TRI ORIGIN EXPLORATION LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

(Expressed in Canadian Dollars)

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
George G. Lovrics, BComm, CPA, CA
CPA (Illinois)

Nazli Dewji, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tri Origin Exploration Ltd.

We have audited the accompanying financial statements of Tri Origin Exploration Ltd., which comprise the statements of financial position as at June 30, 2018 and 2017, and the statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tri Origin Exploration Ltd. as at June 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes that the Company has prepared the financial statements on the basis applicable for a going concern. The Company incurred a net loss of $273,435 during the year ended June 30, 2018 (2017 – loss of $3,418,297), this condition, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern

Stern & Lovrics LLP

Toronto, Ontario
October 3, 2018

Chartered Professional Accountants
Licensed Public Accountants

TRI ORIGIN EXPLORATION LTD.

Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2018	June 30, 2017
Assets		
Current assets		
Cash	$ 519,016	$ 113,397
Accounts receivable	-	2,747
Prepaid	10,884	3,547
Investment in Heron Resources Ltd. (Note 6)	122,942	333,255
Total current assets	652,842	452,946
Exploration and evaluation assets (note 7)	2,485,844	2,285,949
Equipment (note 6)	3,622	2,145
Total Assets	$ 3,142,308	$ 2,741,040
Equity and Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	$ 62,776	$ 64,145
Funds on deposit	185,573	66,020
Promissory note payable (note 10)	200,000	300,000
Total Liabilities	448,349	430,165
Equity		
Share capital (note 11)	22,044,715	21,479,092
Warrants (note 12)	-	185,950
Equity portion of convertible debenture (note 12)	17,393	17,393
Contributed surplus	2,068,483	1,811,637
Deficit	(21,436,632)	(21,183,197)
Total equity	2,693,959	2,310,875
Total Liabilities and Equity	$ 3,142,308	$ 2,741,040

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, 2018	2017
Expenses		
General and administrative costs (note 16)	$ 294,401	$ 290,851
Project generation and reclamation costs	6,364	25,101
Finance charges (note 17)	23,343	85,632
Write-off of exploration and reclamation costs	-	3,054,450
Loss before other items	(324,108)	(3,456,034)
Other Items		
Unrealized gain (loss) on investments (note 6)	(37,438)	(187,609)
Realized (loss) gain on investments (note 6)	(9,477)	71,577
Realized flow-through share premium	-	45,400
Other income (note 7)	97,588	108,369
Total other items	50,673	37,737
Net loss and comprehensive loss for the year	$ (273,435)	$ (3,418,297)
Basic and diluted loss per share	$ (0.00)	$ (0.04)
Weighted average number of shares outstanding	104,139,429	96,696,580

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

TRI ORIGIN EXPLORATION LTD.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital	Warrant reserve	Equity portion of convertible debenture	Contributed surplus reserve	Deficit	Total
Balance, June 30, 2016	$ 20,981,380	$ 99,900	$ 17,393	$ 1,838,135	$ (17,797,600)	$ 5,139,208
Shares issued pursuant to private placement	545,750	86,050	-	-	-	631,800
Flow-through share premium	(21,400)	-	-	-	-	(21,400)
Cancellation of stock options	-	-	-	(21,900)	21,900	-
Share issue costs	(26,638)	-	-	-	-	(26,638)
Expired options	-	-	-	(10,800)	10,800	-
Stock-based compensation	-	-	-	6,202	-	6,202
Net loss for the year	-	-	-	-	(3,418,297)	(3,418,297)
Balance, June 30, 2017	$ 21,479,092	$ 185,950	$ 17,393	$ 1,811,637	$ (21,183,197)	$ 2,310,875
Shares issued pursuant to private placement	565,623	-	-	-	-	565,623
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

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, 2018	2017
Operating Activities		
Net loss for the year	$ (273,435)	$ (3,418,297)
Amortization	2,145	1,754
Accretion charges on promissory note	-	6,666
Net realized and unrealized loss in investments	46,915	116,032
Realized flow-through share premium	-	(45,400)
Write-off of exploration and evaluation assets	-	3,054,450
Share-based payments	90,896	2,852
	(133,479)	(281,943)
Changes in non-cash working capital		
Accounts receivable	2,747	(2,747)
Prepaid	(7,337)	866
Accounts payable and accrued liabilities	184,205	(118,773)
Deposit for exploration funding	(66,020)	(49,870)
Cash used in operating activities	(19,884)	(452,467)
Investing Activities		
Expenditures on exploration and evaluation assets	(199,895)	(491,605)
Expenditures on equipment	(3,622)	(498)
Proceeds from investments	163,397	352,004
Cash provided by investing activities	(40,120)	(140,099)
Financing Activities		
Proceeds from private placement, net	565,623	605,162
Repayment of promissory note	(100,000)	(400,000)
Cash used in financing activities	465,623	205,162
Change in cash during the year	405,619	(387,404)
Cash, beginning of the year	113,397	500,801
Cash, end of the year	$ 519,016	$ 113,397

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 $273,435 for the year ended June 30, 2018 (year ended June 30, 2017 – loss of $3,418,297) and a deficit of $21,436,632 as at June 30, 2018 (June 30, 2017 - $21,183,197). 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, 2018, the Company had a working capital of $204,493 (June 30, 2017 – $22,781) and is not generating positive cash flows from operations. Working Capital includes a promissory note of $200,000 (June 30, 2017 - $300,000) payable by the Company which also may be convertible into shares of the Company. It also includes the Company's investment of $122,942 (June 30, 2017 - $333, 255) that consists of marketable securities in shares of the Company's former subsidiary and any or all of the shares could be sold 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 significant accounting policies

(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 3, 2018.

(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:

- 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.

- 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.

3. Significant accounting policies (continued)

Significant accounting judgments and estimates (continued)

- 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.

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, 2018 and June 30, 2017.

3. Significant accounting policies (continued)

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

All financial instruments are classified into one of the following categories: financial assets at fair value through profit or loss ("FVTPL"), held to maturity, loans and receivables, or available for sale. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as either financial liabilities 'at FVTPL" or "other financial liabilities".

Initial and subsequent measurement and recognition of the changes in the value of the financial instrument depend on their initial classification.

(a) Financial assets at FVTPL are measured at fair value. All gains and losses resulting from changes in fair value are included in net income (loss) in the period in which they arise. Transaction costs for financial instruments classified as financial assets at FVTPL are expensed as incurred
(b) Held to maturity investments, loans and receivables and other financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortized cost. Premiums or discounts and transaction costs are amortized into net income (loss), using the effective interest method.
(c) Available for sale financial assets are measured at fair value, with unrealized gains and losses recorded in accumulated other comprehensive earnings until the asset is realized, at which time they are recorded in the net income (loss).

The Company's financial instruments include cash, accounts receivables, long term investments, accounts payable and accrued liabilities, promissory note payable and debenture payables.

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.

3. Significant accounting policies (continued)

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.

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 arer 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. The Company's carrying value and fair value of convertible debenture is under the fair value hierarchy using Level 2 inputs.

3. Significant accounting policies (continued)

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.

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.

3. Significant accounting policies (continued)

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.

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.

3. Significant accounting policies (continued)

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 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for periods beginning on or after January 1, 2017. Earlier adoption is permitted.

Other accounting standards or amendment to existing accounting standards that have been issued, but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian Dollars)

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, 2018		As at June 30, 2017	
Item	**Cost $**	**Market value $**	**Cost $**	**Market value $**
Cash	-	519,016	-	113,397
Accounts receivable	-	-	2,747	-
Investments	-	122,942	-	333,255
Bank indebtedness	-	-	-	-
Accounts payable	62,776	-	64,145	-
Deposit for exploration funding	185,573	-	66,020	-
Promissory note payable	200,000	-	300,000	-

6. Investment in Heron Resources Ltd.

	As at June 30, 2018	As at June 30, 2017
Investment in Heron Resources Ltd.	$ 122,942	$ 333,255

Investment in Heron Resources Ltd.

At June 30, 2018, the Company owned 200,500 (June 30, 2017 – 416,569) common shares in Heron Resources Limited. The common shares trade on both the Australian Securities Exchange and the Toronto Stock 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 are valued based on the closing market prices on the Australian Stock Exchange ("ASX"), which was $0.61 ($0.63 Australian dollars) as of the close of June 30, 2018.

During the year ended June 30, 2018, the Company sold 216,069 common shares of Heron Resources Limited for gross proceeds of $163,397 and realized a net loss from these dispositions of $9,477. During the year ended June 30, 2017, the Company sold 1,768,551 shares for gross proceeds of $269,109 and realized a net gain from the disposition of $30,354. The Company recorded an unrealized loss of $37,438 (year ended June 30, 2017 – loss of $187,609) on the remaining Heron shares held throughout the year ended June 30, 2018.

During the year ended June 30, 2018, the Heron Resources Limited completed a 1 for 10 share consolidation and all earlier share comparisons are reported on a post consolidation basis.

During the year ended June 30, 2017, Heron completed the spin-out into a subsidiary named Ardea Resources Limited ("Ardea"). Shareholders of Heron could receive shares of Ardea or have the shares sold on their behalf. The Company sold 416,569 Ardea shares for $82,895 resulting a realized gain of $41,223 in the statements of loss and comprehensive loss for the year ended June 30, 2017.

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 174 mining claim cells covering an area of approximately 42 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 backin 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, 2018, the Company spent $29,462 on exploration expenditures on the property (for the year ended June 30, 2017 – $224,028). A reimbursement of $64,320 was received from the Junior Exploration Assistance Program (JEAP) related to project expenditures incurred during the 2017 fiscal year. Total spending from inception to June 30, 2018 was $578,572, which does not include the JEAP reimbursement.

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 current fiscal year, the Company acquired and additional 238 new mining cell claims totalling an area of 59.5 square kilometres through map staking to bring its total land holding to 102 square kilometres.

During the year ended June 30, 2018, the Company spent $128,704 to conduct exploration on the property (for the year ended June 30, 2017 $72,336). Total spending from inception to June 30, 2018 was $1,589,930.

South Abitibi Project (Sumitomo Alliance)
During the latter part of fiscal 2015, a gold and base metal alliance agreement was entered into between Tri Origin and Sumac Mines Ltd (recently renamed Sumitomo Metal Mining Canada Ltd. ("Sumitomo")) Tri Origin, as operator of the Alliance, will acquire and explore properties in the southern part of the Abitibi Greenstone Belt of Ontario. A large property position of 798 single cell mining claims and 95 boundary cell mining claims covering an area of approximately 210 square kilometres is held by the Alliance in the Temagami-Cobalt region. The properties will be held as to a 50% Tri Origin and 50% Sumitomo interest. Sumitomo will provide funding for property acquisition and exploration up to a maximum of $4.5 million and as the project advances, individual property specific joint ventures may be entered into to advance successful projects.

Expenditures by TOE during the year ended June 30, 2018 totalled $43,081. This does not include exploration funds provided by Sumitomo which totalled approximately $590,000 during the year. Approximately $2,200,000 has been spent by Sumitomo since the inception of the Alliance in late May, 2015 to June 30, 2018. As of June 30, 2018, the Company has on deposit a balance of $185,573 of Sumitomo funds advanced to Tri Origin to be spent on the project which is recorded in the Company's books.

During the year ended June 30, 2018, the Company received $97,588 (year ended June 30, 2017 $108,369), 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.

7. Exploration and evaluation assets (continued)

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 property consists of 412 100%-owner single cell mining claims and 9 partially-owned boundary cell mining claims covering an area of approximately 105 square kilometres The claims tie directly onto mining claims held by Detour Gold Corporation the operator of the nearby Detour Lake Mine.

Expenditures at Detour West during the year ended June 30, 2018 totalled $46,037 (for the year ended June 30, 2017 $181,581). Total spending from inception to June 30, 2018 by the Company was $313,376. This amount does not include an $87,702 expenditure reimbursement received from JEAP during fiscal 2017.

Red Lake Extension Project (RLX)

RLX is a gold exploration project located 15 kilometres southeast of the town of Red Lake in northwestern Ontario. The Company holds 503 single cell and boundary cell mining claims totalling an area of approximately 120 square kilometres in the Red Lake Greenstone Belt. Expenditures at RLX during the year ended June 30, 2018 totalled $nil (for the year ended June 30, 2017 $10,318). Total spending from inception to June 30, 2017, by the Company was $3,054,450. During the year ended June 30, 2017, the Company completed an evaluation of the property and due to funds available and commitments to other projects, decided to allow the licenses to expire subsequent to year end and wrote off the $3,054,450 exploration and evaluation assets of RLX.

Bay Lake North (formerly Nipissing Cobalt) Property

On March 21, 2018, the Company announced that it 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 899 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.

Subsequent to yearend, 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.

Expenditures at the Nipissing Cobalt Property during the year ended June 30, 2018 totalled $16,932 (for the year ended June 30, 2017 $nil).

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, 2018, the Company spent $6,364 on project generation activities including review and assessment of reports and preliminary analytical work (for the year ended June 30, 2017 $25,101 all of which was expensed at year end).

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

	Red Lake Extension	North Abitibi	Sky Lake	Detour West	South Abitibi	Nipissing Cobalt	Project Generation	Total
Balance, June 30, 2016	**$ 3,044,132**	**$ 325,082**	**$ 1,388,890**	**$ 85,758**	**$ 1,582**	**$ -**	**$ -**	**$ 4,845,444**
Acquisition	1,009	3,696	10,896	-	-	-	-	15,601
Drilling and analytical	-	791	34,098	-	347	-	-	35,236
Geological, geophysical and geochemical	3,122	187,454	11,281	237,733	2,390	-	-	441,980
Management and administration	6,187	32,087	16,061	31,550	3,955	-	25,101	114,941
Reimbursement	-	-	-	(87,702)	-	-	-	(87,702)
Sub-total	**3,054,450**	**549,110**	**1,461,226**	**267,339**	**8,274**	**-**	**25,101**	**5,365,500**
Write-down	(3,054,450)	-	-	-	-	-	-	(3,054,450)
Amounts expensed in the year	-	-	-	-	-	-	(25,101)	(25,101)
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	**$ -**	**$ 514,252**	**$ 1,589,930**	**$ 313,376**	**$ 51,354**	**16,932**	**$ -**	**$ 2,485,844**

8. Equipment

Cost	Office equipment	Leasehold improvement	Computer software	Field equipment	Total
Balance, June 30, 2016	$ 95,271	$ 3,701	$ 9,010	$ 30,375	$ 138,357
Additions	498		-	-	498
Balance, June 30, 2017	95,769	3,701	9,010	30,375	138,855
Additions	3,622		-	-	3,622
Balance, June 30, 2018	$ 99,391	$ 3,701	$ 9,010	$ 30,375	$ 142,477

Accumulated depreciation	Office equipment	Leasehold improvement	Computer software	Field equipment	Total
Balance, June 30, 2016	$ 95,271	$ 2,775	$ 9,010	$ 27,900	$ 134,956
Additions	37	616	-	1,101	1,754
Balance, June 30, 2017	95,308	3,391	9,010	29,001	136,710
Additions	461	310	-	1,374	2,145
Balance, June 30, 2018	$ 95,769	$ 3,701	$ 9,010	$ 30,375	$ 138,855

Net book value	Office equipment	Leasehold improvement	Computer software	Field equipment	Total
June 30, 2017	$ 461	$ 310	$ -	$ 1,374	$ 2,145
June 30, 2018	$ 3,622	$ -	$ -	$ -	$ 3,622

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

	June 30, 2018		June 30, 2017
Trade payables	$	21,714	$	28,991
Accruals		24,000		26,250
Government remittances owing		17,062		8,904
Total	$	62,776	$	64,145

10. Promissory note

Promissory Note – Matures December 31, 2018

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, 2017, 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.

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.

		June 30, 2018		June 30, 2017
Face value of promissory note	$	300,000	$	300,000
Discount on face value of debentures		-		(17,393)
Accumulated accretion		-		17,393
Repayment		(100,000)		17,393
Total	$	200,000	$	300,000

(Expressed in Canadian Dollars)

11. Share capital

Authorized

Unlimited common shares without par value.

Issued and outstanding

	Shares	Amount
Balance, June 30, 2016	**90,652,306**	**$ 20,981,380**
Private placement (i)	8,720,000	545,750
Flow-through share premium (i)	-	(21,400)
Share issue costs (i)	-	(26,638)
Balance, June 30, 2017	**99,372,306**	**$ 21,479,092**
Private placement (ii)	20,000,000	600,000
Share issue costs (ii)	-	(34,377)
Balance, June 30, 2018	**119,372,306**	**$ 22,044,715**

(i) On October 20, 2016, the Company completed of a private placement for total gross proceeds of $631,800 and issued 7,650,000 hard dollar units (“HDU”) at a price of $0.07 per HDU and 1,070,000 flow through units (“FTU”) at a price of $0.09 per FTU. Each FTU consisted of one common share, issued on a flow-through basis, and one-half of a common share purchase warrant. Each HDU consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.12 for a period of 18 months from the date of issuance. The fair value of common share purchase warrants issued in this placement was estimated at $86,050.

A flow-through share premium of $21,400 was recognized on this financing. As of December 31, 2016, 100 per cent of the funds were spent on flow-through eligible expenses. As a result, the flow-through premium was recognized into income. The flow-through spending commitment has been fufilled.

(ii) 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.

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.

(Expressed in Canadian Dollars)

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, 2016	6,500,000	0.08
Issued	4,360,000	0.12
Balance, June 30, 2017	10,860,000	0.09
Expired	(10,860,000)	0.08
Balance, June 30, 2018	-	-

No warrants were outstanding as at June 30, 2018.

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 options outstanding	Weighted average exercise price
Balance, June 30, 2016	5,550,000	0.06
Expired	(300,000)	0.11
Cancelled	(1,000,000)	0.07
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

(Expressed in Canadian Dollars)

13. Stock options (continued)

Options to purchase common shares outstanding at June 30, 2018 carry exercise prices and remaining terms to maturity as follows:

Expiry date	Exercise price ($)	Options outstanding	Options exercisable	Remaining term to maturity (years)
February 19, 2019	0.05	1,500,000	1,500,000	0.64
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	4.90
June 7, 2023	0.05	200,000	200,000	4.94
		7,750,000	7,750,000	3.13

(i) On May 25, 2018, the Company granted 3,500,000 stock options to certain officer, consultant and directors. 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 five years from the date of grant and vested immediately upon grant. The fair value of these stock options was estimated at $86,925 using Black Scholes valuation model with the following assumptions: stock price of $0.025, risk free interest rate of 2.19%, volatility of 252.06%, dividend yield of 0% and term to expiry of five years.

(ii) On June 7, 2018, 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 five years from the date of grant and vested immediately upon grant. The fair value of these stock options was estimated at $3,971 using Black Scholes valuation model with the following assumptions: stock price of $0.02, risk free interest rate of 2.13%, volatility of 252.53%, dividend yield of 0% and term to expiry of five years.

During the year ended June 30, 2018, The Company recognized a total expense of $90,896 for year ended June 30, 2018 (year ended June 30, 2017 - $2,852) and capitalized $nil (year ended June 30, 2017 - $3,350) 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, 2018, the Company had $519,016 cash (June 30, 2017 - $113,397) to settle current liabilities of $448,349 (June 30, 2017 - $430,165). In addition, the Company owns marketable securities comprised of the shares of Heron Resources Ltd., which have a market value of $122,942 as at June 30, 2018 (June 30, 2017 - $333,255). 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 has an investment in Heron Resources Ltd which is classified as a current asset. The investment is valued at fair value based on listed market quotations on the Toronto Stock Exchange, 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 fluctuates daily as the shares are traded publicly on the ASX. The market value of the Company's investment in Heron is calculated by the Company at each of its balance sheet dates at the investment's market value as traded on the Toronto Stock Exchange in Canadian dollar.

(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, 2018, 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.

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

The Company's investment in Heron is recorded at market value. Sensitivity to a plus or minus 5% change in market value would affect net loss and comprehensive loss by plus or minus $6,147.

(Expressed in Canadian Dollars)

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, 2018 totaled $2,693,959 (June 30, 2017 - $2,310,875). 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.

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, 2018.

16. General and administrative expense

	Year Ended June 30, 2018	Year Ended June 30, 2017
Salaries and benefits	$ 42,730	$ 92,735
Share based payments	90,896	2,852
Professional fees	51,733	34,215
Share control and listing fees	29,350	25,035
Travel	1,900	2,725
General office expenses	75,647	131,536
Amortization	2,145	1,753
Total	$ 294,401	$ 290,851

17. Finance charges

	Year Ended June 30, 2018	Year Ended June 30, 2017
Interest on secured debenture	$ -	$ 52,994
Interest charges from unsecured debentures and promissory note	23,343	25,972
Accretion charges from debentures	-	6,666
	$ 23,343	$ 85,632

(Expressed in Canadian Dollars)

18. Income taxes

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

	2018	
(Loss) Income before income taxes	$ (273,435)	$ (3,418,297)
Combined statutory income tax rate	26.5%	26.5%
Income tax benefit at the combined Canadian statutory income tax rate	(72,460)	(905,849)
Stock-based compensation	24,087	756
Amortization	568	465
General exploration	1,686	6,652
Write-down of exploration and evaluation assets	-	809,429
Premium on flow-through shares	-	(12,031)
Share issue costs	(3,935)	(3,337)
Non-deductible items and other	663	663
Income tax benefits not recognized	36,959	50,537
Realized and unrealized (gains) losses on investments	12,432	52,715
Effective tax recovery	$ -	$ -

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

	2018	2017
Deferred income tax assets:		
Capital and non-capital loss carry forwards	$ 2,100,995	$ 1,814,810
Share issue costs	12,925	7,750
Capital assets	43,948	43,380
Investments	98,508	194,354
Resource deductions	1,123,208	1,033,934
	3,379,584	3,094,228
Unrecognized deferred tax assets	3,379,584	3,094,228
Net deferred income tax assets	$ -	$ -

(Expressed in Canadian Dollars)

18. Income taxes (continued)

The Company has non-capital losses available for deduction against future taxable income of approximately $5,285,521. These losses, if not untilized, will expire as follows:

	Amount
2026	$ 373,014
2027	464,221
2028	606,774
2029	537,997
2030	456,568
2031	601,237
2032	492,592
2033	397,038
2034	302,809
2035	413,194
2036	309,908
2037	190,706
2037	139,463
	$ 5,285,521

The company has Canadian exploration expenditures and Canadian development expenditures available to reduce future years' taxable income, of approximately $6,724,000.

The Company also has approximately $5,285,000 of capital losses which under certain circumstances may be used to reduce the taxable income in future years.

(Expressed in Canadian Dollars)

19. Related party transactions

The Company had the following related party transactions for the year ended June 30, 2018. 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) 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. This rental property is owned by a private Ontario corporation controlled by Tri Origin Exploration Ltd.'s President. During the year ended June 30, 2018 the Company paid or accrued $58,819 (year ended June 30, 2017 - $58,819) for this rental. Prepaid assets include $2,750 (June 30, 2017 - $2,750) related to rent paid in advance.

(b) The Chief Financial Officer is an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the year ended June 30, 2018, the Company incurred $19,000 (year ended June 30, 2017 - $6,000) for accounting services rendered by MSSI.

(c) As at June 30, 2018, the Company owed $12,160 (June 30, 2017 - $nil) to the President and CEO of the Company for expenses incurred on behalf of the Company.

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

	Year Ended June 30, 2018	Year Ended June 30, 2017
Salaries and benefits	$ 189,600	$ 218,850
Stock-based compensation	76,996	-
Total	$ 266,596	$ 218,850

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, 2018 are $nil (June 30, 2017- $nil).

20. Subsequent events

i) Tri Origin has entered into an agreement with MetalsTech Limited ("MTC") on the Company's Nipissing (now named Bay Lake North) cobalt 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 Bay Lake North property (the "Consideration"). 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 Bay Lake North property will be returned to Tri Origin. Tri Origin has received $100,000 and 750,000 fully-paid, oridnary shares of MTC to date.

ii) On September 4, 2018, the Company repaid $100,000 of the promissory note, leaving $100,000 outstanding.