



**CONSOLIDATED FINANCIAL STATEMENTS**

**(Expressed in Canadian Dollars)**

**FOR THE THREE AND NINE MONTH PERIOD ENDED SEPTEMBER 30, 2019 AND 2018**

**SOUTH STAR MINING CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

AS AT	September 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 456,088	\$ 1,275,577
Receivables	3,717	7,951
Prepaid expenses	<u>19,344</u>	<u>212,973</u>
	479,149	1,496,501
<b>Equipment</b> (Note 4)	6,018	7,897
<b>Exploration and evaluation assets</b> (Note 4)	<u>5,735,914</u>	<u>5,735,914</u>
	<u>\$ 6,221,081</u>	<u>\$ 7,240,312</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	<u>\$ 122,164</u>	<u>\$ 61,343</u>
<b>Shareholders' equity</b>		
Share capital (Note 5)	23,750,825	23,358,715
Reserves	3,196,550	3,187,793
Accumulated other comprehensive loss	49,893	(30,950)
Deficit	<u>(20,898,351)</u>	<u>(19,336,589)</u>
	<u>6,098,917</u>	<u>7,178,969</u>
	<u>\$ 6,221,081</u>	<u>\$ 7,240,312</u>

**Nature and continuance of operations** (Note 1)

Approved and authorized by the Board on November 28, 2019:

<u>"David McMillan"</u>	Director	<u>"Richard Pearce"</u>	Director
David McMillan		Richard Pearce	

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

**SOUTH STAR MINING CORP.****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
<b>GENERAL EXPENSES</b>				
Business development (Note 9)	\$ 30,342	229,554	\$ 388,578	\$ 356,883
Consulting and management fees	80,000	139,500	284,000	163,500
Depreciation	-	453	-	453
Exploration and evaluation expenditures	469,879	60,775	788,732	60,775
Foreign exchange	(3,678)	6,414	637	6,414
Office and miscellaneous	4,942	37,828	16,010	43,834
Professional fees	2,546	100,645	20,617	155,755
Property investigation	-	-	-	47,436
Share-based payments (Note 5)	-	709,299	6,967	709,299
Transfer agent and filing fees	1,484	50,335	40,602	106,135
Travel	-	-	15,619	35,322
	(585,515)	(1,404,803)	(1,561,762)	(1,685,806)
<b>OTHER</b>				
Interest	-	-	-	3,974
Gain on write-off of accounts payable	-	-	-	2,000
<b>Loss for the period</b>	(585,515)	(1,404,803)	(1,561,762)	(1,679,832)
<b>Items that may be reclassified to net loss</b>				
<b>Other comprehensive loss</b>				
Cumulative translation adjustment	3,820	(33,008)	80,843	(33,008)
<b>Loss and comprehensive loss for the period</b>	\$ (581,695)	(1,437,811)	\$ (1,480,919)	\$ (1,712,840)
<b>Basic and diluted loss per share</b>	\$ (0.01)	(0.05)	\$ (0.04)	\$ (0.07)
<b>Weighted average number of common shares outstanding</b>	42,905,430	28,566,483	42,030,155	24,628,524

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

**SOUTH STAR MINING CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED	September 30, 2019	September 30, 2018
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (1,561,762)	\$ (1,679,832)
Items not affecting cash:		
Share-based payments	6,967	709,299
Gain on write-off of accounts payable	-	2,000
Depreciation included in exploration and evaluation expenditures	1,879	453
Unrealized foreign exchange	-	(33,008)
Changes in non-cash working capital items:		
Receivables	4,234	(8,018)
Prepaid expenses	193,629	(269,739)
Accounts payable and accrued liabilities	<u>60,821</u>	<u>116,283</u>
Net cash used in operating activities	<u>(1,294,232)</u>	<u>(1,162,562)</u>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Acquisition of Brasil Graphite Corp (Note 4)	<u>-</u>	<u>(1,494,534)</u>
Net cash used in investing activities	<u>-</u>	<u>(1,429,534)</u>
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds on issuance of common shares	405,000	4,943,099
Share issuance costs	<u>(11,100)</u>	<u>(500,343)</u>
Net cash provided by financing activities	<u>393,900</u>	<u>4,442,756</u>
<b>Change in cash during the period</b>	(900,332)	1,785,160
<b>Effects of foreign exchange on cash</b>	80,843	-
<b>Cash, beginning of period</b>	<u>1,275,577</u>	<u>165,015</u>
<b>Cash, end of period</b>	<u>\$ 456,088</u>	<u>\$ 1,950,175</u>
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

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

**SOUTH STAR MINING CORP.**
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	Share capital		Reserves	Accumulated other comprehensive loss	Deficit	Total
	Number	Amount				
<b>Balance at December 31, 2017</b>	16,621,342	\$ 14,690,531	\$ 2,273,761	\$ -	\$ (16,836,848)	\$ 127,444
Common shares issued for:						
Private placement	10,984,636	4,943,099	-	-	-	4,943,099
Acquisition of Brasil Graphite Corp. (Note 4)	9,444,903	4,250,206	-	-	-	4,250,206
Share issuance costs, cash	-	(500,843)	-	-	-	(500,843)
Share issuance costs, agent warrants	-	(204,733)	204,733	-	-	-
Share-based payments	-	-	709,299	-	-	709,299
Cumulative translation adjustment	-	-	-	(33,008)	-	(33,008)
Loss for the period	-	-	-	-	(1,679,832)	(1,679,832)
<b>Balance at September 30, 2018</b>	37,050,881	23,178,260	3,187,793	(33,008)	(18,516,680)	7,816,365
Common shares issued for:						
Exercise of warrants	1,804,549	180,455	-	-	-	180,455
Cumulative translation adjustment	-	-	-	2,058	-	2,058
Loss for the period	-	-	-	-	(819,909)	(819,909)
<b>Balance at December 31, 2018</b>	38,855,430	23,358,715	3,187,793	(30,950)	(19,336,589)	7,178,969
Common shares issued for:						
Private placement	4,050,000	405,000	-	-	-	405,000
Share-based payments	-	-	6,967	-	-	6,967
Share issuance costs, cash	-	(11,100)	-	-	-	(11,100)
Share issuance costs, agent warrants	-	(1,790)	1,790	-	-	-
Cumulative translation adjustment	-	-	-	80,843	-	80,843
Loss for the period	-	-	-	-	(1,561,762)	(1,561,762)
<b>Balance at September 30, 2019</b>	42,905,430	\$ 23,750,825	\$ 3,196,550	\$ 49,893	\$ (20,898,351)	\$ 6,098,917

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

## **SOUTH STAR MINING CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2019

(Expressed in Canadian Dollars)

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

South Star Mining Corp. (the “Company”, or “STS”) was incorporated in British Columbia. The Company is listed on the TSX Venture Exchange (the “Exchange”) in Canada and the OTC Bulletin Board in the United States.

The head office and records are located at 1200 - 750 West Pender Street, Vancouver, BC, V6C 2T8.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Brazil (Note 4).

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception, has a working capital of \$356,985 (2018 - \$1,435,158) and had an accumulated deficit of \$20,898,351 as at September 30, 2019 which has been funded primarily by the issuance of shares. There is a material uncertainty related to these conditions that casts significant doubt about the Company’s ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares, but there is no assurance that it will be able to continue to do so in the future.

#### **2. BASIS OF PREPARATION**

##### **Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These consolidated financial statements are compliant with IAS 34 and do not include all of the information required for full annual financial statements.

These consolidated financial statements should be read in conjunction with the company’s annual consolidated financial statements for the year ended December 31, 2018 and are prepared consistent with the accounting policies, except where noted below.

#### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **New standards adopted**

##### *IFRS 16 – Leases*

The Company adopted IFRS 16 - Leases (“IFRS 16”) on January 1, 2019. The objective of the new standard is to eliminate the classification of leases as either operating or financing leases for a lessee and report all leases on the statement of financial position. The only exemption to this will be for leases that are one year or less in duration or for leases of assets with low values. Under IFRS 16 a lessee is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligations to make lease payments. IFRS 16 also changes the nature of expenses relating to leases, as lease expenses previously recognized for operating leases are replaced with depreciation expense on capitalized right-of-use assets and finance or interest expense for the corresponding lease liabilities associated with the capitalized right-of-use leased assets.

## **SOUTH STAR MINING CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2019

(Expressed in Canadian Dollars)

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

#### **New standards adopted (cont'd...)**

##### *IFRS 16 – Leases (cont'd...)*

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. As the Company has no leases, no lease liability or right to use assets were measured at January 1, 2019. The Company's accounting for finance leases remained substantially unchanged.

The following leases accounting policies have been applied as of January 1, 2019 on adoption of IFRS 16. For comparative periods prior to 2019, we applied leases policies in accordance with IAS 17, Leases and IFRS 4, Determining Whether an Arrangement Contains a Lease.

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, we allocate the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, we recognize a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

As part of the initial application of IFRS 16, we have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

## **SOUTH STAR MINING CORP.**

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

#### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

##### **New standards adopted (cont'd...)**

##### *IFRS 16 – Leases (cont'd...)*

We adopted IFRS 16 as at January 1, 2019 in accordance with the transitional provisions outlined in the standard, using a cumulative catch-up approach where we have recorded leases from that date forward and have not restated comparative information.

#### **4. ACQUISITION OF BRASIL GRAPHITE CORP.**

On October 19, 2017, the Company entered into a definitive agreement with Frontera Minerals Inc., Brasil Graphite Corp (“BGC”) and Brasil Graphite S.A. (“BGSA”) to acquire 100% of the issued and outstanding shares of BGC and its wholly-owned subsidiary, BGSA. As consideration for the shares of BGC, the Company issued 9,444,903 units at a value of \$0.45 per unit for a total fair value of \$4,250,206. Each unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.75 for two years. In addition, the Company paid an acquisition cost of US\$850,000 (\$1,126,165) to BGC shareholders, \$68,369 in transaction costs and a finder fee of \$300,000.

On June 15, 2018, the Company completed the transaction. The total cost of the acquisition was \$5,744,740. The purpose of the transaction was to acquire the Santa Cruz property in Bahia, Brazil.

The transaction has been accounted for as an asset acquisition of exploration and evaluation assets and related assets as the net assets acquired did not represent a separate business.

The total purchase price of \$5,744,740 was allocated to the net assets of BGC as follows:

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##### Assets acquired:

Equipment	\$ 8,826
Exploration and evaluation assets	<u>5,735,914</u>
<b>Purchase price</b>	<b>\$ 5,744,740</b>

Upon completion of the acquisition on June 15, 2018, two directors of Frontera Minerals Inc. (“Frontera”), one of which is the CEO and director of BGC and the other COO and Director of BGC, became directors of the Company.

## SOUTH STAR MINING CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

#### 5. SHARE CAPITAL AND RESERVES

##### Authorized share capital

As at September 30, 2019, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

##### Private placements

During the nine month period ended September 30, 2019, the Company completed a non-brokered private placement by issuing 4,050,000 units at a price of \$0.10 per unit for gross proceeds of \$405,000. Each unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.15 for two years. The Company issued 49,000 agent warrants valued at \$1,790 using the Black-Scholes pricing model with an expected life of 2 years, volatility of 100%, and a discount rate of 1.77%. Each agent warrant entitles the holder to purchase a whole unit with the same terms as above, at a price of \$0.15. The Company also paid \$11,100 as finder and professional fees related to the transaction.

During the year ended December 31, 2018, the Company completed brokered and non-brokered private placements by issuing 10,984,664 units at a price of \$0.45 per unit for gross proceeds of \$4,943,099. Each unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.75 for two years. The Company issued 698,433 agent warrants valued at \$204,733 using the Black-Scholes pricing model with an expected life of 2 years, volatility of 100%, and a discount rate of 1.88%. Each agent warrant entitles the holder to purchase a whole unit with the same terms as above, at a price of \$0.45. The Company also paid \$500,843 as finder and professional fees related to the transaction.

##### Stock options and share purchase warrants

Stock option and share purchase transactions are summarized as follows:

	Stock options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2017	1,600,000	\$ 0.30	8,500,000	\$ 0.10
Granted/issued	2,100,000	0.45	21,128,000	0.74
Exercised	-	-	(1,804,549)	0.10
Expired	-	-	<u>(6,695,451)</u>	0.10
Outstanding, December 31, 2018	3,700,000	\$ 0.39	21,128,000	\$ 0.74
Granted/issued	<u>90,000</u>	0.15	<u>4,099,000</u>	0.15
Outstanding, September 30, 2019	3,790,000	\$ 0.38	25,227,000	\$ 0.64
Number currently exercisable	3,790,000	\$ 0.38	25,227,000	\$ 0.64

**SOUTH STAR MINING CORP.**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

**5. SHARE CAPITAL AND RESERVES (cont'd...)****Stock options and share purchase warrants outstanding**

The following incentive stock options and share purchase warrants were outstanding at September 30, 2019:

Number	Exercise price	Expiry date
<b>Stock Options</b>		
1,600,000	\$ 0.30	May 30, 2022
2,100,000	\$ 0.45	July 30, 2023
90,000	\$ 0.15	Jun 17, 2024
3,790,000	\$ 0.38	
<b>Share purchase warrants</b>		
698,433	\$ 0.45	May 15, 2020
20,429,567	\$ 0.75	June 15, 2020
4,099,000	\$ 0.15	February 28, 2021
25,227,000	\$ 0.64	

**Share-based payments**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The vesting determined by the board of directors.

During the period ended September 30, 2019, the Company granted 90,000 (2018 - Nil) five-year options to purchase shares of the Company at a price of \$0.15 per share.

The following weighted average assumptions were used for the valuation of stock options:

	September 30, 2019	December 31, 2018
Risk-free interest rate	1.4%	2.19%
Expected life of options	5 years	5 years
Annualized volatility	100%	100%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

## **SOUTH STAR MINING CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2019

(Expressed in Canadian Dollars)

#### **6. RELATED PARTY TRANSACTIONS**

Key management personnel consist of the officers of the Company and the Company's Board of Directors. During the nine month period ended September 30, 2019, the Company:

- a) Paid or accrued management and consulting fees of \$98,000 (2018 - \$45,000) to the former CEO of the Company;
- b) Paid or accrued management and consulting fees of \$Nil (2018 - \$22,500) to a company controlled by the Chairman of the Board of the Company;
- c) Paid or accrued management and consulting fees of \$36,000 (2018 - \$36,000) to a company partially owned by the CFO of the Company;
- d) Paid or accrued management and consulting fees of \$115,556 (2018 - \$22,500) to the CEO of the Company from Frontera (Note 4). These are included in exploration and evaluation expenditures;
- e) Paid or accrued management and consulting fees of \$62,108 (2018 - \$22,500) to a director of the Company from Frontera (Note 4). These are included in exploration and evaluation expenditures; and
- f) Paid or accrued management and consulting fees of \$135,000 (2018 - \$45,000) to Frontera.

Included in accounts payable and accrued liabilities at September 30, 2019 is \$48,690 (December 31, 2018 - \$15,000) due to both current and former officers, directors or companies with a director in common for cash advances, unpaid consulting fees and unpaid expenses.

During the period ended September 30, 2019, the CEO of the Company was granted 90,000 (2018 - Nil) five-year options to purchase shares of the Company at a price of \$0.15 per share, valued at \$6,967.

#### **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As at September 30, 2019, the carrying value and fair values of the Company's financial instruments, with comparative figures for 2018 are shown in the table below:

	<b>September 30, 2019</b>		<b>December 31, 2018</b>	
	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>
<b>Financial assets</b>				
Cash	\$ 456,088	\$ 456,088	\$1,275,577	\$1,275,577
<b>Financial liabilities</b>				
Accounts payable	\$ 122,164	\$ 122,164	\$ 61,343	\$ 61,343

#### **Financial risk factors**

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

## **SOUTH STAR MINING CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2019

(Expressed in Canadian Dollars)

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#### **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

##### **Financial risk factors (cont'd...)**

###### *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 and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

###### *Liquidity risk*

The Company's approach to managing liquidity risk is to try and have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had a cash balance of \$456,088 (December 31, 2018 - \$1,275,577) to settle current liabilities of \$122,164 (December 31, 2018 - \$61,343). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

###### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

###### *Interest rate risk*

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at December 31, 2018, the Company did not have any investments in investment-grade short-term deposit certificates.

###### *Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

#### **8. CAPITAL MANAGEMENT**

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its mineral property interests. Capital is comprised of the Company's shareholders' deficiency. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities.

The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

**SOUTH STAR MINING CORP.**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

(Expressed in Canadian Dollars)

**9. BUSINESS DEVELOPMENT**

For the nine months ended:	September 30, 2019	September 30, 2018
Investor relations	\$ 124,578	\$ 210,883
Financial advisory	157,500	74,000
Business development	<u>106,500</u>	<u>72,000</u>
	<u>\$ 388,578</u>	<u>\$ 356,883</u>