

Tintina Mines Limited

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Tintina Mines Limited:

Opinion

We have audited the consolidated financial statements of Tintina Mines Limited and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that at December 31, 2019, the Company had a working capital balance of \$467,454, incurred a net loss of \$525,146 during the year ended December 31, 2019 and has yet to achieve profitable operations, thereby accumulating a deficit of \$23,578,971. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

Mississauga, Ontario

April 30, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Tintina Mines Limited

Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash	\$ 562,008	\$ 25,743
Accounts receivable, prepaid expenses and other (note 3)	38,506	12,306
Total current assets	600,514	38,049
Non-current assets		
Security deposit (note 8(a))	100,000	100,000
Right-of-use asset (note 7)	393	-
Investments (note 4)	-	1
Exploration and evaluation assets (note 8)	5	3
Total non-current assets	100,398	100,004
Total Assets	\$ 700,912	\$ 138,053
Liabilities and shareholders' deficiency		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	\$ 133,059	\$ 40,422
Lease liability (note 9)	1	-
Grid promissory note (note 10)	-	11,971,485
Total current liabilities	133,060	12,011,907
Non-current liabilities		
Grid promissory note (note 10)	12,071,485	-
Site restoration provision (note 11)	554,835	383,363
Total liabilities	12,759,380	12,395,270
Shareholders' deficiency		
Common shares (note 12)	10,559,453	9,866,559
Contributed surplus (note 13)	961,050	930,049
Deficit	(23,578,971)	(23,053,825)
Total shareholders' deficiency	(12,058,468)	(12,257,217)
Total liabilities and shareholders' deficiency	\$ 700,912	\$ 138,053

Nature of operations and going concern (note 1)
Subsequent events (note 18)

Approved by the Board of Directors:

Director: Juan Enrique Rassmuss _____

Director: Carmelo Marrelli _____

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

Tintina Mines Limited

Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars)

	Years Ended December 31,	
	2019	2018
Expenses		
Care and maintenance for the exploration and evaluation assets	\$ 218,222	\$ 3,659
Depreciation (note 7)	4,073	-
Compensation (note 14)	15,885	11,340
Legal and professional fees (note 14)	158,371	49,804
Rent (note 14)	15,271	19,850
Insurance	21,313	23,509
Listing and compliance costs	24,370	14,641
Accretion (notes 9 & 11)	9,384	-
Stock-based compensation (note 13)	19,743	87,189
General administration	38,514	914
Net loss and comprehensive loss for the year	\$ (525,146)	\$ (210,906)
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding, basis and diluted	27,450,460	25,557,277

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

Tintina Mines Limited

Consolidated Statements of Changes in Shareholders' Deficiency (Expressed in Canadian Dollars)

	Common Shares		Contributed	Deficit	Total
	Number	Amount	Surplus		
Balance, December 31, 2017	25,557,277	\$ 9,866,559	\$ 842,860	\$(22,842,919)	\$(12,133,500)
Stock-based compensation	-	-	87,189	-	87,189
Net loss for the year	-	-	-	(210,906)	(210,906)
Balance, December 31, 2018	25,557,277	\$ 9,866,559	\$ 930,049	\$(23,053,825)	\$(12,257,217)
Balance, December 31, 2018	25,557,277	\$ 9,866,559	\$ 930,049	\$(23,053,825)	\$(12,257,217)
Stock options exercised	566,667	58,857	(24,857)	-	34,000
Common shares issued pursuant to the acquisition	20,000,371	634,037	-	-	634,037
Options issued pursuant to the acquisition	-	-	36,115	-	36,115
Stock-based compensation	-	-	19,743	-	19,743
Net loss for the year	-	-	-	(525,146)	(525,146)
Balance, December 31, 2019	46,124,315	\$ 10,559,453	\$ 961,050	\$(23,578,971)	\$(12,058,468)

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

Tintina Mines Limited

Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

	Years Ended December 31,	
	2019	2018
Operating Activities		
Net loss for the year	\$ (525,146)	\$ (210,906)
Depreciation	4,073	-
Stock-based compensation	19,743	87,189
Accretion	9,384	-
Site restoration provision	162,439	-
Net change in non-cash working capital:		
Accounts receivable, prepaid expenses and other	(1,543)	338
Accounts payable and accrued liabilities	63,970	(9,488)
Security deposit	-	(100,000)
Cash used in operating activities	(267,080)	(232,867)
Investing Activities		
Cash acquired from the acquisition	674,161	-
Payment of leases	(4,816)	-
Cash used in investing activities	669,345	-
Financing Activities		
Increase in promissory notes	100,000	200,000
Options exercised	34,000	-
Cash provided by financing activities	134,000	200,000
Change in cash during the period	536,265	(32,867)
Cash, beginning of the year	25,743	58,610
Cash, end of the year	\$ 562,008	\$ 25,743

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

Tintina Mines Limited

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

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"). Upon closing, 20,000,371 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 Options will be exchanged for 1,401,132 Tintina 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 became a wholly-owned subsidiary of Tintina (note 18).

These consolidated 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 December 31, 2019, the Company had a working capital balance of \$467,454 (2018 - deficit of \$11,973,858) has incurred net losses of \$525,146 during the year ended December 31, 2019 (2018 - \$210,906) and has yet to achieve profitable operations, thereby accumulating a deficit of \$23,578,971 (2018 - \$23,053,825). These material uncertainties may 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 Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

1. Nature of operations and going concern (continued)

These consolidated 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

a) Statement of compliance and basis of measurement

These consolidated financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were prepared on a going concern basis under the historical cost convention and these consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 28, 2020.

b) Functional Currency

The Company's presentation and functional currency is the Canadian Dollar.

c) Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. It also requires management to exercise judgment in the process of applying the Company's accounting policies. These areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements include the site restoration provision (note 11). Actual results could differ from those estimates.

d) Evaluation and exploration

Evaluation and exploration ("E&E") expenditures generally include the direct costs of licenses, technical services and studies, environmental studies, seismic studies, exploration drilling and testing, and directly attributable overhead and administrative expenses including remuneration of operating personnel and supervisory management. These costs do not include general prospecting or valuation costs incurred prior to having obtained the rights to explore an area, which are expensed as incurred.

E&E expenditures are deferred if it is probable that these costs will be recovered from future operations otherwise they are recorded as an expense in the period in which they are incurred.

E&E expenditures are capitalized and carried forward when technical feasibility and commercial viability of extracting the resource is established.

e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term investments with maturities of less than three months at the date of acquisition. As at December 31, 2019 and 2018, the Company did not hold any cash equivalents.

Tintina Mines Limited

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

f) Financial instruments

The Company adopted IFRS 9 in its financial statements on January 1, 2018.

IFRS 9 - Financial Instruments ("IFRS 9") includes guidance on the classification, recognition and measurement, impairment, derecognition and general hedge accounting of financial assets and liabilities.

Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, FVTPL, or fair value through other comprehensive income ("FVTOCI") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial liabilities are classified in the following measurement categories: FVTPL, or amortized cost.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Financial assets

All financial assets are recognized initially at fair value plus, in the case of investments not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Where fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's cash and cash equivalents are classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

The Company's accounts receivable, excluding HST, are classified as financial assets measured at amortized cost.

Tintina Mines Limited

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company's credit risk.

Impairment of financial assets

The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The Company's only financial assets subject to impairment are amounts received which are measured at amortized costs. The Company has elected to apply the simplified approach on impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factors

Financial liabilities

Non-derivative financial liabilities are measured at amortized costs, unless they are required to be measured at FVTPL as it is in the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities, lease liability, and grid promissory note are classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they do not fall into amortized cost detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Tintina Mines Limited

Notes to Consolidated Financial Statements
December 31, 2019 and 2018
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statement of loss and comprehensive loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated statement of loss and comprehensive loss.

g) Impairment of non-financial assets

The Company assesses the carrying amount of non-financial assets including office and exploration equipment at each reporting date to determine whether there is any indication of impairment. Internal factors, such as budgets and forecasts, as well as external factors, such as expected future prices, costs and other market factors are also monitored to determine if indications of impairment exist. Impairment is assessed at the individual asset or cash-generating unit ("CGU") level. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or group of assets.

An impairment loss is the amount equal to the excess of the carrying amount over the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

If after the Company has previously recognized an impairment loss, circumstances indicate that the fair value of the impaired assets is greater than the carrying amount, the Company reverses the impairment loss by the amount the revised fair value exceeds its carrying amount, to a maximum of the previous impairment loss. In no case shall the revised carrying amount exceed the original carrying amount after depreciation, that would have been determined if no impairment loss had been recognized. An impairment loss or a reversal of an impairment loss is recognized in the statements of loss and comprehensive loss.

h) Site restoration obligation

Site restoration obligations arise when environmental disturbance is caused by the exploration or development of a mineral property interest. Site rehabilitation obligations are recognized when a legal or constructive obligation arises. The liability is recognized at the present value of management's best estimate of the site restoration obligation and is discounted to its present value. A corresponding amount is also recognized as part of the cost of the related asset; however, to the extent that the site restoration obligation was created due to exploration activities, the amount capitalized is reduced immediately by a charge to exploration expense for the same amount. The obligation is progressively increased as the effect of discounting unwinds creating an expense recognized in the statements of loss and comprehensive loss.

i) Provisions

A provision is recognized when there is a present legal or constructive obligation, as a result of a past event, which is likely to result in an outflow of economic benefits and where a reliable estimate of the amount of the obligation can be made. If the effect is material, a provision is determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects the risks specific to the liability where appropriate.

Tintina Mines Limited

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

j) Share-based compensation

The Company has a share option plan that allows the Company's employees, directors and consultants to acquire shares in the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in contributed surplus. The fair value of option grants to executives who are primarily dedicated to the exploration and evaluation of mining properties is expensed with a corresponding increase in contributed surplus. The fair value of options is measured using the Black-Scholes option pricing model and estimated forfeitures as at the grant date and is recognized over the vesting period. At the end of each reporting period, the compensation expense is adjusted to reflect any changes to the Company's estimate of the number of awards that are expected to vest. Upon exercise of a share option, the consideration received is credited to share capital along with the amounts previously recognized in contributed surplus.

k) Loss per common share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

The weighted average number of common shares outstanding during the year ended December 31, 2019 was 27,450,460 (2018 - 25,557,277).

l) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

m) 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.

Tintina Mines Limited

Notes to Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

m) New accounting standard adopted (continued)

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 7 and 9).

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.

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.

Tintina Mines Limited

Notes to Consolidated Financial Statements
December 31, 2019 and 2018
(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

New accounting standard adopted (continued)

Business Combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. When provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period may not exceed one year from the acquisition date.

3. Accounts receivable, prepaid expenses and other

Accounts receivable, prepaid expenses and other comprise the following:

	December 31, 2019	December 31, 2018
Prepaid expenses	\$ 19,861	\$ 10,491
Harmonized and goods and services tax receivable	18,645	1,815
	\$ 38,506	\$ 12,306

4. Investments

The Company holds investments in Birch Mountain Resources Ltd. of 120,200 (2018 - 120,200) common shares, which had no market value.

5. Financial instruments

The carrying value of the Company's financial instruments is classified into the following categories:

	December 31, 2019	December 31, 2018
Fair value through profit and loss ⁽¹⁾	\$ 562,008	\$ 25,744
Financial assets - amortized cost ⁽²⁾	\$ -	\$ -
Financial liabilities - amortized cost ⁽³⁾	\$ 12,204,544	\$ 12,011,907

⁽¹⁾ Includes cash and investments.

⁽²⁾ Includes accounts receivable but excludes harmonized sales tax ("HST") receivable and prepaid expenses.

⁽⁴⁾ Includes accounts payable and accrued liabilities and promissory notes.

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5. Financial instruments (continued)

Fair value

Fair value is the price that would be received to dispose of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

IFRS requires that the Company disclose information about the fair value of its financial assets and financial liabilities. Fair value estimates are made at the end of the reporting period, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The Company has designated its cash as fair value through profit and loss, which is measured at fair value. Advances are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, and Grid Promissory Notes are classified as other financial liabilities, which are measured at amortized cost. As at December 31, 2019, except as noted below, the carrying values of the Company's financial instruments approximate their fair values due to their short-term nature. The fair value of the promissory notes held by a related party is not determinable as there is no comparable market data.

(a) Assets and liabilities measured at fair value on a recurring basis:

		Quoted prices in active markets for identical assets (Level 1)		Significant other observable inputs (Level 2)		Significant unobservable inputs (Level 3)		Aggregate fair value
As at December 31, 2019								
Cash and cash equivalents	\$	562,008	\$	-	\$	-	\$	562,008
As at December 31, 2018								
Cash and cash equivalents	\$	25,743	\$	-	\$	-	\$	25,743

(b) Categories of financial instruments:

As at December 31,		2019 Carrying amount	2018 Carrying amount
Financial liabilities:			
Amounts payable, other liabilities, and grid promissory note		\$ 12,204,544	\$ 12,011,907
		\$ 12,204,544	\$ 12,011,907

The Company has not offset financial assets with financial liabilities.

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5. Financial instruments (continued)

Fair value (continued)

(b) Categories of financial instruments (continued)

The carrying value of the Company's amounts receivable, amounts payable and other liabilities is close to fair value due to their short-term maturity.

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

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's primary credit risk is on its bank accounts and fixed deposits, whose balance at December 31, 2019 of \$562,008 (2018 - \$25,743) held with a large Canadian financial institution. The other credit risk is attributable to the \$19,861 (2018 - \$10,491) of prepaid deposits with vendors to be applied against services to be provided by them. Management believes that the credit risk with respect to these assets is remote.

Liquidity risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at December 31, 2019, the Company had cash of \$562,008 (2018 - \$25,743) to settle current liabilities of \$133,060 (2018 - \$12,011,907). The Company receives additional cash from its Significant Shareholder on a regular basis when the cash on hand is insufficient to cover liabilities that become due and expects to be able to continue to raise these funds.

The receipt of such funds as contemplated would be sufficient to fund the capital requirements of the Company. However there can be no assurance that these funds will be available and as described in Note 1, the Company will need to raise additional capital through equity issuance or other available means in order to continue funding its operating, exploration and evaluation activities, and eventual development of its properties. The outcome of these matters cannot be predicted at this time.

Market risk

Market risk arises through a general slowdown in the economy over a sustained period of time. The Company's investments operate businesses that are at risk of loss during the contraction of the economy. The Company's short-term investments are subject to market risk.

6. Acquisition of NSR Resources Inc.

On November 29, 2019, the Company entered into a combination agreement (the "Purchase Agreement") to acquire all the issued and outstanding shares of NSR Resources Inc. ("NSR"), a Canadian-based gold and mineral mining company.

On November 29, 2019, the Company acquired all of the issued and outstanding shares of NSR pursuant to the terms of the Purchase Agreement (the "Transaction"). As a result, NSR is a wholly-owned subsidiary of the Company and Tintina owns 100% of the NSR shares and its assets. Pursuant to the Purchase Agreement, the Company issued an aggregate of 20,000,371 common shares and 1,401,132 options in the capital of the Company. The common shares are subject to a statutory hold period of four months and one day from the date of issuance and the resale rules of applicable securities legislation.

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6. Acquisition of NSR Resources Inc. (continued)

The Acquisition has been accounted for as an asset acquisition as NSR did not constitute a business under the guidance defined in IFRS 3 Business Combinations. The issuance of shares and stock options have been accounted for in accordance with IFRS 2 Share Based Payments.

The allocation of the purchase price is as follows:

Purchase price allocation

Issuance of common shares (i)	\$	634,037
Issuance of options (i)		36,115
Total consideration	\$	670,152

Allocation of purchase price

Cash	\$	674,161
Amounts receivable and other assets		24,657
Amounts payable and other liabilities		(28,666)
NSR net assets received	\$	670,152

(i) For the purpose of determining the value of the purchase price consideration, the 20,000,371 common shares were valued at \$0.031 per the fair value of Tintina's shares and the 1,401,132 options were valued at \$0.027 using the Black Scholes option pricing model and the following assumptions: exercise price - \$0.05; expected life – 4 years, volatility – 129%; risk-free rate of return – 1.49%. The total value of the net assets acquired was then allocated on a relative fair value basis between the share and option consideration issued.

7. Right-of-use asset

	Storage rent	Office lease	Total
Balance, January 1, 2019	\$ 2,916	\$ 1,550	\$ 4,466
Depreciation	(2,523)	(1,550)	(4,073)
Balance, December 31, 2019	\$ 393	\$ -	\$ 393

8. Exploration and evaluation assets

	December 31, 2019	December 31, 2018
Whitehorse Mining District, Yukon Territory - 22 claims (2018 - 22) (a)	\$ 1	\$ 1
Sudbury Mining District, Ontario (b)	1	1
Watson Lake Mining District, Yukon Territory - 11 claims (2018 -11) (c)	1	1
Rouyn Township, Quebec - 2 mining concessions	1	-
Wark Township, Ontario - 159 acres, patented mineral rights	1	-
	\$ 5	\$ 3

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8. Exploration and evaluation assets (continued)

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 December 31, 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.

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 consolidated financial statements.

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9. Lease liability

Balance, January 1, 2019	\$ 4,466
Accretion of lease liability	351
Lease payments	(4,816)
Balance, December 31, 2019	\$ 1

10. Grid Promissory notes

The Company has received \$12,071,485 (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%. On October 15, 2019, in connection with the NSR acquisition described in note 6, the Significant Shareholder postponed the Grid Note for a period of 3 years.

11. 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 assuming a risk-free discount rate of 1.9% - 2.2% and an inflation factor of 1.3% - 1.4%. 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 2030 and 2066, depending upon the success of exploration activities undertaken.

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.

The following presents the Company's provision estimate activity:

Site restoration provision December 31, 2017 and 2018	\$ 383,363
Accretion	9,033
Change in estimate (included in exploration costs)	162,439
Site restoration provision December 31, 2019	\$ 554,835

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12. Common shares

The Company is authorized to issue unlimited common shares without par value.

During the year ended December 31, 2019 the weighted average number of common shares outstanding was 27,450,460 (December 31, 2018 - 25,557,277).

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2017 and 2018	25,557,277	\$ 9,866,559
Exercise of stock options	566,667	58,857
Issuance of shares for acquisition of NSR	20,000,371	634,037
Balance, December 31, 2019	46,124,315	\$ 10,559,453

During the year ended December 31, 2019, the Company issued the following shares:

- i. On October 2, 2019, the Company issued 566,667 common shares at a price of \$0.06 per share to directors of the Company for cash proceeds of \$34,000. The options were previously valued at \$24,857 which has been reclassified to common shares.
- ii. In November 28, 2019, the Company completed a business combination with NSR for an aggregate of 20,000,371 common shares with a total value assigned of \$634,037 (see note 6).

13. 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, 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. Vesting of the options is at the discretion of the Board.

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	-	\$ 0.06
Granted (i)	2,500,000	0.06
Balance, December 31, 2018	2,500,000	\$ 0.06
Exercised (ii)	(566,667)	(0.06)
Options to be issued (iii)	1,401,132	0.03
Balance, December 31, 2019	3,334,465	\$ 0.06

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13. Share options (continued)

- i. 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 year ended December 31, 2019 \$19,743 (December 31, 2018 - \$87,189) was recorded as stock-based compensation in the consolidated statements of loss and comprehensive loss.
- ii. On October 2, 2019, 566,667 options were exercised at a price of \$0.06 per share to directors of the Company for cash proceeds of \$34,000.
- iii. In November 28, 2019, the Company completed a business combination with NSR (note 6). Upon amalgamation, 1,401,132 NSR options were exchanged for the Company's Options, on the same terms and conditions as the NSR Options.

14. 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 year ended December 31, 2019, Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. ("DSA"), together known as the "Marrelli Group" were paid \$48,322 (2018 - \$38,470), 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 December 31, 2019, the Marrelli Group was owed \$9,071 (2018 - \$2,236). These amounts were included in accounts payable and accrued liabilities.

The Significant Shareholder also holds a Grid Note totaling \$12,071,485 (note 10) as at December 31, 2019 (2018 - \$11,971,485). On October 15, 2019, in connection with the NSR acquisition described in note 6, the Significant Shareholder postponed the Grid Note for a period of 3 years.

During the year ended December 31, 2019, the Company recorded stock-based compensation of \$19,743, respectively (2018 - \$87,189) for stock options granted to management.

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15. Income taxes

(a) Rate reconciliation

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2019 and 2018 is as follows:

	2019	2018
Loss before income taxes	\$ 525,146	\$ 210,906
Combined statutory income tax rate	26.5%	26.5%
Income tax benefit at the combined Canadian statutory income tax rate	(140,040)	(55,890)
Share-based compensation and other non-deductible amounts	24,330	23,110
Acquisition of NSR	(2,838,150)	-
Change in tax benefits not recognized	2,953,850	32,780
Actual income tax recovery	\$ -	\$ -

(b) Deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2019	2018
Non-deductible loss	\$ 4,337,710	\$ 1,873,660
Capital losses	784,420	545,560
Resource-related deductions	27,995,180	20,076,710
Site restoration	554,840	383,360
Equipment	755,310	489,070
Investment tax credits	865,100	803,100
Net deferred income tax assets	\$ 35,292,560	\$ 24,171,460

The operating tax losses expire as noted in the table below. The capital loss carry-forward may be carried forward indefinitely but can only be used to reduce capital gains. Investment tax credits expire from 2031 – 2033. Resource-related deductions may be carried forward indefinitely, however, \$8,360,373 are subject to restrictions. The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

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15. Income taxes (continued)

(c) Non-capital loss carry forwards

The Company's Canadian non-capital income tax losses expire as follows:

Expiry date	Amount
2027	\$ 144,510
2028	186,860
2029	63,640
2030	199,720
2031	386,730
2032	624,280
2033	605,110
2034	370,710
2035	307,370
2036	389,460
2037	433,230
2038	328,740
2039	224,740
	<hr/>
	\$ 4,337,710

16. Capital management

The Company defines capital that it manages as its shareholders' deficiency. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company in order to support the acquisition, exploration and development of resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital to be total shareholders' deficiency, comprising common shares, contributed surplus and deficit which at December 31, 2019, totaled a deficiency of \$12,058,468 (2018 - deficiency of \$12,257,217).

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing and debt advances from its Significant Shareholder to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it is of the view that there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

Management is of the opinion that, subject to continuing to be able to raise equity and debt financing in the future, the Company will be able to maintain the status of its current exploration obligations and to keep its properties in good standing.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

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16. Capital management (continued)

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2019, the Company was compliant with known requirements other than Policy 2.5 of the TSX Venture Exchange. The Company continues to evaluate various options in order to meet the capital requirement imposed by Policy 2.5 of TSX Venture Exchange. There can be no assurance that the Company's financing activities will be successful or sufficient.

17. Segment reporting

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

18. Subsequent events

(i) On February 28, 2020, Tintina received final approval from TSX Venture Exchange in connection with the closing of the business combination transaction (note 6).

(ii) Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.