MAKO MINING CORP.

(formerly Golden Reign Resources Ltd.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

Q3 Fiscal 2019

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

(formerly Golden Reign Resources Ltd.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars
(Unaudited)

As at	Note	**January 31, 2019** **$**	**April 30, 2018** **$**
ASSETS			
Current			
Cash		1,946,964	1,072,150
Receivables and refundable taxes	4	4,715,264	15,354
Inventories	5	13,429,883	-
Prepaid expenses, and other		338,368	20,216
Total current assets		20,430,479	1,107,720
Exploration and evaluation assets	6	43,125,041	39,282,575
Mineral property, plant and equipment	7	6,533,364	76,703
TOTAL ASSETS		**70,088,884**	**40,466,998**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	9	26,973,584	319,386
Gold Stream Arrangement	10	-	1,445,045
Total current Liabilities		26,973,584	1,764,431
Provision for reclamation and rehabilitation	8	6,903,191	-
Deferred tax labiity		257,329	-
Total Liabilities		34,134,104	1,764,431
Shareholders' equity			
Share capital	11	53,951,585	39,886,352
Contributed surplus	11	7,611,399	7,100,999
Accumulated other comprehensive income		7,244,544	5,727,657
Deficit		(32,852,748)	(14,012,441)
Total shareholders' equity		35,954,780	38,702,567
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**70,088,884**	**40,466,998**

Nature of Operations and Going Concern (Note 1)
Events after the reporting period (Note 17)

On behalf of the Board:

"John Hick" Director ***"Akiba Leisman"*** Director

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

(formerly Golden Reign Resources Ltd.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian dollars
(Unaudited)

	Note	For the Three Months Ended January 31,		For the Nine Months Ended January 31,	
		2019	2018	2019	2018
Revenue		$ 5,248,706	$ -	$ 5,248,706	$ -
Cost of sales				-	
Production costs		(4,359,692)	-	(4,359,692)	-
Inventory write down		(2,713,394)	-	(2,713,394)	-
Depreciation, depletion and amortization		(1,474,501)	-	(1,474,501)	-
		(8,547,587)	-	(8,547,587)	-
Gross loss		(3,298,881)	-	(3,298,881)	-
General and administrative expenses					
Accounting and legal		(91,858)	(31,951)	(220,336)	(75,672)
Exploration expenses		(526,929)	-	(526,929)	-
General administrative expenses		(151,719)	(31,215)	(217,511)	(94,546)
Management and consulting fees		(259,620)	-	(334,620)	-
Royalty expenses		(249,691)	-	(249,691)	-
Salaries and benefits		(458,543)	(68,726)	(683,273)	(203,206)
Stock-based compensation		-	-	(277,300)	(88,900)
Transfer and regulatory fees		(14,591)	(5,008)	(26,337)	(18,936)
Travel and promotion		(26,287)	(22,619)	(86,674)	(57,042)
		(1,779,238)	(159,519)	(2,622,671)	(538,302)
Other income (expense)					
Accretion and interest expense		(215,978)	-	(215,978)	-
Extinguishment of gold stream arrangement	3 & 10	(11,953,283)	-	(11,953,283)	-
Transaction costs		(133,425)	-	(653,444)	-
Foreign exchange loss		(147,418)	(17,544)	(159,455)	(30,869)
Interest income		38,741	5,460	63,405	21,717
Loss for the period		**($ 17,489,482)**	**($ 171,603)**	**($ 18,840,307)**	**($ 547,454)**
Consolidated Statement of Comprehensive Loss					
Loss for the period		(17,489,482)	(171,603)	(18,840,307)	(547,454)
Items subject to reclassification into statement of loss					
Cumulative translation adjustment		587,721	(1,792,382)	1,516,887	(3,872,536)
Other comprehensive loss for the period		587,721	(1,792,382)	1,516,887	(3,872,536)
Comprehensive loss for the period		**($ 16,901,761)**	**($ 1,963,985)**	**($ 17,323,420)**	**($ 4,419,990)**
Basic and diluted loss per common share		($ 0.09)	$ -	($ 0.09)	$ -
Weighted Average common shares outstanding		201,096,039	192,103,920	219,597,445	192,049,158

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

(formerly Golden Reign Resources Ltd.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian dollars
(Unaudited)

	Number of shares	Share capital	Reserves - Share based	Cumulative translation adjustment	Deficit	Total Equity
Balance - April 30, 2017	**191,995,896**	**$ 39,848,458**	**$ 6,921,899**	**$ 7,941,948**	**$ (13,241,137)**	**$ 41,471,168**
Shares issued on exercise of warrants	21,718	7,878	(3,100)	-	-	**4,778**
Shares issued on exercise of options	86,306	30,287	(12,600)	-	-	**17,687**
Share issue costs	-	(271)	-	-	-	**(271)**
Share-based compensation	-	-	179,000	-	-	**179,000**
Loss for the period	-	-	-	-	(547,454)	**(547,454)**
Other comprehensive (loss) for the period	-	-	-	(3,872,536)	-	**(3,872,536)**
Balance – January 31, 2018	**192,103,920**	**$ 39,886,352**	**$ 7,085,199**	**$ 4,069,412**	**$ (13,788,591)**	**$ 39,216,193**
Balance – April 30, 2018	**192,103,920**	**$ 39,886,352**	**$ 7,100,999**	**$ 5,727,657**	**$ (14,012,441)**	**$ 38,702,567**
Shares issued on business combination (Note 3)	91,234,522	14,040,993	-	-	-	**17,334,566**
Shares issued on exercise of warrants	67,000	14,740	-	-	-	**14,740**
Transfer of warrant value	**-**	9,500	(9,500)	-	-	**-**
Share-based compensation	**-**	-	519,900	-	-	**519,900**
Loss for the period	**-**	-	-	-	(18,840,307)	**(18,840,307)**
Other comprehensive income for the period	**-**	-	-	1,516,887	-	**(1,516,887)**
Balance – January 31, 2019	**283,405,442**	**$ 53,951,585**	**$ 7,611,399**	**$ 7,244,544**	**$ (32,852,748)**	**$ 35,954,780**

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

MAKO MINING CORP.
(formerly Golden Reign Resources Ltd.)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian dollars
(Unaudited)

For the nine months ended January 31,	**2019**	**2018**
Cash provided by (used for):		
Operating Activities		
Net loss for the period	(18,840,307)	(547,454)
Non-cash items		
Accretion expense	59,923	-
Depreciation, depletion and amortization	233,027	7,225
Extinguishment of gold stream arrangement	11,953,283	-
Interest expense	201,556	-
Share-based payments	277,300	88,900
Transaction costs	653,444	-
Unrealized foreign exchange	(12,786)	-
	(5,474,560)	(451,329)
Changes in non-cash working capital		
Receivable and refundable taxes	1,414,857	1,915
Prepaid expenses, and other	610,764	(3,284)
Inventories	2,768,332	-
Accounts payable and accrued liabilities	(2,988,053)	9,132
	(3,668,660)	(443,566)
Investing Activities		
Business acquisition, net inflow of cash	4,377,531	-
Transaction costs on business acquisition	(653,444)	
Expenditures on resource property costs	(3,177,995)	-
Expenditures on mineral property, plant and equipment	(22,760)	(7,370)
Other assets	1,929	(2,626,930)
	525,261	(2,634,300)
Financing Activities		
Proceeds on exercise of warrants	14,740	4,778
Proceeds on exercise of options	-	17,687
Advances from Marlin	4,000,000	-
Share issue costs	-	(271)
	4,014,740	22,194
Change in cash	871,341	(3,055,672)
Cash - beginning of period	1,072,150	4,737,796
Effect of foreign exchange on cash	3,473	22,876
Cash - end of period	1,946,964	1,705,000

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Mako Mining Corp. (formerly Golden Reign Resources Ltd. "Golden Reign") ("Mako" or the "Company") was incorporated on April 1, 2004 under the laws of the Yukon Territory and continued into British Columbia under the *British Columbia Corporations Act.* Its principal business activity is the production of gold in Mexico and the acquisition, exploration, and development of exploration and evaluation assets in Nicaragua. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol MKO. The address of the Company's corporate office and principal place of business is Suite 501 – 595 Howe Street, Vancouver, BC, Canada.

On November 9, 2018, the Company completed the acquisition of Marlin Gold Mining Ltd. ("Marlin"), (the "Mako Transaction"). Prior to the Mako Transaction, Marlin was a public company listed on the TSX-V. Marlin's primarily engaged in the exploration for, development of and production of gold in Mexico.

The Company's primary exploration and evaluation asset is the San Albino-Murra Property, located in Nicaragua, ("San Albino Property") which is in an advanced exploration stage. Recovery of the carrying value of an investment in exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary funding to complete exploration and development and the attainment of future profitable production or the disposition of these assets for proceeds in excess of their carrying values.

The Company continues to focus on acquiring, exploring and developing exploration and evaluation assets in Nicaragua. In conducting operations in Nicaragua, the Company is subject to considerations and risks such as the political, economic and legal environments in an emerging market. The Company's results may inter alia be adversely affected by changes in Nicaragua's governmental policies with respect to mining laws and regulations, and rates and methods of taxation.

The Company incurred a net loss of $17,489,482 and $18,840,307 (2018 - $171,603 and $547,454) for the three and nine months ended January 31, 2019, respectively. At January 31, 2019, the Company held cash and cash equivalents of $1,946,964 (April 30, 2018 - $1,072,150), had a working capital deficit of $6,543,105 (April 30, 2018 – $656,711) and had an accumulated deficit of $32,852,748 since inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to advance its mineral property interests, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34 - Interim Financial Reporting. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated annual financial statements for the year ended April 30, 2018, which have been prepared in accordance with IFRS. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in note 2 to the audited consolidated annual financial statements for the year ended April 30, 2018, with the exception of those noted below.

These condensed interim consolidated financial statements are expressed in Canadian dollars and include the accounts of Mako Mining Corp. and its subsidiaries.

Subsidiaries are entities over which the Company has control. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over its subsidiary. The Company's subsidiaries are:

Name of Subsidiary	Referred to as	Place of incorporation	Percentage ownership	Principal activity
Gold Belt, S.A.	"Gold Belt"	Nicaragua	100%	Holds mineral interest in Nicaragua.
Marlin Gold Mining Ltd	"Marlin"	Canada	100%	Parent of Marlin Trading, Oro Gold and Prestadora. Control commenced on November 10, 2018.
Marlin Gold Trading Inc.	"Marlin Trading"	Barbados	100%	Commodity streaming company. Control commenced on November 10, 2018.
Nicoz Resources, S.A.	"Nicoz"	Nicaragua	100%	Holds mineral interest in Nicaragua
Oro Gold de Mexico, S.A. de C.V.	"Oro Gold"	Mexico	100%	Holds mineral interest in Mexico. Control commenced on November 10, 2018.
Prestadora de Servicos Zacatecas, S.A. de C.V.	"Prestadora"	Mexico	100%	Performs payroll functions in Mexico. Control commenced on November 10, 2018.

All inter-company transactions, balances, revenue and expenses are eliminated in full on consolidation.

The Company's functional and reporting currency is the Canadian dollar. The functional currencies of its subsidiaries are:

- Marlin – Canadian Dollars;
- Gold Belt, Nicoz and Oro Gold and Marlin Trading – US Dollars;
- Prestadora – Mexican Pesos.

These condensed interim consolidated financial statements were approved by the board of directors for issue on April 1, 2019.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

NEW ACCOUNTING POLICIES ADOPTED

Business Combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Inventories and inventory valuation

Inventories are valued at the lower of average cost and net realizable value ("NRV"). Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Ore in process inventory consists of stockpiled ore, ore on leach pads, crushed ore, and in-circuit material. Finished metal inventory consists of gold in doré awaiting refinement or bullion.

Ore in process and finished metal costs consist of direct production costs including mining, crushing and processing; site administration costs; and allocated indirect costs, including depreciation and amortization of mineral property, plant and equipment. Inventory costs are charged to production costs on the basis of quantity of metal sold. The Company regularly evaluates and refines estimates used in determining the costs charged to production costs and costs absorbed into inventory carrying values based upon actual gold recoveries and operating plans. NRV is the estimated selling price, less the estimated costs of completion and selling expenses. Any write-downs of inventory to NRV are recorded as cost of sales in the consolidated statement of loss and comprehensive loss. If there is a subsequent increase in the value of inventories, the previous write-downs to NRV are reversed to the extent that the related inventory has not been sold.

Supplies and spare parts inventory consists of consumables used in operations, such as fuel, chemicals, reagents and spare parts, which are valued at the lower of average cost and NRV and, where appropriate, less a provision for obsolescence. Costs include acquisition, freight and other directly attributable costs. NRV is estimated based on replacement costs.

Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

NEW ACCOUNTING POLICIES ADOPTED (cont'd…)

Property, plant and equipment (cont'd…)
Costs relating to any producing mineral interests are amortized on a unit-of-production basis over the estimated ounces of gold. Costs incurred after the property is placed into production that increase production volume or extend the life of a mine are capitalized.

The Company provides for depreciation of equipment on a straight-line basis unless otherwise noted using the following annual rates:

- Equipment: 20 - 50%
- Producing mineral interest: units-of-production, over estimated proven and probable reserves, resources or metric
- Vehicles: 20 - 50%

Provision for reclamation and rehabilitation
An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the dismantling, remediation and ongoing treatment and monitoring of a mine and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money and the risk associated with the liability are used to calculate the net present value. These costs are capitalized and then charged against the consolidated statement of loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating a finance expense in the consolidated statement of loss.

Decommissioning costs are also adjusted at each reporting date for changes in estimates. These may include revised expected cash flows, the timing of the cash flows and discount rate. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the consolidated statement of loss. The operations of the Company have been, and may in the future be, affected by changes in environmental regulations, including those for site restoration costs.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

NEW ACCOUNTING POLICIES ADOPTED (cont'd…)

Revenue recognition

Our primary source of revenue is from the sale of gold bullion. Revenue is recognized in the consolidated financial statements when the following conditions are met:

- the significant risks and rewards of ownership have passed to the customer;
- neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the good sold, has been retained;
- the amount of revenue can be measured reliably;
- it is probable that economic benefits associated with the sale will flow to us; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably. Revenue from the sale of gold doré or bullion is recognized on the trade settlement date when funds are received.

Taxes

Mining taxes and royalties

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is calculated by reference to taxable income. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognized as current provisions and included in cost of sales.

Value added tax ("IVA")

IVA credit refundable is from the Government of Mexico and is currently calculated as 16% of expenditures in Mexico. IVA refunds receivable are reviewed for impairment at each financial reporting date in accordance with the policy for impairment of financial assets.

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments which replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 9 was effective for annual periods beginning on or after January 1, 2018. The Company has concluded that IFRS 9 had no impact to the financial statements. All the Company's financial assets are short-term and are measured at amortized cost.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

IFRS 15, Revenue from Contracts with Customers

IFRS 15 specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.
IFRS 15 applies to an annual reporting period beginning on or after January 1, 2018. The Company has concluded that IFRS 15 had no impact to the financial statements.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 16, *Leases – Classification and Measurement*

IFRS 16 specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019. The Company is in the process of determining the impact that these changes will have on its financial statements.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Outlined below are all of the areas which require management to make significant estimates and assumptions in determining carrying values.

Estimated recoverable resources, ore in process and production costs
Recoverable ounces are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its recoverable ounces based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable ounces is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, metallurgical recoveries, and production costs along with geological assumptions and judgments made in estimating the size, and grade of the ore body. Changes in the recoverable ounces may impact the carrying value of inventories, operating costs of future periods, mining interests, mine restoration provisions, and depreciation and amortization charges. The Company does not have proven and probable reserves and monitors the recovery of gold ounces from the leach pad on an ongoing basis and may refine its estimate based on these results. Assumptions used in inventory valuation include tonnes mined, grams of gold per tonne, recovery rate based on the type of ore placed on the leach pad, assays of ore tonnes, solutions and gold on carbon, among others.

Deferred income taxes
The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretation of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

Impairment of non-current assets
At each reporting date, the Company reviews its non-current assets to determine whether there are any indications of impairment. Calculating the estimated recoverable amount for the non-current asset impairment tests requires management to make estimates and assumptions with respect to estimated recoverable resources, estimated future commodity prices, the expected future operating and capital costs and discount rates. Changes in any of the assumptions or estimates used in determining the recoverable amount could impact the impairment analysis.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENT (cont'd…)

Reclamation and remediation provisions
Reclamation and remediation provisions represent the present value of estimated future costs for the reclamation of the Company's mines and properties. These estimates include assumptions as to the cost of services, timing of the reclamation work to be performed, inflation rates, exchange rates and interest rates.

The actual cost to reclaim a mine may vary from the estimated amounts because there are uncertainties in factors used to estimate the cost and potential changes in regulations or laws governing the reclamation of a mine. Management periodically reviews the reclamation requirements and adjusts the liability as new information becomes available and will assess the impact of new regulations and laws as they are enacted.

Fair value of business acquisition
Judgment and estimates are used to determine the fair value of the assets and liabilities acquired resulting from a business acquisition. In the determination of the fair value of the assets and liabilities, management makes certain judgments and estimates regarding mineral resources, exploration potential, economic lives, and reclamation costs, among others.

Critical judgement
Impairment of mineral property plant and equipment and resource property costs.
Critical judgement was applied on the assessment of impairment indicators for the Company's mineral property plant and equipment and resource property costs. Management determined that there was no impairment indicator during the period. The recoverable amount of the La Trinidad Mine was determined as value-in-use ("VIU") using a discounted cash flow model.

Stripping costs
Significant judgement is required to identify and define the components of the La Trinidad Mine, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. Management has determined that the La Trinidad Mine consists of one component.

Judgement is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset. The Company considers that the ratio of the expected volume (e.g., in tonnes) of waste to be stripped for an expected volume (e.g., in tonnes) of ore to be mined over the estimated resource, is the most suitable production measure.

Furthermore, judgements and estimates are also used to apply the units-of-production method in determining the depreciable lives of the stripping activity asset.

3. BUSINESS ACQUISITION – MARLIN GOLD MINING LTD.

(a) Marlin Gold Mining Ltd.

On November 9, 2018, the Company completed the acquisition of Marlin by issuing 91,234,552 common shares of the Company in exchange for all the issued and outstanding common shares in Marlin ("Marlin Acquisition"). Each Marlin common share was exchanged for 0.5138 of a common share of the Company.

As a condition to closing the Marlin Acquisition, Sailfish Royalty Corp. ("Sailfish") agreed to restructure its existing gold stream on the Company's wholly-owned San Albino Property ("Sailfish Master Agreement"). Also refer to Note 10.

Under the terms of the Mako Transaction, Marlin agreed to undertook a corporate reorganization, pursuant to which it l:

(i) sold its Commonwealth silver and gold property in Cochise County, Arizona, to Wexford Capital LP or funds controlled by it ("Wexford"), Marlin's controlling shareholder, which extinguished all of Marlin's loans and any other debts and liabilities owing to Wexford;
(ii) as part of the Sailfish Master Agreement, assigned to Sailfish its 1% net smelter royalty ("NSR") on the Parral 2 claims on the La Cigarra project owned by Kootenay Silver Inc. (the "La Cigarra Royalty") and its 1.5% NSR on the majority of the concessions at the El Compas project operated by Endeavour Silver Corp. (the "El Compas Royalty"), granted an option to Sailfish to purchase its Gavilanes property in Mexico, and make payments to Sailfish of certain IVA receivables by Oro Gold (refer to Notes 9 and 10), all as partial consideration for Sailfish agreeing to enter into the amendment to the existing gold stream on the San Albino Property;
(iii) wound-up certain of its non-material subsidiaries that were not acquired by the Company under the Mako Transaction; and
(iv) arranged for the sale of 17,155,191 common shares of Golden Reign, that was held by Marlin, at a price of $0.1539 on a private placement basis, pursuant to which Wexford will purchase at least 85% of such Golden Reign common shares and an aggregate of at least 993,464 of such Golden Reign common shares will be purchased by current stock option holders of Marlin. The full amount of the gross proceeds from such private placement of $2,640,184 will remain in Marlin on the Closing of the Mako Transaction.

The fair value of the 91,234,522 common shares of the Company issued in the Marlin Acquisition was $14,040,993. As the Marlin Acquisition is an acquisition of a business as defined in IFRS 3, Business Combinations it will be accounted using the acquisition method.

(b) Marlin Gold Mining Ltd. Bridge Loan

On May 14, 2018, the Company and Marlin entered into a definitive bridge loan agreement for a bridge loan from Marlin to Golden Reign of $4,000,000, having a term of one year and bearing interest at 8% per annum (the "Bridge Loan"). On November 9, 2018, the Bridge Loan had a balance outstanding of $4,196,384 and was included in working capital in Note 3(c) below. Upon completion of the Mako Transaction, the Bridge Loan became intercompany debt and was eliminated on consolidation.

Expressed in Canadian dollars

3. BUSINESS ACQUISITION – MARLIN GOLD MINING LTD. (cont'd…)

(c) The preliminary purchase price allocation is as follows:

	$
Net assets acquired	
Working capital	1,014,417
Mine asset and equipment	6,865,604
Deferred tax liabilities	(266,642)
Provision for reclamation and rehabilitation	(6,975,886)
Rights to extinguish the gold stream arrangement	13,403,500
Total identifiable net assets	**14,040,993**
Total preliminary consideration	**14,040,993**
Total preliminary consideration satisfied by:	
Common shares issued	14,040,993
Cash balances acquired	(4,377,531)
Net cash inflow on the completion of the Marlin Acquisition	4,377,531

The fair value of the working capital includes inventory of $16,132,833, receivables of $6,060,060, Bridge Loan of $4,196,384 and accounts payable of $30,406,489.

On November 9, 2018, the Company exercised its right to extinguish the gold stream arrangement and recorded a loss of $13,403,500 which was offset by the gain recognized on the extinguishment of the gold stream arrangement liability of $1,450,217 (refer to Note 10).

4. RECEIVABLE AND REFUNDABLE TAXES

	January 31, 2019 $	April 30, 2018 $
Value added taxes (IVA)	4,572,652	-
Other	142,612	15,354
	4,715,264	15,354

IVA credit refundable is from the Government of Mexico and is currently calculated as 16% of expenditures in Mexico.

Under the terms of the Sailfish Master Agreement, as described in Note 3, $1,334,904 of the IVA receivable balance is due to Sailfish and is recorded in accounts payable and accrued liabilities as at January 31, 2019.

Expressed in Canadian dollars

5. INVENTORIES

	January 31, 2019 $	April 30, 2018 $
Ore in process	11,648,706	-
Finished metal inventory	391,081	-
Supplies and spare parts	1,390,096	-
	13,429,883	-

As at January 31, 2019, ore in process and finished metal inventory was recorded at NRV. For the three months ended January 31, 2019, the Company recorded write downs of $2,713,394 as a result of low levels of ore being processed during the quarter ended January 31, 2019. As at January 31, 2019, ore in process is comprised of stockpile inventory of $167,101, and leach pad inventory of $11,481,605.

6. EXPLORATION AND EVALUATION ASSETS

(a) San Albino-Murra Property, Nicaragua

On May 7, 2012, the Company completed the terms of an 80% earn-in interest property agreement which was signed on June 26, 2009 with Nicoz, and on October 31, 2012 the Company acquired the remaining 20% interest in the San Albino Property by making cash payments of US$1,100,000, incurring aggregate exploration expenditures of US$5,000,000 and issuing 6,100,000 common shares at a value of $2,813,770.

There is a NSR of 3% payable to the Nicaraguan government pursuant to existing mining laws.

The San Albino-Murra Property license is valid until February 3, 2027 and may be renewed for another 25-year term.

(b) El Jicaro Concession, Nicaragua

In January 2012, the Company paid $119,472 (USD$120,000) to acquire a 100% interest in the El Jicaro Concession, which is contiguous to the San Albino Property.

The El Jicaro Concession license is valid for a period of 25 years until September 28, 2033 and may be renewed for another 25-year term.

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

(c) Exploration and Evaluation Expenditures

For the nine months ended January 31, 2019:

	San Albino-Murra	El Jicaro	Total
Acquisition costs			
Balance, April 30, 2018	$ 5,623,356	$ 154,032	$ 5,777,388
Translation adjustment	134,933	3,696	138,629
	5,758,289	**157,728**	**5,916,017**
Deferred exploration costs			
Balance, April 30, 2018	33,251,611	253,576	33,505,187
Consulting	149,559	-	149,559
Depreciation	895	13,276	14,171
Field office	686,211	-	686,211
Geological consulting	245,986	-	245,986
Professional fees	18,429	658	19,087
Project expenses	1,620,663	124,612	1,745,275
Reports	48,444	-	48,444
Share-based compensation	242,600	-	242,600
Travel	48,981	-	48,981
	36,313,379	392,122	36,705,501
Translation adjustment	497,227	6,296	503,523
	36,810,606	**398,418**	**37,209,024**
Balance, January 31, 2019	**$ 42,568,895**	**$ 556,146**	**$ 43,125,041**

Expressed in Canadian dollars

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

(d) Exploration and Evaluation Expenditures (cont'd…)

For the year ended April 30, 2018:

	San Albino-Murra	El Jicaro	Total
Acquisition costs			
Balance, April 30, 2017	$ 5,985,221	$ 163,944	$ 6,149,165
Property purchase	-	-	-
Translation adjustment	(361,865)	(9,912)	(371,777)
	5,623,356	**154,032**	**5,777,388**
Deferred exploration costs			
Balance, April 30, 2017	32,218,323	163,586	32,381,909
Consulting	282,026	-	282,026
Depreciation	16,271	1,437	17,708
Field office	345,054	-	345,054
Geological consulting	480,155	-	480,155
Professional fees	97,803	13,291	111,094
Project expenses	1,489,451	102,171	1,591,622
Reports	135,265	-	135,265
Share-based compensation	90,100	-	90,100
Travel	51,730	-	51,730
	35,206,178	280,485	35,486,663
Translation adjustment	(1,954,567)	(26,909)	(1,981,476)
	33,251,611	**253,576**	**33,505,187**
Balance, April 30, 2018	**$ 38,874,967**	**$ 407,608**	**$ 39,282,575**

Expressed in Canadian dollars

7. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mine Property $	Equipment $	Total $
For the nine months ended January 31, 2019			
Opening net book value	-	76,703	76,703
Acquired - business acquisition	6,263,615	601,989	6,865,604
Translation adjustment	(24,481)	1,721	(22,760)
Additions / movement	(3,951)	5,580	1,629
Depreciation charge	(340,715)	(47,097)	(387,812)
Closing net book value	5,894,468	638,896	6,533,364
As at January 31, 2019			
Cost	6,259,664	1,417,291	7,676,955
Accumulated depreciation	(365,196)	(778,395)	(1,143,591)
Net book value	5,894,468	638,896	6,533,364

	Mine Property $	Equipment $	Total $
For the year ended April 30, 2018			
Opening net book value	-	792,083	792,083
Translation adjustment	-	-	-
Additions	-	-	-
Depreciation charge	-	(715,380)	(715,380)
Closing net book value	-	76,703	76,703
As at April 30, 2018			
Cost	-	792,083	792,083
Accumulated depreciation	-	(715,380)	(715,380)
Net book value	-	76,703	76,703

(a) Mine Property

The Trinidad area is located in Sinaloa, Mexico and is comprised of 9 concessions, subject to the following agreements:

Don Paulino Agreement

Included in the La Trinidad area concessions, Nancy, Santa Cesilia and La Poderosa, are subject to an option to purchase agreement originally dated February 9, 2006, (as amended) (the “Don Paulino Agreement”). Pursuant to the Don Paulino Agreement, the Company has the option to purchase all the concessions within nine years in consideration of an aggregate payment of US$600,000 and the grant of a 0.5% to 1.5% NSR payable upon

7. MINERAL PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Mine Property (cont'd…)

Don Paulino Agreement (cont'd…)
exercise of the option and once the Company has recovered its initial investment or the mine has been in production for 2 years. The NSR consideration will be 0.5% if the price per ounce of gold is less than US$400; 1% if the price is greater than US$400 but less than US$499.99; and 1.5% if the price is equal or greater than US$500.

The NSR can be purchased by the Company for US$1,000,000.

Camargo Agreement
Certain concessions, including La Nueva Trinidad and Nancy, are subject to an option to purchase agreement originally dated June 24, 2005, (as amended) (the "Camargo Agreement"). Pursuant to the Camargo Agreement, the Company is required to make NSR payments to Minera Camargo S.A. de C.V. ranging from 0.5% to 1.0% payable upon the mine being in commercial production for two years. The NSR consideration will be 0.5% if the price per ounce of gold is less than US$400 and 1% if the price is greater than US$400. Each 0.5% NSR can be purchased by Marlin for US$1,000,000.

(b) Sensitivities
The recoverable amount is most sensitive to changes in gold prices. A decrease in gold prices, recovery rates or recoverable ounces could result in the Company making amendments to the mine plan that would partially offset the effect of lower prices through lower operating and capital costs. Ignoring the impact on our mine plan, in isolation, a US$50 decrease in gold price assumptions would result in additional reductions in the recoverable amount of approximately $0.6 million.

Expressed in Canadian dollars

8. RECLAMATION AND REHABILITATION OBLIGATIONS

The provision for environmental reclamation and rehabilitation as at January 31, 2019 is $6,903,191 ($6,987,934 undiscounted). The expected timing of cash flows in respect of the provision is based on the estimated life of the mining operation and is expected commence in late fiscal 2019, early fiscal 2020. The provision was determined using a discount rate of 2.52% and estimated cash outflows commencing in one year for the La Trinidad Mine.

	$
Fair value on acquisition date – November 10, 2018 (Note 3)	6,975,887
Changes in estimate	(119,844)
Accretion expense	59,923
Cumulative translation adjustment	(12,775)
Balance, January 31, 2019	6,903,191

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2019	April 30, 2018
	$	$
Trade payable	18,792,943	-
Sailfish Royalty Corp	2,824,376	-
Mining concession taxes	5,356,265	15,354
	26,973,584	15,354

10. GOLD STREAMING ARRANGEMENT

In July 2014, the Company completed an agreement with Marlin and Sailfish for a US$15.0 million gold streaming arrangement at its San Albino Gold Deposit and surrounding area. Under this arrangement, Sailfish was entitled to purchase 40% of the gold production from the San Albino Gold Deposit at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production, until Sailfish recovers US$19,600,000. During this period, the Company was required to make minimum monthly payments of US$282,800 per month, either in gold production or in cash, when commercial production commenced. Thereafter, Sailfish was entitled to purchase 20% of gold production at US$700 per troy ounce, subject to a 1% per year cost escalation beginning three years from commercial production plus 50% of the price differential above US$1,200 per troy ounce, subject to certain adjustments. Prior to commercial production, Sailfish was entitled to receive an 8% semi-annual coupon payment on the outstanding balance due from the Company. See below for amendments made.

During the year ended April 30, 2016, the Company received an initial draw down of $705,652 (US$536,536) of the upfront cash payment amount of US$15.0 million, to be used for engineering work during the pre-development phase. The balance of the US$15.0 million was subject to Sailfish's election to proceed and was payable in installments once the project schedule and project budget were completed, approved by the Company and accepted by Sailfish and the associated Engineering, Procurement and Construction Management contract executed.

Expressed in Canadian dollars

10. GOLD STREAMING ARRANGEMENT (cont'd…)

During the year ended April 30, 2018, the Company recorded interest payable of $110,779 (US$87,683) and interest payments were made of $111,145 (US$86,248). Differences in foreign exchange rates between the prior year-end rate and the current period rate resulted in a reduction of $90,662 to the liability recorded.

Up until the date of the Marlin Transaction, the Company accrued interest of $28,744 (US$22,101) and interest payments were made of $59,054 (US$44,378). Differences in foreign exchange rates between the prior year-end rate and the current period rate resulted in an increase of $35,482 to the liability recorded.

As at January 31, 2019, the Company had recorded the following:

	USD	CAD Equivalent
Beginning balance, May 1, 2018 (principal & interest)	$ 1,125,775	**$ 1,445,045**
Add:		
Interest payable on draw-downs under Gold Streaming Arrangement	22,101	**28,744**
Effect of changes in foreign exchange rates	-	**35,482**
Less:		
Semi-annual interest payments made on draw-downs under Gold Streaming Arrangement	(44,378)	**(59,054)**
	1,103,498	**1,450,217**
Gain on extinguishment of Gold Streaming Arrangement	(1,103,498)	**(1,450,217)**
Total principal and interest payable under Gold Streaming Arrangement	$ -	**$ -**

San Albino Gold Stream Restructure

At the closing of the Marlin Transaction (Note 3) the Company, Marlin and Sailfish entered into an agreement to restructure the existing gold stream on San Albino (the "Amended and Restated Gold Purchase Agreement"). Accordingly, Golden Reign and its subsidiaries, Marlin and one of its material subsidiaries and Sailfish entered into a master agreement (the "Master Agreement") whereby the parties agreed:

(a) to the substantial form of and the terms and conditions of the Amended and Restated Gold Purchase Agreement, equivalent to a 3% NSR royalty, effective as of the closing of the Marlin Transaction, with respect to a certain area of interest on San Albino concession (the "**AOI**"), which included as a schedule to the Amended and Restated Gold Purchase Agreement, the substantial form of and terms and conditions of a new royalty agreement was entered into between the Company and its subsidiaries, and Sailfish, with respect to a 2% NSR royalty on production from the San Albino-Murra Mining Concession (exclusive of the AOI) and the El Jicaro Concession;

(b) that Marlin make cash payments to Sailfish in respect of any amounts recovered by Marlin in certain lawsuits Marlin has filed against the Mexican tax authority for the purpose of obtaining previously denied Mexican value added tax refunds net of certain interest and inflation adjustments and applicable legal fees. As of January 31, 2019, the Company had received $2,109,874 in IVA receivable that is owed to Sailfish and is expecting to receive a further $1,334,904, which is included in IVA receivable. For the quarter ended January 31, 2019, the Company had paid to Sailfish $620,402 and had a remaining liability to Sailfish of $2,824,376 that is included in accounts payable as at January 31, 2019. Refer to Notes 9 and 17 (b);

10. GOLD STREAMING ARRANGEMENT (cont'd…)

(c) Sailfish extinguished the Company's Gold Streaming Arrangement liability of $1,450,217 associated with the existing gold stream on San Albino;

(d) Sailfish's existing funding obligation of approximately US$13.9 million was eliminated; and,

(e) to the substantial form of and the terms and conditions of certain assignment, option and royalty agreements, entered into as partial consideration payable to Sailfish in consideration for entering into the Amended and Restated Gold Purchase Agreement. Such agreements provide for Marlin's assignment to Sailfish, for no additional consideration, of the El Compas Royalty and La Cigarra Royalty in Mexico. Such agreements also provide for Marlin's agreement to transfer of its Gavilanes property in Mexico, to a designee of Sailfish.

11. SHARE CAPITAL

(a) Authorized - Unlimited number of common shares, without par value.

(b) Issued share capital as follows:

(i) On November 9, 2018, the Company issued 91,234,552 common shares in exchange for all the common shares of Marlin (refer to Note 3). The fair value of the issued common shares was $0.19 per common shares for a total of $17,334,566.

(ii) During the nine months ended January 31, 2019, the Company issued 67,000 shares for the exercise of warrants for gross proceeds of $14,740.

(iii) During the nine months ended January 31, 2018, the Company issued 21,718 shares for the exercise of warrants for gross proceeds of $4,778 and 86,306 shares for the exercise of options for gross proceeds of $17,687.

(iv) During the nine months ended January 31, 2018, the Company did not undertake any equity financings.

Expressed in Canadian dollars

11. SHARE CAPITAL (cont'd…)

(c) Share purchase warrants

Share purchase warrant transactions for the nine months ended January 31, 2019 and year ended April 30, 2018 are summarized below:

	For the Nine Months Ended January 31, 2019			**For the Year Ended April 30, 2018**		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Opening balance	650,091	$	0.22	671,809	$	0.22
Exercised	(67,000)		0.22	(21,718)		0.22
Expired	(583,091)		0.22			
Ending balance	**-**		**-**	**650,091**	**$**	**0.22**
Warrants exercisable	**-**		**-**	**650,091**	**$**	**0.22**

(d) Share options

The Company has a share option plan, under which the Board of Directors is authorized to grant options to employees, directors, officers and consultants, enabling them to acquire up to 10% of the issued and outstanding share capital of the Company. The exercise price of each option is based at minimum on the market price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of five years. Options granted to investor relations consultants are subject to vesting provisions, as established by regulatory authorities, over a twelve-month period, with no more than ¼ vesting during any three-month period. Vesting provisions for other options are determined by the Company's Board of Directors.

Expressed in Canadian dollars

11. SHARE CAPITAL (cont'd…)

The following options were outstanding as at January 31, 2019 and April 30, 2018:

	For the Nine Months Ended January 31, 2019		For the Year Ended April 30, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Opening balance	12,465,512	$0.23	12,025,000	$0.23
Granted	5,145,000	0.195	1,631,818	0.25
Exercised	-	-	(86,306)	0.20
Expired	(1,525,512)	0.24	(1,105,000)	0.25
Ending balance	**16,085,000**	**$0.22**	**12,465,512**	**$0.23**
Options exercisable	**14,760,000**	**$0.23**	**11,765,512**	**$0.24**

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
0.10	February 19, 2021	2,000,000	1,375,000	2.31 years
0.25	June 14, 2021	5,485,000	5,485,000	2.62 years
0.30	August 25, 2021	2,415,000	2,415,000	2.82 years
0.26	August 21, 2022	890,000	890,000	3.81 years
0.35	October 2, 2022	150,000	150,000	3.92 years
0.195	August 9, 2023	5,145,000	4,445,000	4.78 years
		16,085,000	14,760,000	3.13 years

(e) Share-based compensation

During the nine months ended January 31, 2019, the Company recorded share-based compensation of $519,900 (2017 - $179,000), of which $242,600 (2017 - $90,100) was capitalized as mineral property expenditures and $277,300 (2017 - $88,900) was expensed as share-based compensation in operations, with a corresponding increase in reserves-shares based.

Expressed in Canadian dollars

11. SHARE CAPITAL (cont'd…)

The fair value of share options was estimated on the measurement date using the Black-Scholes option-pricing model and is amortized over the vesting period of the underlying options. The assumptions used to calculate the fair value were as follows:

	Nine Months Ended January 31, 2019	Year Ended April 30, 2018
Risk-free interest rate	1.77 – 2.26%	1.51 – 1.77%
Expected life of options	5 years	5 years
Expected volatility	70.10 – 75.64%	75.29 – 75.64%
Weighted average fair value per option	$0.12 – 0.22	$ 0.24 – 0.32

12. RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive), the CEO, President, CFO, and VP of Exploration. The Compensation paid or payable to key management for employee services is shown below:

	Three months ended January 31,		Nine months ended January 31,	
	2019	2018	2019	2018
Management & consulting fees (included in E&E assets)	$ 99,000	$ 99,000	$ 297,000	$ 316,200
Wages	42,000	42,000	422,654	126,000
Consulting	117,461	-	117,461	-
Share-based compensation	242,000	-	242,000	88,500
Total	$ 500,461	$ 141,000	$ 1,079,114	$ 530,700

As at January 31, 2019, $Nil (April 30, 2018 - $8,780) is owing to related parties and is disclosed in accounts payables and accrued liabilities.

13. COMMITMENTS

The Company has entered into an operating lease agreement for its corporate head office premises. The annual lease commitments under the lease are as follows:

2019	$ 61,018
2020	$ 40,679

Expressed in Canadian dollars

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments measured at fair value are classified into one of three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values, fair market values, and fair value hierarchical classification of the Company's financial instruments are as follows:

The Company's financial instruments include cash, receivables and accounts payable. The carrying values of cash, receivables and payables approximate fair value because of the short-term nature of these instruments or capacity of prompt liquidation.

The Company does not have any financial instruments that are measured using level 3 inputs.

During the nine months ended January 31, 2019 there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	January 31, 2019	January 31, 2018
Cash paid during the period for:		
Interest	$ 59,054	$ 111,145
Non-cash financing and investing activities:		
Exploration costs included in accounts payable	206,112	29,233
Accrued interest payable on Gold Streaming Arrangement	5,172	10,257
Share-based compensation included in exploration costs	242,600	90,100

Expressed in Canadian dollars

16. SEGMENTED INFORMATION

As at January 31, 2019, the Company has one business segment, the production of gold and exploration of resources. The Company's principal product is gold doré with the refined gold bullion sold in the London spot market by the subsidiary in Barbados. The gold doré is produced at the La Trinidad Mine in Mexico.

All of the Company's significant non-current assets are distributed by geographic locations as follows:

As at		**January 31, 2019**		**April 30, 2018**
	Mineral property, plant and equipment	Exploration and evaluation assets	Mineral property, plant and equipment	Exploration and evaluation assets
	$	$	$	$
Canada	92,104	-	5,008	-
Mexico	6,376,458	2	-	-
Nicaragua	64,802	43,125,039	71,695	39,282,575
Total	6,533,364	43,125,041	76,703	39,282,575

17. EVENTS AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in these condensed interim consolidated financial statements:

(a) On March 8, 2019 the Company completed a non-brokered private placement issuing 30,000,000 common shares of the Company at a price of $0.15 per share for gross proceeds of $4,500,000.

(b) On March 8, 2019, the Company paid Sailfish $824,260 in accordance with the Amended and Restated Gold Purchase Agreement (Note 10(b)).