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# **Tintina Mines Limited**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2019**

**(Expressed in Canadian Dollars)**

**(UNAUDITED)**

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## **Notice to Reader**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and nine months ended September 30, 2019 have not been reviewed by the Company's auditors.

# Tintina Mines Limited

Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

	September 30, 2019	December 31, 2018
<b>Assets</b>		
Current assets		
Cash	\$ 10,009	\$ 25,743
Accounts receivable, prepaid expenses and other (note 3)	10,768	12,306
<b>Total current assets</b>	<b>20,777</b>	<b>38,049</b>
Non-current assets		
Security deposit (note 6(a))	100,000	100,000
Right-of-use asset (note 5)	1,024	-
Investments (note 4)	1	1
Exploration and evaluation assets (note 6)	3	3
<b>Total non-current assets</b>	<b>101,028</b>	<b>100,004</b>
<b>Total Assets</b>	<b>\$ 121,805</b>	<b>\$ 138,053</b>
<b>Liabilities and shareholders' deficiency</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 12)	\$ 36,994	\$ 40,422
Lease liability (note 7)	785	-
Grid promissory note (note 8)	12,071,485	11,971,485
<b>Total current liabilities</b>	<b>12,109,264</b>	<b>12,011,907</b>
Non-current liabilities		
Site restoration provision (note 9)	383,363	383,363
<b>Total liabilities</b>	<b>12,492,627</b>	<b>12,395,270</b>
<b>Shareholders' deficiency</b>		
Common shares (note 10)	9,866,559	9,866,559
Contributed surplus (note 11)	947,599	930,049
Deficit	(23,184,980)	(23,053,825)
<b>Total shareholders' deficiency</b>	<b>(12,370,822)</b>	<b>(12,257,217)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 121,805</b>	<b>\$ 138,053</b>

Nature of operations and going concern (note 1)  
Subsequent events (note 14)

Approved by the Board of Directors:

Director: Juan Enrique Rassmuss \_\_\_\_\_

Director: Carmelo Marrelli \_\_\_\_\_

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# Tintina Mines Limited

Condensed Interim Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<b>Expenses</b>				
Care and maintenance for the exploration and evaluation assets	\$ 3,487	\$ 621	\$ 4,920	\$ 1,349
Depreciation (note 5)	1,261	-	3,442	-
Compensation (note 12)	2,835	2,835	8,505	8,505
Legal and professional fees (note 12)	32,757	9,864	55,090	39,724
Rent (note 12)	4,569	4,372	8,151	13,219
Insurance	2,449	7,841	12,623	17,472
Listing and compliance costs	2,373	240	11,912	10,483
Accretion of lease liability (note 7)	64	-	324	-
Stock-based compensation (note 11)	2,569	-	17,550	-
General administration	7,775	169	8,638	227
<b>Net loss and comprehensive loss for the period</b>	\$ (60,139)	\$ (25,942)	\$ (131,155)	\$ (90,979)
<b>Basic and diluted loss per share</b>	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<b>Weighted average number of shares outstanding, basis and diluted</b>	25,557,277	25,557,277	25,557,277	25,557,277

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# Tintina Mines Limited

Condensed Interim Statements of Changes in Shareholders' Deficiency  
(Expressed in Canadian Dollars)  
(Unaudited)

	Common Shares		Contributed Surplus	Deficit	Total
	Number	Amount			
Balance, December 31, 2017	25,557,277	\$ 9,866,559	\$ 842,860	\$ (22,842,919)	\$ (12,133,500)
Net loss for the period	-	-	-	(90,979)	(90,979)
Balance, September 30, 2018	25,557,277	\$ 9,866,559	\$ 842,860	\$ (22,933,898)	\$ (12,224,479)
Balance, December 31, 2018	25,557,277	\$ 9,866,559	\$ 930,049	\$ (23,053,825)	\$ (12,257,217)
Stock-based compensation	-	-	17,550	-	-
Net loss for the period	-	-	-	(131,155)	(131,155)
Balance, September 30, 2019	25,557,277	\$ 9,866,559	\$ 947,599	\$ (23,184,980)	\$ (12,370,822)

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# Tintina Mines Limited

Condensed Interim Statements of Cash Flows  
(Expressed in Canadian Dollars)  
(Unaudited)

	Nine Months Ended September 30,	
	2019	2018
<b>Operating Activities</b>		
Net loss for the period	\$ (131,155)	\$ (90,979)
Depreciation	3,442	-
Stock-based compensation	17,550	-
Accretion of lease liability	324	-
Net change in non-cash working capital:		
Accounts receivable, prepaid expenses and other	1,538	(104,866)
Accounts payable and accrued liabilities	(3,428)	(17,379)
<b>Cash used in operating activities</b>	<b>(111,729)</b>	<b>(213,224)</b>
<b>Investing Activities</b>		
Proceeds from sale of exploration and evaluation assets	-	-
Payment of leases	(4,005)	-
<b>Cash used in investing activities</b>	<b>(4,005)</b>	<b>-</b>
<b>Financing Activities</b>		
Increase in promissory notes	100,000	200,000
<b>Cash provided by financing activities</b>	<b>100,000</b>	<b>200,000</b>
<b>Change in cash during the period</b>	<b>(15,734)</b>	<b>(13,224)</b>
<b>Cash, beginning of the period</b>	<b>25,743</b>	<b>58,610</b>
<b>Cash, end of the period</b>	<b>\$ 10,009</b>	<b>\$ 45,386</b>

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# Tintina Mines Limited

## Notes to Condensed Interim Financial Statements

September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Nature of operations and going concern

Tintina Mines Limited (the "Company", the "Corporation" or "Tintina") is engaged in the evaluation, acquisition and exploration of gold and base mineral properties in Canada, with the intent of developing and placing the properties into production, if commercially feasible. Tintina was incorporated on December 6, 1961 under the laws of Canada and its registered office is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Company is a development stage enterprise and currently has no significant revenue from operations. The Company has not yet determined whether the mining properties and claims it holds in its exploration portfolio contain resources that are economically recoverable. Future operations are dependent upon the existence of economically recoverable resources, the ability of the Company to obtain all necessary permits and to raise financing to complete the exploration and development and future profitable production or proceeds from the disposition of such properties. In addition, the Company's properties may be subject to significant financial risks, legal and political risks, commodity prices risks, and the ability of the Company to discover economically recoverable reserves and to bring such reserves into future profitable production.

On October 15, 2019, Tintina and NSR Resources Inc. ("NSR") entered into an agreement (the "Combination Agreement") setting out the terms of a transaction (the "Transaction") pursuant to which Tintina would acquire all of the outstanding common shares of NSR (the "NSR Shares") not already owned by Tintina by way of a three cornered amalgamation with a new subsidiary of Tintina ("Subco").

Under the terms of the Combination Agreement, all of the issued and outstanding NSR Shares (other than NSR Shares held by Tintina) will be exchanged on the basis of 0.729756389 common shares of Tintina (each whole share, a "Tintina Share") for each NSR Share (the "Exchange Ratio"). It is anticipated that approximately 19,578,000 Tintina Shares will be issued to the shareholders of NSR representing approximately 43% of the combined entity. Holders of options exercisable for 1,920,000 NSR Shares will be exchanged for options exercisable for Tintina Shares at the Exchange Ratio.

The amalgamation between NSR and Subco was completed on November 28, 2019, and pursuant to the completion of the Transaction, NSR will become a wholly-owned subsidiary of Tintina (note 14).

These unaudited condensed interim financial statements have been prepared on the basis that the Company is a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company currently does not intend to liquidate or cease trading. The Company has no source of operating cash flows. As at September 30, 2019, the Company had a working capital deficit of \$12,088,487 (September 30, 2017 - deficit of \$11,973,858) has incurred net losses of \$131,155 during the nine months ended September 30, 2019 and has yet to achieve profitable operations, thereby accumulating a deficit of \$23,184,980 (September 30, 2017 - \$23,053,825). These continuing losses cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the Company will need to raise additional capital through equity issuance or through its significant shareholder in order to continue funding its operating, exploration and evaluation activities or eventual development of its properties. The outcome of these matters cannot be predicted at this time.

To date, the Company has raised funds principally through borrowing funds from its current significant shareholder (the "Significant Shareholder") and formerly from his father. As of September 30, 2011 a loan agreement was signed that stated that he has agreed to advance to Tintina, in an amount and frequency agreed to between the Company and the significant shareholder from time to time, monies as are required to maintain the Company's ongoing activities. Therefore, in the foreseeable future the Company will likely remain dependent on the significant shareholder to raise funds to explore and develop its properties, and on the availability of project financing for the development of the Company's properties.

# Tintina Mines Limited

Notes to Condensed Interim Financial Statements  
September 30, 2019 and 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 1. Nature of operations and going concern (continued)

These unaudited condensed interim financial statements do not include any adjustments related to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2. Summary of significant accounting policies

### Statement of compliance and basis of measurement

These unaudited condensed interim financial statements of the Company have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These financial statements are condensed and do not include all of the information required for full annual financial statements. The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied in its most recent annual financial statements as at and for the year ended December 31, 2018. Results for the three and nine months ended September 30, 2019 are not necessarily indicative of future results. These unaudited condensed interim financial statements were reviewed by the audit committee and approved by the Board of Directors on November 29, 2019.

### New accounting standard adopted

#### Lease and right-of-use assets

The Company adopted IFRS 16 – Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019. The Company has determined that there is no change to the comparative periods required as a result of the adoption of this standard.

On initial application, for leases previously classified as operating leases under IAS 17, the Company has elected to record right-of-use assets based on the corresponding lease liability. As such, as at January 1, 2019, the Company recorded lease obligations of \$4,466 right-of-use assets of \$4,466 with no net impact on deficit (See Notes 5 and 7).

When measuring lease liabilities for those leases previously classified as operating leases under IAS 17, the Company discounted future lease payments using its incremental borrowing rate as at January 1, 2019. The weighted-average rate applied is 20%.

The Company has elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

# Tintina Mines Limited

Notes to Condensed Interim Financial Statements  
September 30, 2019 and 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 2. Summary of significant accounting policies (continued)

### New accounting standard adopted (continued)

#### Lease and right-of-use assets (continued)

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

## 3. Accounts receivable, prepaid expenses and other

Accounts receivable, prepaid expenses and other comprise the following:

	September 30, 2019	December 31, 2018
Prepaid expenses	\$ 6,545	\$ 10,491
Harmonized and goods and services tax receivable	4,223	1,815
	\$ 10,768	\$ 12,306

# Tintina Mines Limited

Notes to Condensed Interim Financial Statements  
September 30, 2019 and 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

## 4. Investments

The Company holds investments in Birch Mountain Resources Ltd. of 120,200 (September 30, 2017 - 120,200) common shares, which had no market value. In addition, Tintina holds, as an investment, 300,625 common shares (September 30, 2017 - 300,625) of NSR valued at \$1 (September 30, 2017 - \$1). The Company's controlling shareholder is also a significant shareholder of NSR. The investment in NSR was written down by \$15,031 in 2011 to \$1 as it was determined that the cost was not recoverable as a result of continuous significant financial difficulty of NSR coupled with its delisting from the TSX Venture Exchange.

## 5. Right-of-use asset

	Storage rent	Office lease	Total
Balance, January 1, 2019	\$ 2,916	\$ 1,550	\$ 4,466
Depreciation	(1,892)	(1,550)	(3,442)
Balance, September 30, 2019	\$ 1,024	\$ -	\$ 1,024

## 6. Exploration and evaluation assets

	September 30, 2019	December 31, 2018
Whitehorse Mining District, Yukon Territory - 22 claims (2017 - 22) (a)	\$ 1	\$ 1
Sudbury Mining District, Ontario (b)	1	1
Watson Lake Mining District, Yukon Territory - 11 claims (2017 -11) (c)	1	1
	\$ 3	\$ 3

The Company wrote down the value of its mining properties and claims for Whitehorse Mining District, Sudbury Mining District, and Watson Lake Mining District to \$1 each in 2001. The Company continues to hold title to these properties and may continue exploration activities in these areas in the future.

### (a) Whitehorse Mining District, Yukon Territory

The Red Mountain property originally consisted of 208 claims and has been the key focus of the Company's exploration activities during the period from 2011 to 2014. During 2011, the Company constructed an all-weather access road to the property in order to continue its exploration activities at the property. During 2012, the Company carried out exploratory drilling activities as well as commenced environmental assessment activities in order to advance the license application process for advanced underground exploration. During 2013, the Company continued with its environmental monitoring studies and data gathering activities. No other significant activities were undertaken. Of the 208 claims, 186 expired during the year ended December 31, 2016 and had been staked by a third party. The Company's petition to reinstate the expired claims by the mining registrar had been denied. The material claims with respect to the Company's deposit remained in good standing as at September 30, 2019 and will be renewed in normal course.

In addition, due to the loss of the claims, the mining land use permit for road access to the main claims of the project was no longer valid. The terms of the Company's permit required that if it no longer held the affected claims, the Company would be required to remediate the road they had built along with the existing camp, the old camp site, any trail or secondary roads, drill pads and any other disturbances.

# Tintina Mines Limited

Notes to Condensed Interim Financial Statements  
September 30, 2019 and 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 6. Exploration and evaluation assets (continued)

### (a) Whitehorse Mining District, Yukon Territory (continued)

On August 14, 2017, Tintina management submitted a letter to the Land Use Manager in the Yukon requesting an extension of the current Land Use Permit for the road within the third party claims in order to keep land access to the project.

On August 23, 2017, the Company received an official communication from the Land Use Manager office of the Energy, Mines and Resources department informing Tintina that the Land Use Permit has been amended to include the portion of the Red Mountain Road previously located on Tintina claims and currently within third party claims. Therefore, Tintina will maintain the road access to the Red Mountain Project and perform exploration activities using it.

During the year ended December 31, 2018, the Company made a security deposit of \$100,000 with the Yukon Department of Energy Mines and Resources for the completion of any remediation on the land in the future.

### (b) Sudbury Mining District, Ontario

This property consists of 500 acres of land held in fee simple, purchased in November 1978 in the Mining District of Sudbury West in the Township of May. Exador Resources Inc. holds a 10% net profit royalty from any future mineral production from the property.

### (c) Watson Lake Mining District, Yukon Territory

The Watson Lake property consists of 11 active claims. As a result of exploration work on the Watson Lake property, the Company received grants totaling \$116,240 during 1975 and 1976 from the Department of Indian and Northern Affairs (Government of Canada). Should gainful production commence as a result of the work carried out, then: (i) the grants will be repayable at a rate of not less than 10% per annum; (ii) the amount repayable will bear simple interest at approximately 2% above the average rate on long-term Government of Canada bonds; and (iii) interest will be accrued from the date the grants become repayable. To date, gainful production has not commenced and no obligation for principal or interest payments has been accrued in these unaudited condensed interim financial statements.

## 7. Lease liability

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<b>Balance, January 1, 2019</b>	<b>\$</b>	<b>4,466</b>
Accretion of lease liability		324
Lease payments		(4,005)
<b>Balance, September 30, 2019</b>	<b>\$</b>	<b>785</b>

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## 8. Grid Promissory notes

The Company has received \$12,071,485 (December 31, 2018 - \$11,971,485) in cash from its Significant Shareholder, covered by 44 promissory notes. As of September 30, 2011, the Company signed a loan agreement whereby these past, present and future advances will be covered under a grid promissory note ("the Grid Note"). These notes are unsecured, do not bear interest and are payable on demand. After demand is made, the Grid Note will bear interest at a rate of 3%.

# Tintina Mines Limited

Notes to Condensed Interim Financial Statements  
September 30, 2019 and 2018  
(Expressed in Canadian Dollars)  
(Unaudited)

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## 9. Site restoration provision

In connection with construction of the all-weather access road to the Red Mountain mine site during 2012, the Company has an obligation to return the site as close as possible to its pre-construction condition. These activities will include leaving the site clean following the project completion, removing hazardous materials and petroleum products from the site and re-contouring major cuts and side slopes, preventing long-term erosion/slumping and promoting successful revegetation of disturbed areas. This gives rise to a site restoration obligation when exploration and mining activities at the site are completed. The long-term site restoration provisions are based on current management plans, cost estimates and compliance with existing agreements.

Tintina's site restoration provision was calculated using a discount rate range of 1% - 3% assuming a risk-free discount rate of 2.75% - 4% and an inflation factor of 1.7%. The liability for restoration on an undiscounted basis before inflation is estimated to be approximately \$498,000. Management anticipates that such costs will be incurred between 2021 and 2066, depending upon the success of exploration activities undertaken. Accordingly, the provision was calculated based on management's best estimate of the weightings of the probable outcomes as of the end of the reporting period.

In view of the uncertainties concerning the cost estimates and the extent of decommissioning activities that will be required, the ultimate cost of the site restoration could differ materially from the estimated amounts provided. The estimate of the total liability for site restoration costs is subject to change based on amendments to laws and regulations and as new information concerning the Company's operations becomes available. Future changes, if any, to the estimated total liability as a result of amended requirements, laws, regulations and operating assumptions may be significant and would be recognized prospectively as a change in accounting estimate, when applicable.

The Company is not able to determine the impact, if any, of environmental laws and regulations that may be enacted in the future on its results of operations or financial position due to the uncertainty surrounding the ultimate form that such future laws and regulations may take.

## 10. Common shares

The Company is authorized to issue unlimited common shares without par value. During the nine months ended September 30, 2019 and 2018, the weighted average number of common shares outstanding was 25,557,277.

## 11. Share options

Under the Company's Share Option Plan (the "Plan") approved by the shareholders in 1994, the Company may grant to directors, officers and senior executives options to purchase common shares in the Company. The aggregate number of shares reserved for issuance under the Plan shall not exceed 2,500,000 common shares. The total number of shares which may be reserved for issuance to any one individual under the Plan shall not exceed 5% of the total number of issued and outstanding shares (on a non-diluted basis). Options granted, which are immediately vested, have a five-year term and are priced at the TSX Venture Exchange's closing price of the Company's common shares on the day immediately prior to the date the options were granted.

A summary of the share option activity during the years are presented below:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2017, March 31, 2018 and September 30, 2017	-	\$ -
Granted	2,500,000	0.06
Balance, December 31, 2018 and September 30, 2019	2,500,000	\$ 0.06

# Tintina Mines Limited

## Notes to Condensed Interim Financial Statements

September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

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### 11. Share options (continued)

On November 29, 2018, the Company granted 2,500,000 stock options to officers, directors and consultants of the Company at an exercise price of \$0.06 per share expiring on November 29, 2023. The fair value of the stock options was estimated to be \$110,755 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 143%; risk-free interest rates of 2.23%; and expected life of 5 years. 1,600,000 of these options vested immediately upon grant. 500,000 of these options vest as to one third (1/3) of the options on the date of grant, one third (1/3) of the options on June 1, 2019 and one third (1/3) of the options on June 1, 2020. 200,000 of these options vest as to one third (1/3) of the options on the date of grant, one third (1/3) of the options on July 31, 2019 and one third (1/3) of the options on July 31, 2020. 200,000 of these options vest as to one third (1/3) of the options on the date of grant, one third (1/3) of the options on May 11, 2019 and one third (1/3) of the options on May 11, 2020. During the three and nine months ended September 30, 2019, \$2,569 and \$17,550, respectively (three and nine months ended September 30, 2018 - \$nil) was recorded as stock-based compensation in the unaudited condensed interim statements of loss and comprehensive loss.

### 12. Related party transactions and balances

#### Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President, Vice-president, and Secretary-Treasurer and members of the Company's Board of Directors.

Compensation awarded to key management personnel is as follows:

During the three and nine months ended September 30, 2019, Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. ("DSA"), together known as the "Marrelli Group" were paid \$10,767 and \$31,428, respectively (three and nine months ended September 30, 2018 - \$3,471 and \$28,643, respectively), for the following services:

- Mr. Jing Peng, senior employee of Marrelli Support, to act as CFO of the Company. Mr. Carmelo Marrelli is a director of the Company as well as the President of Marrelli Support and also controls DSA;
- Bookkeeping and office support services;
- Regulatory filing services;
- Corporate secretarial services; and
- Director fees.

The Marrelli Group is also reimbursed for out of pocket expenses. As of September 30, 2019, the Marrelli Group was owed \$1,704 (December 31, 2018 - \$2,236). These amounts were included in accounts payable and accrued liabilities.

The Significant Shareholder also holds a Grid Promissory Note totaling \$12,071,485 (note 8) as at September 30, 2019 (December 31, 2018 - \$11,971,485). The Significant Shareholder has indicated he will not seek payment of this amount in 2019.

During the three and nine months ended September 30, 2019, the Company recorded stock-based compensation of \$2,056 and \$13,653, respectively (three and nine months ended September 30, 2018 - \$nil) for stock options granted to management.

### 13. Segment reporting

The Company operates in one operating segment in the evaluation, acquisition and exploration of gold and base mineral properties in Canada.

# Tintina Mines Limited

## Notes to Condensed Interim Financial Statements

September 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

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### 14. Subsequent events

(i) Subsequent to September 30, 2019, 566,667 stock options were exercised for proceeds \$34,000 at a price of \$0.06 per share.

(ii) On October 15, 2019, Tintina and NSR entered into the Combination Agreement setting out the terms of the Transaction pursuant to which Tintina would acquire all of the outstanding common shares of NSR not already owned by Tintina by way of a three cornered amalgamation with a new subsidiary of Tintina. See note 1 for terms of the Combination Agreement.

The amalgamation between NSR and Subco was completed on November 28, 2019, and pursuant to the completion of the Transaction, NSR will become a wholly-owned subsidiary of Tintina.