaudited)

		Common Shares		Reserves			
	Notes	Number of Shares	Share Capital	Warrant Reserve	Option Reserve	Deficit	Total
			\$	\$	\$	\$	\$
Balance – August 31, 2017		46,748,128	8,859,396	234,224	1,162,583	(7,309,598)	2,946,605
Common shares issued for exploration and evaluation properties	5, 8	75,000	22,125	-	-	-	22,125
Exercise of options	8	200,000	44,000	-	-	-	44,000
Exercise of warrants	8	3,570,501	892,625	-	-	-	892,625
Warrants issued for exploration and evaluation properties	8	-	-	8,934	-	-	8,934
Share based payments	8	-	-	-	120,075	-	120,075
Net loss for the year		-	-	-	-	(1,066,435)	(1,066,435)
Balance - May 31, 2018		50,593,629	9,818,146	243,158	1,282,658	(8,376,033)	2,967,929
Balance – August 31, 2018		49,993,629	9,726,932	228,633	1,246,587	(8,650,584)	2,551,568
Common shares issued for cash	8	3,762,500	752,500	-	-	-	752,500
Common shares issued for exploration and evaluation properties	5, 8	85,000	21,250	-	-	-	21,250
Warrants issued for exploration and evaluation properties	5, 8	-	-	14,084	-	-	14,084
Share issue costs	8	-	(36,345)	-	-	-	(36,345)
Share Subscriptions Received in Advance	8	-	-	-	-	-	-
Net loss for the year		-	-	-	-	(697,632)	(697,632)
Balance - May 31, 2019		53,841,129	10,464,337	242,717	1,246,587	(9,348,216)	2,605,425

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

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2019

(Unaudited)

1. Nature and Continuance of Operations

Viscount Mining Corp. (the “Company”) was incorporated under the British Columbia Business Corporations Act on October 26, 2011. The Company’s registered office is located at 409 - 221 W. Esplanade, North Vancouver BC V7M 3J3. The Company is listed on the TSX Venture Exchange (TSX-V”) and trades under the symbol “VML”.

The Company is an exploration stage company and its principal business activity is natural resource exploration, focusing on resources located in the states of Nevada and Colorado in the USA. Mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to conduct its planned exploration, meet its administrative overhead and maintain its resource interests.

The Company had cash of \$22,267 at May 31, 2019 (August 31, 2018 - \$24,989) and working capital deficit of \$471,029 (August 31, 2018 - \$211,057). Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. For the nine months period ended May 31, 2019, the Company had no source of operating revenues, incurred an operating loss of \$697,632 (2018 - \$1,066,435) and, as at that date, had an accumulated deficit of \$9,348,216 (August 31, 2018 deficit of - \$8,650,584).

Management has assessed that this working capital is not sufficient for the Company to continue as a going concern beyond one year. Accordingly, these material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. If the going concern assumption were not appropriate for these condensed interim consolidated financial statements it would be necessary to restate the Company’s assets and liabilities on a liquidation basis.

The recoverability of the Company’s investment in and expenditures on resource properties is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

2. Significant Accounting Policies**Statement of Compliance**

The condensed interim consolidated financial statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for nine months period ended May 31, 2019

Basis of Preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial assets classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar.

The preparation of consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed below.

Basis of Consolidation

The Company’s condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. A subsidiary is an entity (including special purpose entity) controlled by the Company, where control is achieved by the Company having the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are

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

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2019

(Unaudited)

currently exercisable or convertible are considered when assessing whether the Company controls another entity. A subsidiary is fully consolidated from the date on which control is obtained by the Company, and is de-consolidated from the date that control ceases.

The following subsidiaries have been consolidated for all dates presented within these financial statements, and are wholly owned: Viscount Mining Resources Ltd., Viscount Nevada Holdings Ltd. (“Viscount Nevada”) and Viscount Colorado Holdings Ltd. (“Viscount Colorado”).

All significant inter-company transactions, balances, income and expenses are eliminated on consolidation.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company’s condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements within the next financial year are discussed below:

Recoverability of Capitalized Exploration and Evaluation Expenditures

The application of the Company’s accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company and the maintenance of good standing of the mineral titles, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Share-based payments

The fair value of share options granted is measured using the Black-Scholes option pricing model. Measurement inputs include the share price on the measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free interest rate. These estimates will impact the amount of share-based payments recognized. When stock options are exercised, the cash proceeds along with the amount previously recorded as share-based payment reserves are recorded as share capital.

Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences and, accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Financial Assets

Financial assets are classified as loans and receivables, available-for-sale financial assets, financial assets at fair value through profit or loss (“FVTPL”), or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

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

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited)

Financial assets at FVTPL

Financial assets classified as FVTPL are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as FVTPL. These assets are carried at fair value with gains or losses recognized in profit or loss. Cash are included in this category of financial assets.

Held to Maturity and Loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial assets classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are included in this category of financial assets.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Impairment of Financial Assets

Financial assets, other than financial assets at fair value through profit or loss, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

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VISCOUNT MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2019

(Unaudited)

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables and accrued liabilities, amounts due to related parties and loan payable are included in this category of financial liabilities.

Impairment of Non-Current Non-Financial Assets

The carrying amounts of non-current non-financial assets are reviewed and evaluated for impairment when events or changes in circumstances indicate that the carrying amounts of the related asset may not be recoverable. Non-current non-financial assets include property, plant, and equipment. If the recoverable amount is less than the carrying amount of the asset, an impairment loss is recognized and the asset is written down to recoverable value.

The recoverable amount is the higher of an asset's "fair value less costs to sell" and "value-in-use". Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined, with a cash generating unit being the smallest identifiable group of assets and liabilities that generate cash inflows independent from other assets. "Fair value less costs to sell" is determined as the amount that would be obtained from the sale of the asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties. In assessing "value-in-use", the future cash flows expected to arise from the continuing use of the asset or cash-generating unit in its present form are estimated using assumptions that an independent market participant would consider appropriate, and are then discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or unit.

Where conditions that gave rise to a recognized impairment loss are subsequently reversed, the amount of such reversal is recognized into earnings immediately, though is limited such that the revised carrying amount of the asset or cash-generating unit does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in the prior period.

Exploration and Evaluation Expenditures

The Company records deferred exploration and acquisition costs, which consist of costs attributable to the investment in and exploration of resource property interests, at cost. All direct and indirect costs relating to the acquisition and exploration of the resource interests, net of recoveries, are capitalized on the basis of specific claim blocks until the resource interests to which they relate are placed into production, the resource interests are disposed of through sale or where management has determined there to be an impairment.

On an ongoing basis, the capitalized costs are reviewed on a property-by-property basis to consider whether there are any conditions that indicate impairment on the subject property. When such conditions are identified, an impairment loss is recognized for the difference between the fair value and carrying value.

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 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 restoration asset will be depreciated on the same basis as other mining assets.

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

VISCOUNT MINING CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

May 31, 2019

(Unaudited)

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 net 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.

Per Share Information

Basic per share amounts are calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted income/loss per share amounts are determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of warrants and stock options (Note 8).

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share-based Payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized 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 stock options reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. 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 will eventually vest. When options are cancelled or expire, the initial recorded value is left in reserves.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

VISCOUNT MINING CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2019

(Unaudited)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is based on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer 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 the tax rates that have been enacted or substantively enacted at the statement of financial position date.

Foreign Currencies

The Company's reporting currency and the functional currency of all of its operations and its subsidiaries is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into the presentation currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Accounting standards and interpretations adopted

During the nine months period ended May 31, 2019, the Company adopted certain new accounting standards, interpretations, and amendments, none of which had material impact on the condensed interim consolidated financial statements.

New Accounting Standards and Interpretations Not Yet Adopted

At the date of authorization of these condensed interim consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective for the nine months period ended May 31, 2019:

- The IASB has undertaken a three-phase project to replace IAS 39 '*Financial Instruments: Recognition and Measurement*' with IFRS 9 '*Financial Instruments*'. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. The new standard addresses classification and measurement of financial assets and liabilities, and introduces a new hedge accounting model. The amendments are effective for annual periods beginning on or after January 1, 2018.
- IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11,

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Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service.

- IFRS 16 Leases specifies how to recognize, measure, present and disclose leases. The 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. Applicable to annual periods beginning on or after January 1, 2019.

The Company has not early adopted the above standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company, other than increased note disclosure.

3. Cash

	As at May 31, 2019	As at August 31, 2018
	\$	\$
Denominated in Canadian dollars	12,295	23,423
Denominated in US dollars	9,972	1,566
	<u>22,267</u>	<u>24,989</u>

4. Amounts Receivable and Prepaid Expenses

Amounts receivable and prepaid expenses consist of the following:

	As at May 31, 2019	As at August 31, 2018
	\$	\$
Goods and Services Tax receivable	4,263	3,341
Other receivable	1,057	9,115
Prepaid insurance and prepaid travel expenses	31,175	19,047
	<u>36,495</u>	<u>31,503</u>

Amounts receivable are non-interest bearing, unsecured and have settlement dates within one year. Included in Prepaid Expenses are prepaid insurance and prepaid travel expenses for a director and consultant to the Company (Note 7).

5. Exploration and Evaluation Properties

Exploration and evaluation expenditures by project as at May 31, 2019 and August 31, 2018 are as follows:

	For the Nine Months Ended May 31, 2019	For the Year ended August 31, 2018
	\$	\$
Balance beginning of year	2,738,445	1,891,426
Property acquisitions	300,732	177,616
Staking new claims and claim maintenance	(3,748)	83,567
Consulting	75,237	352,798
Drilling	42,528	250,575
Recoveries	(17,537)	(17,537)
Total	<u>3,135,657</u>	<u>2,738,445</u>

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

VISCOUNT MINING CORP.

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May 31, 2019

(Unaudited)

A summary of the changes in the Company's exploration and evaluation properties for nine months period ended May 31, 2019 and the year ended August 31, 2018 are as follows:

	For the Nine Months Ended May 31, 2019	For the Year ended August 31, 2018
	\$	\$
Balance beginning of year	2,738,445	1,891,426
Property acquisitions	300,732	177,616
Staking new claims and claim maintenance	(3,748)	83,567
Consulting	75,237	352,798
Drilling	(40,855)	250,575
Recoveries	(17,537)	(17,537)
Total	3,052,274	2,738,445

- A. **Nevada Properties**, described collectively as our Cherry Creek Project, is focused on exploration in the immediate vicinity of an area commonly known as the Cherry Creek Mining District, located approximately 50 miles north of the town of Ely, in White Pine County, Nevada.

Viscount entered into an exploration earn-in agreement with Summit Mining Exploration, Inc. ("Summit"), a subsidiary of Sumitomo Corporation which covered our Cherry Creek Project. On March 29, 2017, Summit elected to exit the agreement.

On January 29, 2013, the Company entered into a mining lease and agreement to purchase for certain unpatented mining claims located in White Pine County, Nevada (the "Ticup Property"). The terms of the agreement call for the Company to make lease payments totaling US\$32,500. On January 29, 2017 the final payment was made fully satisfying the terms under the contract.

- B. **Colorado Properties**, described collectively as Silver Cliff.

On August 13, 2014, the Company entered into an option agreement (the "Silver Cliff Agreement") with David C. and Debra J. Knight Living Trust (the "Owner"), whereby the Owner has agreed to grant an option to the Company to acquire an undivided 100% interest in the Silver Cliff project (the "Silver Cliff Property"), effective on the date of TSX-V approval (the "Effective Date"). On September 15, 2014, the Company received approval from the TSX-V. Pursuant to the agreement, the Company agreed to the following:

- 1) Issuing to the Owner 200,000 shares and 200,000 warrants as follows:
 - a) 150,000 shares and warrants issued between September 2015 and September 2017 (issued);
 - b) 50,000 shares and warrants issued on the fourth anniversary, September 15, 2018 (issued);
- 2) Payments made on behalf of the Owner for claim rental fees due to the U.S. Bureau of Land Management;
- 3) Making payments to the Owner in the aggregate amount of US\$3,000,000 as follows:
 - a. US\$15,000 on the second anniversary, September 15, 2016 (paid);
 - b. US\$20,000 on the third anniversary, September 15, 2017; (paid)
 - c. US\$30,000 on the fourth anniversary, September 15, 2018 (paid);
 - d. US\$50,000 on the fifth anniversary, September 15, 2019;
 - e. US\$75,000 on the sixth anniversary, September 15, 2020;
 - f. US\$100,000 on the seventh anniversary, September 15, 2021;
 - g. US\$100,000 on the eighth anniversary, September 15, 2022;
 - h. US\$100,000 on the ninth anniversary, September 15, 2023;

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- i. US\$100,000 on the tenth anniversary, September 15, 2024;
 - j. US\$150,000 on the eleventh anniversary, September 15, 2025;
 - k. US\$200,000 on the twelfth anniversary, September 15, 2026; and
 - l. Paying the remaining outstanding balance of the required US\$3,000,000 plus Cost of Living Increase adjustment on the thirteenth anniversary, September 15, 2027.
- 4) Royalty payments to the Owner of 2% of the net smelter returns (“NSR”) and issuance of an additional 550,000 shares and 550,000 warrants upon the commencement of commercial production.
- 5) The Company, agreed to issue Kingsmere Mining Ltd a finder’s fee of 500,000 shares, which shall be issued as follows:
 - a. 70,000 shares have been issued between September 2015 and September 2017;
 - b. 35,000 shares on the fourth anniversary, September 15, 2018 (issued);
 - c. 45,000 shares on the fifth anniversary, September 15, 2019;
 - d. 50,000 shares on the sixth anniversary, September 15, 2020;
 - e. 50,000 shares on the seventh anniversary, September 15, 2021;
 - f. 75,000 shares on the eighth anniversary, September 15, 2022;
 - g. 75,000 shares on the ninth anniversary, September 15, 2023;
 - h. 100,000 shares on the tenth anniversary, September 15, 2024.

In fiscal 2017 the Company increased its land holding at the Silver Cliff project by signing a series of mineral lease agreements, resulting in the following commitments:

- a. US\$73,800 on the effective dates, between May 12 and June 5, 2017 (paid)
- b. US\$74,300 on the first anniversary, between May 12 and June 5, 2018 (paid);
- c. US\$70,000 on the second anniversary, between May 12 and June 5, 2019; (Note 13)
- d. US\$74,500 on the third anniversary, between May 12 and June 5, 2020;
- e. US\$87,500 on the fourth anniversary, between May 12 and June 5, 2021;
- f. US\$91,500 on the fifth anniversary, between May 12 and June 5, 2022;
- g. US\$96,000 on the sixth anniversary, between May 12 and June 5, 2023;
- h. US\$111,500 on the seventh anniversary, between May 12 and June 5, 2024;
- i. US\$146,730 on the eighth anniversary, between May 12 and June 5, 2025;
- j. US\$198,040 on the ninth anniversary, between May 12 and June 5, 2026;
- k. US\$1,208,000 on the tenth anniversary, between May 12 and June 5, 2027.

6. Trade Payables and Accrued Liabilities

Trade payables and accrued liabilities are non-interest bearing, unsecured and have settlement dates within one year.

7. Related Party Transactions

As at May 31, 2019, the balance due to related parties, who are officers, directors and/or shareholders, was \$152,566 (August 31, 2018 - \$35,374). Amounts owing relate to consulting services provide by the related parties or by companies controlled by the related parties and for expense reimbursements.

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The following table summarizes the amounts owed to related parties for services or salary at May 31, 2019 and August 31, 2018:

	As at May 31, 2019	As at August 31, 2018
	\$	\$
Chairman	-	12,600
Chief Executive Officer /	35,037	-
Chief Financial Officer	37,870	-
Chief Geologist	45,939	11,340
Directors	33,720	11,434
	152,566	35,374

The key management personnel compensation for the nine months period ended May 31, 2019 and May 31, 2018 are summarized as follows:

	For the Nine Months Ended May 31, 2019	For the Nine Months Ended May 31, 2018
	\$	\$
Chief Financial Officer	54,000	54,000
Directors' Consulting fees	233,068	366,231
Director Legal fees	1,289	6,161
	288,357	426,392

During the Nine months period ended May 31, 2019 \$54,868 (2018 – \$105,231) related to consulting fees are capitalized in exploration and evaluation properties (Note 5).

No options were granted to related parties for nine months period ended May 31, 2019 (year ended August 31, 2018 - \$Nil).

8. Share Capital**A. Authorized**

At May 31, 2019, the authorized share capital consists of an unlimited number of common shares without par value and without special rights or restrictions attached and an unlimited number of preferred shares without par value and with special rights or restrictions.

B. Issued and Outstanding

As at May 31, 2019, the total issued and outstanding share capital was 53,841,129 common shares with no par value (August 31, 2018 – 49,993,629).

Share capital transactions of the Company during the nine months period ended May 31, 2019 and the year ended August 31, 2018 are summarized as follows:

- a) On January 22, 2019, the Company closed a Non Brokered Private Placement raising gross proceeds of \$752,500. from the issuance and sale of 5,012,500 Units at a price of \$0.20 per Unit. Each Unit consists of one (1) common share (“Common Share”) of the Company and one (1) share purchase warrant (“Warrant”). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company for a period of 2 years from the Closing Date at an exercise price of \$0.35 per Warrant Share. The Company paid finders fees of \$19,600 and issued 73,500 finders warrants related to the Private Placement (Note 8Da).
- b) On September 10, 2018, in accordance with the Silver Cliff Agreement (Note 5), 85,000 common shares valued at \$0.25 per common share for a total value of \$21,250 were issued.

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- c) During the year ended August 31, 2018, 2,970,501 (2017 – 1,414,034) shares were issued when warrants were exercised at \$0.25 (2017 – \$0.25) each for total proceeds of \$742,625 (2017 – \$353,509).
- d) During the year ended August 31, 2018, no shares were sold for cash through private placements (2017 – 5,000,000 at \$0.25 each for total proceeds of – \$1,250,000).
- e) During the year ended August 31, 2018, 75,000 shares were issued as part of Silver Creek Agreement valued at \$0.295 each for a total value of \$22,125.
- f) During the year ended August 31, 2018, 200,000 (2017 \$NIL) shares were issued when options were exercised at \$0.22 each for total proceeds of \$44,000.
- g) During the year ended August 31, 2018, 10,808,491 warrants with exercise prices between \$0.25 and \$0.70 expired unexercised.
- f) During the year ended August 31, 2018, 50,000 three year warrants with an exercise price of \$0.28 were issued as part of Silver Creek Option Agreement valued at \$8,934 using the Black Scholes valuation methodology with the warrants having the terms described above and assuming a risk free interest rate of 1.35% per annum, an expected life of 3 years, volatility of 94.46%, and no expected dividend.
- g) On August 29, 2018, 5,000,000 two year warrants with an exercise price of \$0.35 were extended for two years.

C. Escrow Shares

As at May 31, 2019 no common shares of the Company are held in escrow.

D. Warrants

The following is a summary of the changes in the Company’s share purchase warrants for the nine months period ended May 31, 2019 and the year ended August 31, 2018:

- a) On January 22, 2019, closed a Non Brokered Private Placement raising gross proceeds of \$752,500. from the issuance and sale of 3,762,500 Units at a price of \$0.20 per Unit. Each Unit consists of one (1) common share (“Common Share”) of the Company and one (1) share purchase warrant (“Warrant”). Each Warrant entitles the holder thereof to purchase one additional common share of the Company for a period of 2 years from the Closing Date at an exercise price of \$0.35 per Warrant Share. The Company issued 73,500 finders warrants related to the Private Placement. The 73,500 finders warrants were valued at \$7,976 using the Black Scholes valuation methodology with the warrants having the terms described above and assuming a risk free interest rate of 1.5%, an expected life of 2 years, volatility of 86.55%, and no expected dividend.
- b) On September 10, 2018, in accordance with the Silver Cliff Agreement (Note 5), 50,000 warrants with an exercise price \$0.25 for a period of three years from the date of grant were issued. The 50,000 warrants were valued at \$6,108 using the Black Scholes valuation methodology with the warrants having the terms described above and assuming a risk free interest rate of 1.4%, an expected life of three years, volatility of 76.64%, and no expected dividend.
- c) On September 15, 2018, 50,000 warrants with an exercise price \$0.59 expired unexercised.

	May 31, 2019		August 31, 2018	
	Number of Warrants Outstanding	Weighted average exercise price	Number of Warrants Outstanding	Weighted average exercise price
		\$		\$
Outstanding, beginning of year	5,150,000	0.40	18,828,992	0.40
Exercised warrants	-	0.25	(2,970,501)	0.25
Expired warrants	(50,000)	0.59	(10,758,491)	-
Warrants issued	3,886,000	0.25	50,000	0.35
Outstanding, end of period	8,986,000	0.35	5,150,000	0.40

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- d) The following table summarizes information regarding share purchase warrants outstanding as at May 31, 2019 and August 31, 2018:

Expiry Date	Exercise Price	May 31, 2019	Exercise Price	August 31, 2018
		Number of Warrants Outstanding and Exercisable		Number of Warrants Outstanding and Exercisable
	\$		\$	
September 15, 2018	-	-	0.40	50,000
August 29, 2020	0.35	5,000,000 *	0.35	5,000,000
September 15, 2019	0.59	50,000	0.59	50,000
September 15, 2020	0.28	50,000	0.28	50,000
September 15, 2023	0.25	50,000	-	-
January 22, 2021	0.35	3,836,000	-	-
	0.35	8,986,000	0.35	5,150,000

* These warrants were extended on August 29, 2018 for two years with all other terms unchanged.

E. Stock Option Plan

On April 4, 2012, the Company adopted a stock option plan (the “Plan”) that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of the shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. Stock options granted under the Plan may be subject to vesting terms, which may be imposed at the discretion of the directors.

- On January 22, 2019 971,000 five year options were issued at an exercise price of \$0.22 to Officers, Directors and Consultants.
- On August 21, 2018, 1,076,000, five year options with an exercise price of \$0.20 expired unexercised.
- On June 15, 2018, 200,000, three year options with an exercise price of \$0.30 were issued to a consultant, vesting over 12 months. The options were valued at \$27,852, of which \$12,190 was recorded as share-based compensation in fiscal 2018, using the Black Scholes valuation methodology assuming a risk free interest rate of 1.10% per annum, an expected life of 3 years, volatility of 79.03%, and no expected dividend.
- On April 6, 2018, 200,000, three year options with an exercise price of \$0.22 were exercised.
- On March 15, 2018, 500,000, five year options with an exercise prices of \$0.32 were issued to consultants, the options were valued at \$120,075 using the Black Scholes valuation methodology assuming a risk free interest rate of 1.97% per annum, an expected life of 5 years, volatility of 100.28%, and no expected dividend.

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The following is a summary of the changes in the Company's stock options nine month period ended May 31, 2019 and for the year ended August 31, 2018:

	May 31, 2019		August 31, 2018	
	Number of Options Outstanding	Weighted average exercise price	Number of Options Outstanding	Weighted average exercise price
		\$		\$
Outstanding, beginning of year	3,495,000	0.32	4,071,000	0.28
Cancelled/Expired options	-	-	(1,076,000)	0.20
Exercised	-	-	(200,000)	0.22
Granted	971,000	0.22	700,000	0.31
Outstanding, end of period	4,466,000	0.30	3,495,000	0.32

The following table summarizes information regarding stock options outstanding and exercisable as at May 31, 2019:

Expiry Date	Exercise Price	May 31, 2019		August 31, 2018	
		Number of Options Outstanding	Exercise Price	Number of Options Outstanding	Exercise Price
October 26, 2022	\$ 0.20	19,800	\$ 0.20	19,800	
August 21, 2018	\$ 0.20	-	\$ 0.20	-	
July 11, 2019	\$ 0.20	255,200	\$ 0.20	255,200	
December 1, 2019	\$ 0.20	300,000	\$ 0.20	300,000	
January 5, 2020	\$ 0.20	1,125,000	\$ 0.20	1,125,000	
April 1, 2018	\$ 0.22	-	\$ 0.22	-	
July 7, 2020	\$ 0.20	100,000	\$ 0.20	100,000	
July 21, 2020	\$ 0.20	45,000	\$ 0.20	45,000	
November 12, 2020	\$ 0.50	40,000	\$ 0.50	40,000	
December 15, 2020	\$ 0.50	75,000	\$ 0.50	75,000	
February 9, 2021	\$ 0.53	100,000	\$ 0.53	100,000	
April 27, 2021	\$ 0.51	50,000	\$ 0.51	50,000	
August 8, 2021	\$ 0.62	255,000	\$ 0.62	255,000	
September 8, 2021	\$ 0.57	180,000	\$ 0.57	180,000	
October 28, 2019	\$ 0.57	200,000	\$ 0.57	200,000	
April 17, 2022	\$ 0.36	50,000	\$ 0.36	50,000	
March 15, 2023	\$ 0.32	500,000	\$ 0.32	500,000	
June 15, 2023	\$ 0.30	200,000	\$ 0.30	200,000	
January 22, 2024	\$ 0.22	971,000	-	-	
Outstanding and exercisable options	\$ 0.30	4,466,000	\$ 0.32	3,495,000	

F. ReservesWarrant reserve

The warrants reserve represents the fair value of warrants issued on their issue date until such time that they are exercised, at which time the corresponding amount will be transferred to share capital. If warrants expire unexercised, the amount recorded remains in the reserve.

During the nine months period ended May 31, 2019, NIL (August 31, 2018 - 2,970,501) warrants were exercised,

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50,000 (August 31, 2018 – 10,808,491) warrants expired unexercised, 50,000 (August 31, 2018 – 50,000) warrants were issued in accordance with the Silver Cliff Agreement (Note 5B) with an exercise price \$0.25 for a period of three years from the date of grant were issued. The 50,000 warrants were valued at \$6,108 (Note 8Da) and 73,500 finders warrants valued at \$7,976 were issued related to the Non Brokered Private Placement (Note 8Da).

Option reserve

The options reserve records the fair value of items recognized as share-based payment expense on their issuance date until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If options expire unexercised, the amount recorded remains in the reserve.

During the nine months period ended, May 31, 2019, no options (year ended August 31, 2018 - 200,000) were exercised, no (year ended August 31, 2018 – 1,076,000) options expired unexercised and 971,000 (year ended August 31, 2017 - 700,000) options were granted.

9. Supplemental Cash Flow Information

Included in trade payables and accrued liabilities at May 31, 2019 \$81,891 (August 31, 2018 - \$111,106) incurred on exploration and evaluation expenditures.

During nine months period ended May 31, 2019, the Company issued common shares for exploration and evaluation properties valued at \$21,250 (August 31, 2018 - \$22,125). The Company also issued 50,000 warrants (2018 – 50,000) for exploration and evaluation assets valued at \$6,108 (2018 - \$8,934).

No options or warrants were exercised during nine months period ended May 31, 2019 and 2018.

10. Commitments and Contingency

The Company is committed to making cash payments, incurring exploration expenditures and/or issuing common shares pursuant to its exploration and evaluation property agreements (Note 5).

The Company made agreements with two service providers to provide various services to the Company and received invoices for those services. Upon examination of the invoices provided the Company determined that some of the services described in the invoices had not been delivered to the Company. The Company has written off \$104,000 in fees from these two service providers. It is management's position that the services that were provided have been paid for and the Company will not pay for those services that were not provided. There is no assurance that a formal claim will not be made against the Company for some or all of the services by either these service providers in the future.

11. Financial Risk Management

(a) Overview

The Company has exposure to credit risk, liquidity risk, foreign currency risk, and market risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through investing its cash with high-credit quality financial institutions.

The carrying value of the Company's financial instruments represent the maximum exposure to credit risk.

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(c) 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 endeavors to ensure that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company's cash is currently invested in business and savings accounts with high-credit quality financial institutions which are available on demand by the Company for its programs. As at May 31, 2019, the Company had a cash balance of \$22,267, to settle current liabilities of \$634,173. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(e) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. However, the Company does not hold any interest-bearing debt. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash balances mature impact interest income earned.

(f) Foreign Currency Risk

As at May 31, 2019, the Company's expenditures are in Canadian dollars and US dollars, any future equity raised is expected to be predominantly in Canadian dollars. The Company's foreign currency risk relates to cash of US\$1,090 denominated in US dollars and accounts payable in US dollars of US\$217,074. As at May 31, 2019, assuming that all other variables remain constant, a 1% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately \$2,160 in the Company's pre-tax income or loss.

(g) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Company manages its capital structure through the issuance of new shares, acquisition or disposition of assets or adjustment of cash. The Company does not have any major capital expenditures committed for the coming year. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(h) Fair Value

The Company considers that the carrying amount of all its financial assets and financial liabilities in the condensed interim consolidated financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.

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- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

May 31, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash	22,267	-	-	22,267
Total	22,267	-	-	22,267

August 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Cash	24,989	-	-	24,989
Total	24,989	-	-	24,989

12. Segmented Information

The Company's only business activity is exploration and evaluation of exploration and evaluation properties. This activity is carried out in the USA.

The breakdown of geographic area for the nine months period ended May 31, 2019 and the year ended August 31, 2018 is as follows:

Period ended May 31, 2019	Canada	USA	Total
	\$	\$	\$
Net loss	718,631	-	718,631
Current assets	58,762	-	58,762
Reclamation bond	-	24,180	24,180
Exploration and evaluation properties	-	3,135,657	3,135,657
Total assets	58,762	3,159,837	3,218,599
Year ended August 31, 2018	Canada	USA	Total
	\$	\$	\$
Net loss	1,340,896	-	1,340,896
Current assets	56,492	-	56,492
Reclamation bond	-	24,180	24,180
Exploration and evaluation properties	-	2,738,445	2,738,445
Total assets	56,492	2,762,625	2,819,117

13. Events Occurring after the Reporting Date

The Company made the payments under its property agreements (note 5) to keep the properties in good standing.