TRI ORIGIN EXPLORATION LTD

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

(Expressed in Canadian Dollars)

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
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CPA (Illinois)

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tri Origin Exploration Ltd.

Opinion

We have audited the financial statements of Tri Origin Exploration Ltd. (the "Company"), which comprise the statements of financial position as at June 30, 2019 and June 30, 2018, and the statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and June 30, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit 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 Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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.

Emphasis of Matter

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $515,201 for the year ended June 30, 2019 and has incurred cumulative losses from inception in the amount of $21,951,833 at June 30, 2019. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about Tri Origin Exploration Ltd.'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 the Management Discussion and Analysis.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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 George G. Lovrics.

Stern & Lovrics LLP

Toronto, Ontario — Chartered Professional Accountants

October 28, 2019 — Licensed Public Accountants

TRI ORIGIN EXPLORATION LTD.
Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2019	June 30, 2018
	$	$
Assets		
Current assets		
Cash	6,005	519,016
Prepaid	10,274	10,884
Investments (Note 6)	-	122,942
Total current assets	16,279	652,842
Exploration and evaluation assets (note 7)	2,537,753	2,485,844
Equipment (note 8)	2,897	3,622
Total Assets	**2,556,929**	**3,142,308**
Equity and Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	150,034	62,776
Funds on deposit	-	185,573
Promissory note payable (note 10)	190,000	200,000
Total Liabilities	**340,034**	**448,349**
Equity		
Share capital (note 11)	22,044,715	22,044,715
Equity portion of convertible debenture (note 10)	17,393	17,393
Contributed surplus	2,106,620	2,068,483
Deficit	(21,951,833)	(21,436,632)
Total equity	2,216,895	2,693,959
Total Liabilities and Equity	**2,556,929**	**3,142,308**

Nature of operations and going concern (note 1)

Subsequent event (note 20)

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

Approved by the Board of Directors:

President and Director: Dr. Robert Valliant

Director: Mr. Jean-Pierre Janson

TRI ORIGIN EXPLORATION LTD.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended June 30, 2019	Year ended June 30, 2018
	$	$
Expenses		
General and administrative costs (note 16)	268,255	294,401
Project generation and reclamation costs	21,357	6,364
Finance charges (note 17)	13,230	23,343
Write-down of exploration and evaluation assets (note 7)	319,580	-
Loss before other items	(622,422)	(324,108
Other items		
Realized gain on disposal of exploration and evaluation assets	154,677	-
Unrealized loss on investments (note 6)	-	(37,438)
Realized loss on investments (note 6)	(57,803)	(9,477)
Other income (note 7)	10,347	97,588
Total other items	107,221	50,673
Net loss and comprehensive loss for the year	(515,201)	(273,435)
Basic and diluted loss per share	(0,004)	(0,003)
Weighted average number of shares outstanding	119,372,306	104,139,429

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

TRI ORIGIN EXPLORATION LTD.
Statements of Changes in Shareholder's Equity
(Expressed in Canadian Dollars)

	Share capital	Warrant Reserve	Equity portion of convertible debenture	Contributed surplus reserve	Deficit	Total
	$	$	$	$	$	$
Balance, June 30, 2017	**20,981,380**	**99,900**	**17,393**	**1,838,637**	**(17,797,600)**	**5,139,208**
Shares issued pursuant to private placement	545,750	86,050	-	-	-	631,800
Expiration of warrants	-	(185,950)	-	185,950	-	-
Expiration of options	-	-	-	(20,000)	20,000	-
Stock-based compensation	-	-	-	90,896	-	90,896
Net loss for the year	-	-	-	-	(273,435)	(273,435)
Balance, June 30, 2018	**22,044,715**	**-**	**17,393**	**2,068,483**	**(21,436,632)**	**2,693,959**
Stock-based compensation	-	-	-	38,137	-	38,137
Net loss for the year	-	-	-	-	(515,201)	(515,201)
Balance, June 30, 2019	**22,044,715**	**-**	**17,393**	**2,106,620**	**(21,951,833)**	**2,216,895**

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

TRI ORIGIN EXPLORATION LTD.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended June 30, 2019	Year ended June 30, 2018
	$	$
Operating Activities		
Net loss for the year	(515,201)	(273,435)
Amortization	724	2,145
Net unrealized loss in investments	57,803	46,915
Unrealized gain on disposal of exploration and evaluation assets	(71,610)	
Write-off of exploration and evaluation assets	319,580	-
Share-based payments	38,137	90,896
	(170 567)	(133,479)
Changes in non-cash working capital		
Accounts receivable	-	2,747
Prepaid	610	(7,337)
Accounts payable and accrued liabilities	87,259	184,205
Deposit for exploration funding	(185,573)	(66,020)
Cash used in operating activities	(268,271)	(19,884)
Investing Activities		
Expenditures on exploration and evaluation assets	(371,489)	(199,895)
Expenditures on equipment	-	(3,622)
Proceeds from investments	136,749	163,397
Cash (used in) provided by investing activities	(234,740)	(40,120)
Financing Activities		
Proceeds from private placement, net	-	565,623
Repayment of promissory note	(10,000)	(100,000)
Cash provided by (used in) financing activities	(10,000)	465,623
Change in cash during the year	(513,011)	405,619
Cash, beginning of the year	519,016	113,397
Cash, end of the year	6,005	519,016

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

1. Nature of operations and going concern

Tri Origin Exploration Ltd. (the "Company" or "TOE") was incorporated on June 6, 1989 under the Business Corporations Act (Ontario). The Company is a publicly held company engaged principally in the acquisition and exploration of mineral properties in the Canadian Shield, Canada.

The accompanying financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company has a net loss of $ 515,201 for the year ended June 30, 2019 (year ended June 30, 2018 – loss of $273,435) and a deficit of $ 21,951,833 as at June 30, 2019 (June 30, 2018 - $21,436,632). The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable business. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. There is no assurance that these initiatives will be successful and as a result there is significant doubt regarding application of the going concern assumption.

On June 30, 2019, the Company had a negative working capital of $ 323,755 (June 30, 2018 – $204,493) and is not generating positive cash flows from operations. Working Capital includes a promissory note of $190,000 (June 30, 2018 - $200,000) payable by the Company which also may be convertible into shares of the Company. It also includes the Company's investment of $ nil (June 30, 2018 - $122,942) that consists of marketable securities in shares of the Company's former subsidiary all of which were sold during the year to generate cash to fund ongoing operations. Apart from this investment, there may not be sufficient cash to meet general and administration expenses plus planned project activities for the following twelve months. The operations of the Company have primarily been funded by the issuance of common shares and debt instruments. Continued operations of the Company are dependent on the Company's ability to complete equity financing and enter into funding agreements with third parties in order to continue exploration of its mineral property interests. Management's plan in this regard is to continue to seek industry partners for its projects and to secure additional funds through future equity financings, which may or may not be available or may not be available on reasonable terms.

2. Compliance and basis of preparation and presentation

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are presented in Note 3. The Board of Directors approved and authorized for issue the financial statements on October 28, 2019.

(b) Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments as disclosed in Note 5. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. Significant accounting policies

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods, if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

i) Impairment of deferred assessment and evaluation costs

While assessing whether any indications of impairment exist for deferred assessment and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of assessment and evaluation assets. Internal sources of information include the manner in which assessment and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's deferred assessment and evaluation assets.

ii) Taxes, income taxes and deferred taxes

The Company is subject to income and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities.

iii) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

3. Significant accounting policies (continued)

Environmental liability, contingency and other provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against net income (loss) over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company had no material provisions at June 30, 2019 and June 30, 2018.

Impairment of non-financial assets

At the end of each fiscal year, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset’s fair value less cost to sell or its value in use.

Financial Instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company’s business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest (‘’SPPI’’). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized Cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

Fair value through other comprehensive income (‘’FVTOCI’’)

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI.

This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at FVTPL to present subsequent changes in FVTOCI.

3. Significant accounting policies (continued)

Fair value through profit or loss (''FVTPL'')

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IFRS 9:

	IFRS 9 Classification
Cash	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Customer deposits	Amortized cost
Promissory notes	Amortized cost

The adoption of IFRS 9 did not have an impact on the Company's classification and measurement of financial assets and liabilities. Further, there was no change in the carrying value of the financial instruments on transition from IAS 39.

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model 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.

For trade receivables, we have applied the simplified approach under IFRS 9 and have calculated ECLs based on lifetime expected credit losses taking into considerations historical credit loss experience and financial factors specific to the debtors and general economic conditions.

Cash and investments

Cash and investments are classified as financial assets at FVTPL and are measured at fair value with changes in fair value recorded in the statement of income (loss). Cash for purposes of the cash flow statements comprise cash at the bank and in hand.

Loans, receivables and other financial liabilities

Loans and receivables are classified as financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Accounts payable and other financial liabilities, debenture payable and promissory note payable are classified as "Other financial liabilities" and are recognized initially at fair value net of any directly attributable transaction costs.

Subsequent to initial recognition, loans, receivables and other financial liabilities are measured at amortized cost using the effective interest method, less any impairment losses. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Proportionate cost sharing ventures

Certain of the Company's exploration activities may be conducted with others. These financial statements reflect only the Company's interest in such activities. Although the Company holds certain interests in mineral properties through option agreements, none of its operations are carried on through joint venture entities.

3. Significant accounting policies (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account.

When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net income (loss).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through net income (loss) to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statement of financial position are classified 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: valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: valuation techniques based on 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).
- Level 3: valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's carrying value and fair value of cash and cash equivalents, accounts receivable, shares in Heron Resources and Promissory Note are under the fair value hierarchy using Level 1 inputs.

Equipment

Equipment is stated at cost less accumulated depreciation and any recognized impairment loss. Cost includes expenditures associated with bringing the asset to its operating location and condition. The cost of equipment is depreciated over their expected useful lives, on a straight-line basis at the following rates;

- Office Equipment – 5 years
- Computer software – 3 - 5 years
- Field Equipment – 5 years
- Leasehold Improvements – 2 years

The depreciable amount of equipment is recorded on a straight line basis over the estimated useful life of the asset to the residual value of the asset. Each part of the item of equipment with a cost that is significant in relation to the total cost of the item depreciated separately if their useful lives differ.

The Company reviews the useful life, depreciation method and residual value and carrying value of its equipment at each reporting date.

3. Significant accounting policies (continued)

Expenditures that extend the useful lives of the existing facilities or equipment are capitalized and amortized over the remaining useful lives of the assets. Repairs and maintenance expenditures are expensed as incurred.

Exploration and evaluation assets

Interest in exploration and evaluation assets are carried at cost until they are brought into production, at which time they are depleted on a unit-of-production method based on proven and probable reserves.

Acquisition costs include the cash consideration and the fair market value of the shares issued for the acquisition of exploration properties. The carrying value of mining interests is reduced by any option proceeds or government grants received until such time as the carrying values are reduced to nominal amounts. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Cash consideration received in a farm-out or option arrangement is applied against the carrying amount of the exploration and evaluation asset, with any excess included as a gain in profit or loss.

The cost of exploration properties abandoned or sold and their related deferred exploration costs are charged to operations when abandoned or sold. Accumulated costs on exploration and evaluation assets which are considered to be impaired either through external economic conditions or failure to advance the property to the development stage within a reasonable period of time are written down.

The Company reviews its exploration and evaluation assets regularly to determine if events or circumstances have transpired which indicate that its carrying value may not be recoverable. The recoverability of costs incurred on mineral resource property is dependent upon numerous factors, including exploration results, environmental risks, commodity risks, and the Company's ability to attain profitable production. It is possible that conditions in the near-term could change the Company's assessment of the carrying value.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from past conveyancing history characteristics of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge all properties are in good standing.

Revenue recognition

The Company currently has no revenue from active mining operations. Interest revenue is recognized in the period in which it is earned. Project management fees are recognized in the period the services are performed and expenses incurred.

Loss per 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 is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the flow through share premium is recorded as liability and the residual balance is allocated to share capital. The liability is subsequently reversed to income on a proportionate basis as the tax benefits are renounced. At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences arising from tax benefits renounced to flow-through share investors.

3. Significant accounting policies (continued)

Share-based payments

The fair value of employee share option plans is measured at the date of grant of the option using the Black-Scholes pricing model, taking into consideration the terms and reconciliations upon which the options were granted. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At the end of each reporting date before vesting, the cumulative expense is calculated; representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest.

Income tax

Income tax on the net income (loss) for the periods presented comprises current and deferred tax. Income tax is recognized in net income (loss) except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Convertible debentures

Convertible debentures are separated into their liability and equity components on the balance sheet. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar non-convertible liabilities at the time of issue. The liability component is recognized at amortized cost, using the effective interest method, until extinguished upon conversion, maturity or a normal course issuer bid. The fair value of the equity component of the convertible debentures is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the debt component is allocated as the fair value of the equity component.

4. Future changes in accounting polices

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. The Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

IFRS 15 – Revenue From Contracts With Customers (''IFRS 15'')

IFRS 15 proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. On July 1, 2018, the Company adopted IFRS 15 and has determined that the adoption of this new standard does not have a significant impact on its financial statements.

(Expressed in Canadian Dollars)

4. Future changes in accounting polices (continued)

IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on July 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on July 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

iv) It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;

v) Its contractual terms give rise to cash flows that are solely payments of principal and interest.

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 year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	**IAS 39**	**IFRS 9**
Cash	Loans and receivables (amortized cost)	Amortized cost
Accounts receivable	Loans and receivables (amortized cost)	Amortized cost
Public investments	FVTPL	FVTPL
Investments	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company’s financial instruments under IAS 39 has not changed under IFRS 9.

(Expressed in Canadian Dollars)

4. Future changes in accounting polices (continued)

Recent accounting pronouncements

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

5. Financial instruments

The Company's cash and bank indebtedness are measured at fair market value. Accounts receivable are measured at amortized cost. The investments of the Company are classified as financial assets at FVTPL and measured at fair value. Accounts payable and accrued liabilities, funds on deposit, promissory note payable and secured debenture are classified as other financial liabilities and measured at amortized cost.

The following table indicates the carrying value of the Company's financial assets and financial liabilities:

	As at June 30, 2019		As at June 30, 2018	
	Cost	**Market value**	**Cost**	**Market value**
	$	**$**	**$**	**$**
Item				
Cash	-	6.005	-	519,016
Investments	-	-	-	122,942
Accounts payable	150,034	-	62,776	-
Deposit for exploration funding	-	-	185,573	-
Promissory note payable	190,000	-	200,000	-

6. Investments

	As at June 30, 2019	As at June 30, 2018
	$	**$**
Investment in Heron Resources Ltd.	-	122,942

Investment in Heron Resources Ltd.

At June 30, 2019, the Company owned nil (June 30, 2018 – 200,500) common shares in Heron Resources Limited. The common shares trade on the Australian Securities Exchange.

For marketable securities traded in an active market, market value is based on quoted closing prices of the securities at the balance sheet date. The shares of Heron were valued based on the closing market prices on the Australian Securities Exchange ("ASX"), which was $ 0.61 Australian dollars as of the close of June 30, 2018.

6. Investments (continued)

During the year ended June 30, 2019, the Company sold 200,500 shares of Heron Resources to hold nil shares for gross proceeds of $ 123,845 and realized a net gain from these dispositions of $903. During the year ended June 30, 2018, the Company sold 216,069 shares for gross proceeds of $163,397 and realized a net loss from the disposition of $9,477.

Investment in MetalsTech Limited

Tri Origin entered into an agreement with MetalsTech Limited ("MTC") on the Company's Nipissing Cobalt (referred to as Bay Lake North by MetalsTech) property. MTC has agreed to make cash payments and share issuance to Tri Origin as well as complete exploration work commitments over a two year period to acquire a 100% interest in the Nipissing Cobalt property (the "Considerations"). In addition, performance share issuances will be made to Tri Origin based on MTC's share price performance over the two year term and if resources are delineated within the first four years of exploration. If MTC completes the Considerations, Tri Origin will be granted a 1.75% net smelter return royalty ("NSR") on future production. If the Considerations are not met, all interest in the property will be returned to Tri Origin. Tri Origin has received $100,000 and 750,000 fully-paid, ordinary shares (valued at $71,610) of MTC to date. The Company recorded $16,932 against the exploration and evaluation asset and $154,678 as a gain from granting options on exploration and evaluation assets for the year ended December 31, 2018.

The shares received of MTC are valued based on the closing market prices on the Australian Securities Exchange (“ASX”), which was $0.10. During the year ended June 30, 2019, the Company sold the 750,000 shares of MetalsTech for gross proceeds of $ 12,904 and realized a net loss from these dispositions of $ 58,706.

7. Exploration and evaluation assets

North Abitibi Project

North Abitibi is a gold exploration project located 150 kilometres north of Kirkland Lake, Ontario, in the Abitibi Greenstone Belt. The property consists of 187 single cell mining claim cells covering an area of approximately 47 square kilometres and 28 boundary cell mining claims covering an area of approximately 3 square kilometres for a total area of 50 square kilometres. Late in the 2010 fiscal year, Vista Gold Corp. (“Vista”) transferred 100% interest in the North Abitibi mineral claims to Tri Origin which claims are subject to a back-in right held by Vista until the Company has spent $2,000,000, Vista Gold has the option to earn back a 51% interest in the property.

During the year ended June 30, 2019, the Company spent $ 294,488 on exploration expenditures on the property (for the year ended June 30, 2018 – $29,462). Total spending from inception to June 30, 2019 was $ 806,740, which includes a re-imbursement of exploration expenditures of $64,320 made under the Ontario junior exploration assistance program (“JEAP”) during the 2018 fiscal year.

Sky Lake Project

Sky Lake is a gold exploration project located 35 kilometres southwest of Pickle Lake in north western Ontario. It is comprised of 494 100% owned single cell mining claims covering an area of 123.5 square kilometres and 20 partially owned boundary cell mining claims covering an area of approximately 3 square kilometres. During the year ended June 30, 2017, Tri Origin entered into an option agreement with Barrick Gold to acquire a 96% interest in patent mining claims covering an area of 2 square kilometres located within the boundary of its Sky Lake property. To exercise the option, the Company is required to spend $500,000 on exploration on the patent claims over a 4 year period.

During the year ended June 30, 2019, the Company spent $ 60,807 to conduct exploration on the property (for the year ended June 30, 2018 - $128,704). Total spending from inception to June 30, 2019 was $ 1,650,737.

South Abitibi Project

During the latter part of fiscal 2015, a gold and base metal alliance agreement was entered into between Tri Origin and Sumac Mines Ltd (renamed Sumitomo Metal Mining Canada Ltd. (“Sumitomo”)) Tri Origin acted as operator and Sumitomo funded acquisition and exploration expenditures at the property. South Abitibi is a large property position of 798 single cell mining claims and 95 boundary cell mining claims covering an area of approximately 210 square kilometres in the Temagami-Cobalt region of Ontario.

7. Exploration and evaluation assets (continued)

During the six months ended December 31, 2018, Sumitomo informed Tri Origin that it was withdrawing from the alliance agreement. This has left Tri Origin with an unencumbered 100% interest in the South Abitibi project.

Expenditures by the Company during the year ended June 30, 2019 totalled $ 28,922 (for the year ended June 30, 2018 - $43,080). Exploration funds provided by Sumitomo totalled $53,607 during the period. The expenditures incurred by Sumitomo are not recorded in the Company's books. Approximately $2,250,000 was spent by Sumitomo during the period of the Alliance from late May, 2015 to December 31, 2018. As of June 30, 2019, the Company has on deposit a balance of $nil of Sumitomo funds advanced to Tri Origin to be spent on the project.

During the year ended June 30, 2019, the Company received $10,347 (year ended June 30, 2018 - $97,588), from Sumitomo as a re-imbursement of expenses and for property management services. Funds received for property management services have been recorded in other income in the statements of loss and comprehensive loss.

Nipissing Cobalt (Bay Lake North) Property

The Company holds 100% interest in the Nipissing Cobalt Property located at Bay Lake, 10 kilometres west of Cobalt in east central Ontario. The property consists of 570 single cell and boundary cell mining claims covering an area of approximately 225 square kilometres. The property hosts a number of cobalt occurrences and is underlain by Proterozoic sedimentary rock and Nipissing diabase sills which are the primary host rocks for cobalt mineralization throughout the region.

During the year, the Company announced that it had entered into an agreement with MetalsTech Ltd whereby MetalsTech could acquire the Bay Lake North property by making cash payments and share issuances to Tri Origin and meeting certain exploration commitments on the property over a two year term.

Prior to the June 30, 2019 year end, the agreement with MetalsTech was terminated and MetalsTech abandoned all rights to earn an interest in the Nipissing Cobalt property.

Expenditures at the Nipissing Cobalt Property during the year ended June 30, 2019 totalled nil, which does not include funds expended by MetalsTech during the year (for the year ended June 30, 2018 - $16,932).

Detour West Project

Detour West is a gold exploration project located 180 kilometres north of Timmins, Ontario and 20 kilometres west of the Detour Lake Gold Mine. The Detour West property consists of 30 staked mining claims comprising 480 claim units covering an area of approximately 77 square kilometres. The claims tie directly onto mining claims held by Detour Gold Corporation the operator of the nearby Detour Lake Mine.

During the period ended December 31, 2018, the Company completed an evaluation of the property and due to assessment commitments required, it decided to focus available funds on its more advanced projects. It was then decided to allow the Detour West mining claims to expire on their renewal dates.

Expenditures at Detour West during the year ended June 30, 2019 totalled $6,204 (for the year ended June 30, 2018 - $46,037). Total spending from inception to June 30, 2019 by the Company was $319,580. This amount does not include an $87,702 expenditure re-imbursement received from JEAP during fiscal 2017. At June 30, 2019 the Company wrote off the $319,580 exploration and evaluation assets of Detour West.

During the year, the Company decide to terminate the exploration program on the Detour West project. Therefore, the Company wrote-off the mining rights and exploration expenses totaling $ 319,580.

Project Generation

The Company continues to assess new areas for exploration. It is an objective of the Company to increase its portfolio of properties during the coming year. During the year ended June 30, 2019, the Company spent $ 21,357 on project generation activities including review and assessment of reports and preliminary analytical work (for the year ended June 30, 2018 - $6,364) all of which was expensed at year end.

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

	North Abitibi	Sky Lake	Detour West	South Abitibi	Nipissing Cobalt	Total
	$	$	$	$	$	$
Balance, June 30, 2017	**549,110**	**1,461,226**	**267,339**	**8,274**	**-**	**2,285,949**
Acquisition	4,782	14,287	2,400	-	6,391	27,860
Drilling and analytical	-	2,840	-	2,941	-	5,781
Geological, geophysical and geochemical	4,123	28,855	223	-	-	33,201
Management and administration	20,557	82,722	43,414	40,139	10,541	197,373
Reimbursement	(64,320)	-		-	-	(64,320)
Balance, June 30, 2018	**512,252**	**1,589,930**	**313,376**	**51,354**	**16,932**	**2,485,844**
Acquisition	4,086	15,365	-	4,900	-	24,351
Drilling and analytical	208,034	5,552	-	710	-	214,296
Geological, geophysical and geochemical	21,037	16,557	-	5,100	-	42,694
Management and administration	59,331	23,333	6,204	18,212	-	107,080
Sale of exploration and evaluation assets					(16,932)	(16,932)
Write-off	-	-	(319,580)	-	-	(319,580)
Balance, June 30, 2019	**806,740**	**1,650,737**	**-**	**80,276**	**-**	**2,537,753**

(Expressed in Canadian Dollars)

8. Equipment

	Office equipment	Leasehold improvement	Computer software	Field equipment	Total
	$	$	$	$	$
Cost					
Balance, June 30, 2017	99,391	3,701	9,010	30,375	142,477
Acquisition	-	-	-	-	-
Balance, June 30, 2018	99,391	3,701	9,010	30,375	142,477
Accumulated depreciation					
Balance, June 30, 2017	95,769	3,701	9,010	30,375	138,855
Acquisition	724	-	-	-	363
Balance, June 30, 2018	96,493	3,701	9,010	30,375	139,218
Net book value					
June 30, 2018	3,622	-	-	-	3,622
June 30, 2019	2,897	-	-	-	2,897

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

	As at June 30, 2019	As at June 30, 2018
	$	$
Trade payables	35,229	21,714
Accruals	112,800	24,000
Government remittances owing	2,005	17,062
Total	150,034	62,776

10. Promissory note

Promissory Note – Due on Demand

On November 1, 2015, the Company closed a $300,000 private placement whereby the Company issued a $300,000 promissory note. The promissory note initially maturing on October 31, 2016, has been extended to December 31, 2018, and bears interest at a fixed rate of 8% per year payable monthly commencing November 30, 2015. Under the terms of the promissory note, the holder has the option to convert the note in full into common shares of Tri Origin at a price of $0.05 per share. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president. During fiscal 2018, $100,000 of the promissory note had been repaid leaving a balance of $200,000. During the year ended June 30, 2019, the promissory note was increased by $120,000 and an additional $130,000 had been repaid leaving a balance of $190,000.

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component of $282,607 was computed as the present value of future principal and interest payments discounted at a rate of 15% per annum. The residual value of $17,393 was attributed to the liability components and no value was placed on the conversion feature of the debenture. The residual value was credited to contributed surplus.

	As at June 30, 2019	As at June 30, 2018
	$	$
Face value of promissory note	200,000	300,000
Advance from related party	120,000	-
Repayment	(130,000)	(100,000)
Total	190,000	200,000

11. Share capital

Authorized

Unlimited common shares without par value.

Issued and outstanding

	Shares	Amount
		$
Balance, June 30, 2017	99,372,306	21,479,092
Private placement (i)	20,000,000	600,000
Share issue costs (i)	-	(34,377)
Balance, June 30, 2018 and June 30, 2019	119,372,306	22,044,715

(Expressed in Canadian Dollars)

11. Share capital (continued)

(i) On April 4, 2018, the Company completed a non-brokered private placement financing to raise $600,000 through the issuance of 8,777,466 common shares ("Common Shares") and 11,222,534 flow-through shares ("Flow-Through Shares") at a price of $0.03 per Common Share and Flow-Through Share (the "Offering"). In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2019 in the amount of $336,676 which will be renounced to investors in December 2018. As of June 30, 2019 the Company had incurred a total of $ 257,792 in eligible exploration expenditures.

The Company incurred total share issue costs of $34,377 including a cash finder's fee of $12,780 was paid to finders in connection with proceeds raised by finders pursuant to the Offering.

12. Warrants

The movements in the number and estimated fair value of outstanding broker warrants and share purchase warrants are as follows:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, June 30, 2017	10,860,000	0,09
Expired	(10,860,000)	0,08
Balance, June 30, 2018	-	
Balance, June 30, 2019	-	

No warrants were outstanding as at June 30, 2019.

13. Stock options

The Company has a stock option plan available to directors, officers, employees and consultants of the Company. Currently, a maximum of 13,084,661 common shares may be issued under the Plan. The movements in the number of stock options are as follows :

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, June 30, 2017	4,550,000	0,06
Expired	(500,000)	0,10
Granted	3,700,000	0,05
Balance, June 30, 2018	7,750,000	0,05
Expired	(1,500,000)	0,05
Granted	2,000,000	0,05
Balance, June 30, 2019	8,250,000	

(Expressed in Canadian Dollars)

13. Stock options (continued)

Options to purchase common shares outstanding at June 30, 2019 carry exercise prices and remaining terms to maturity as follows:

	Exercise price ($)	Options outstanding	Remaining options exercisable	Term to maturity (years)
Expiry date				
December 15, 2019	0,05	200,000	200,000	1,46
June 25, 2020	0,05	2,200,000	2,200,000	1,99
June 2, 2021	0,05	150,000	150,000	2,93
May 25, 2023	0,05	3,500,000	3,500,000	4,9
June 7, 2023	0,05	200,000	200,000	4,94
February 9, 2024	0,05	300,000	300,000	4,92
February 21, 2024	0,05	1,500,000	1,500,000	4,92
March 19, 2024	0,05	200,000	200,000	4,92
		8,250,000	8,250,000	3,13

(i) On February 8, 2019, the Company granted 300,000 stock options to a consultant of the Company. Each stock option is exercisable into one common share of the Company at an exercise price of $0.05 per share. These stock options expire in 5 years from the date of grant and vested immediately upon grant. The fair value of these stock options was estimated at $4,320 using Black Scholes valuation model with the following assumptions: stock price of $0.02, risk free interest rate of 1.79%, volatility of 204.93%, dividend yield of 0% and term to expiry of five years.

(ii) On February 21, 2019, the Company granted 1,500,000 stock options to officers and directors of the Company. Each stock option is exercisable into one common share of the Company at an exercise price of $0.05 per share. These stock options expire in 5 years from the date of grant and vested immediately upon grant. The fair value of these stock options was estimated at $28,976 using Black Scholes valuation model with the following assumptions: stock price of $0.02, risk free interest rate of 1.81%, volatility of 204.85%, dividend yield of 0% and term to expiry of five years.

(iii) On March 19, 2019, the Company granted 200,000 stock options to a consultant of the Company. Each stock option is exercisable into one common share of the Company at an exercise price of $0.05 per share. These stock options expire in 5 years from the date of grant and vested immediately upon grant. The fair value of these stock options was estimated at $4,841 using Black Scholes valuation model with the following assumptions: stock price of $0.025, risk free interest rate of 1.62%, volatility of 203.17%, dividend yield of 0% and term to expiry of five years.

During the year ended June 30, 2019, the Company recognized a total expense of $ 38,137 (year ended June 30, 2018 - $ 90,896) and capitalized $ nil (year ended June 30, 2018 - $ nil) to Exploration and Evaluation assets in respect of the options vesting during the period.

14. Financial risk factors

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at June 30, 2019, the Company had $ 6,005 cash (June 30, 2018 - $519,016) to settle current liabilities of $ 340,034 (June 30, 2018- $448,349). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

14. Financial risk factors (continued)

Market risk

(a) Interest rate risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds its exploration and administrative expenses using Canadian dollars.

The Company had investments in Heron Resources Ltd and MetalsTech Limited which were classified as a current asset. The investment was valued at fair value based on listed market quotations on the Australian Securities Exchange ("ASX"), with unrealized gains and losses recognized in income. As such, the investment is not subject to foreign currency risk.

(c) Market risk

The market value of the shares of Heron and MetalsTech fluctuates daily as the shares are traded publicly on the ASX. The market value of the Company's investment is calculated by the Company at each of its balance sheet dates at the investment's market value as traded on the ASX and converted to Canadian dollar value based on Bank of Canada exchange rates.

(d) Price risk

The Company is a mineral exploration company whose projects may be impacted, and consequently exposed to price risk, by the prices of certain commodities including the prices for precious and base metals. The Company believes that, because it is an exploration stage company and has no producing mines currently, the effect of metal price fluctuations is indirect. The indirect effects of metal price fluctuations on the Company might include an impact on its ability to raise capital in the future and could cause continued exploration and development of the Company's properties to be impracticable.

(e) Sensitivity Analysis

The Company has designated its cash as a financial asset at FVTPL, which is measured at fair value.

As at June 30, 2019, the carrying amount of accounts receivable and prepaid expenses are measured at amortized cost, which equals fair market value. Accounts payable and the short term credit facility are classified as other financial liabilities and measured at amortized cost.

Based on management's knowledge and experience of financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

The Company does not hold significant balances in foreign currencies that give rise to exposure to foreign currency risk.

15. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be cash, investments, credit facilities and equity, comprising share capital, warrants, contributed surplus and deficit. The equity of the Company at June 30, 2019 totaled $ 2,216,895 (June 30, 2018 - $2,693,959). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

(Expressed in Canadian Dollars)

15. Capital management (continued)

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Corporation's capital management objectives, policies and processes have remained unchanged during the year ended June 30, 2019.

16. General and administrative expense

	Years ended June 30, 2019	Years ended June 30, 2018
	$	$
Salaries and benefits	77,160	42,730
Share based payments	38,137	90,896
Professional fees	37,870	51,733
Share control and listing fees	17,907	29,350
Travel	1,131	1,900
General office expenses	95,326	75,647
Amortization	724	2,145
Total	268,255	294,401

17. Income taxes

The income tax allowance differs from the amount resulting from the application of the combined Canadian income tax rate as follows:

	2019	2018
	$	$
(Loss) Income before income taxes	(515,201)	(273,485
Combined statutory income tax rate	26.5%	26.5%
Income tax benefit at the combined Canadian statutory income tax rate	(136.528)	(72,460)
Stock-based compensation	10,106	24,087
Amortization	192	568
General exploration	5,660	1,686
Write-down of exploration and evaluation assets	84,689	-
Share issue costs	(3,934)	(3,935)
Non-deductible items and other	663	663
Income tax benefits not recognized	42,812	36,959
Realized and unrealized (gains) losses on investments	(25,671)	12,432
Disposal of exploration and evaluation assets	22,011	-
Effective tax recovery	-	-

(Expressed in Canadian Dollars)

17. Income taxes (continued)

Significant components of the Company's deferred income tax assets are as follows:

	2019	2018
	$	$
Deferred income tax assets:		
Capital and non-capital loss carry forwards	2,093,322	1,953,830
Share issue costs	8,991	12,925
Capital assets	44,141	43,948
Investments	-	98,508
Resource deductions	1,213,556	1,123,208
	3,356,010	3,232,419
Deferred tax asset not recognized	(3,356,010)	(3,232,419)
Net deferred income tax assets		

The Company has non-capital losses available for deduction against future taxable income of approximately $5,448,000. These losses, if not utilized, will expire as follows:

	Amount
2026	373,000
2027	464,000
2028	607,000
2029	538,000
2030	457,000
2031	601,000
2032	493,000
2033	397,000
2034	303,000
2035	413,000
2036	310,000
2037	191,000
2038	139,000
2039	162,000
	5,448,000

The Company has Canadian exploration expenditures and Canadian development expenditures available to reduce future years' taxable income, of approximately $7,117,000.

The Company also has approximately $4,905,000 of capital losses which under certain circumstances may be used to reduce the taxable income in future years.

Deferred tax assets have not been recognized because of this stage of the Company's development, it is not determinable that future taxable profit will be available against which the Company can utilize such deferred income tax assets.

(Expressed in Canadian Dollars)

18. Related party transactions

The Company had the following related party transactions for the year ended June 30, 2019. These transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

(a) Transactions with a private Ontario corporation controlled by Tri Origin Exploration Ltd.'s President are as follows:

i) The Company's office is located at 125 Don Hillock Drive, Unit 18 in Aurora, Ontario and rents the property on a month-to-month basis. During the year ended June 30, 2019 the Company paid or accrued $58,819 (year ended June 30, 2018 - $58,819) for this rental. Prepaid assets include $2,750 (June 30, 2018 - $2,750) related to rent paid.

ii) The Company had a promissory note payable (Note 10) to this related company in the amount of $190,000 (2018 - $200,000) and paid or accrued interest in the amount of $13,230 during 2019 (2018 - $23,343).

iii) Included in accounts payable is $21,464 (2018 - $1,315) owing to this related party on account of rent and interest payable.

(b) The Chief Financial Officer for the period July 1, 2018 until May 30, 2019 is an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the year ended June 30, 2019, the Company incurred $ 16,500 (year ended June 30, 2018 - $19,000) for accounting services rendered by MSSI.

(c) Remuneration of directors and key management personnel of the Company were as follows:

	Year ended June 30, 2019	Year ended June 30, 2018
	$	$
Salaries and benefits	189,600	189,600
Stock-based compensation	23,181	76,996
Total	212,781	266,596

Key management personnel include the President and Chief Financial Officer and companies controlled by the Chief Executive Officers. Accrued salaries and fees payable as of June 30, 2019 are $ 94,800 (2018- $nil).

19. Subsequent events

Subsequent to year end Tri Origin announced that two separate agreements had been entered into with De Beers Canada Inc. to conduct exploration and core drilling at the Company's South Abitibi and Nipissing Cobalt projects. The agreements allow De Beers Canada access to both properties to conduct preliminary drilling and to evaluate for diamond content if targets identified by De Beers Canada are proven to be kimberlitic rocks. Pending results, a more comprehensive property earn-in agreement containing industry-standard terms could then be negotiated and entered into for either or both properties. The agreements provided for combined payments to Tri Origin of $30,000 on signing which was received subsequent to year end.