THOR EXPLORATIONS LTD

Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2019 and 2018

(in Canadian Dollars)

(Unaudited)

THOR EXPLORATIONS LTD.

June 30, 2019
(Unaudited)

Table of contents

NOTICE TO READER

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

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

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
In Canadian dollars (audited)

	Note	June 30, 2019 $	December 31, 2018 $
ASSETS			
Current			
Cash		**518,659**	304,067
Amounts receivable	5	**532,314**	1,711,261
Prepaid expenses, advances and deposits	6	**107,594**	137,977
Total current assets		**1,158,567**	2,153,305
Investment		**2**	2
Prepaid expenses, advances and deposits	6	**23,327**	23,327
Property, plant and equipment	7	**191,253**	255,482
Exploration and evaluation assets	4, 8	**44,397,920**	42,802,187
Total non-current assets		**44,612,502**	43,080,998
TOTAL ASSETS		**45,771,069**	45,234,303
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	**2,053,609**	1,506,438
Deferred payment	10	**888,560**	893,405
Total current liabilities		**2,942,169**	2,399,843
Non-current liabilities			
Deferred income tax liabilities		**999**	1,047
Total non-current liabilities		**999**	1,047
SHAREHOLDERS' EQUITY			
Common shares	11	**52,268,870**	52,268,870
Shares subscription	11	**1,773,455**	-
Share purchase warrants	11	**533,000**	533,000
Option Reserve	11	**5,006,308**	4,764,308
Currency translation reserve		**650,047**	1,341,031
Deficit		**(17,403,779)**	(16,073,796)
Total shareholders' equity		**42,827,901**	42,833,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**45,771,069**	45,234,303

These consolidated financial statements were approved for issue by the Board of Directors on August 29, 2019 and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30,
In Canadian dollars (unaudited)

		Three Months Ended June 30,		Six Months Ended June 30,	
	Note	**2019**	**2018**	**2019**	**2018**
Expenses:					
Audit and legal		**$ 1,351**	$ 9,407	**$ 23,459**	$ 12,137
Bank charges		**2,645**	3,883	**5,674**	7,013
Consulting fees		**101,575**	128,490	**214,536**	255,816
Diretors fees	12	**185,253**	48,466	**371,474**	95,850
Accretion		**-**	109,109	**-**	213,065
Depreciation		**22,699**	12,920	**39,337**	22,588
Foreign exchange loss (gain)		**(2,601)**	63,180	**33,338**	127,224
Listing and filing fees		**8,379**	5,329	**10,796**	21,212
Office and miscellaneous		**72,656**	48,272	**143,207**	87,193
Salaries and benefits		**36,046**	-	**52,111**	-
Investor information and transfer agent fees		**49,128**	46,367	**73,364**	83,610
Travel		**34,184**	66,458	**87,871**	117,368
Share-based payments	11	**242,000**	-	**242,000**	1,960,307
Loss from operations		**(753,315)**	(541,881)	**(1,297,167)**	(3,003,383)
Interest expense		**(16,496)**	-	**(32,816)**	-
Net loss before taxes		**$ (769,811)**	$ (541,881)	**$ (1,329,983)**	$ (3,003,383)
Net loss for the period		**$ (769,811)**	$ (541,881)	**$ (1,329,983)**	$ (3,003,383)
Other comprehensive income					
Foreign currency translation gain (loss) attributed to equity shareholders of the company		**(365,266)**	(325,718)	**(690,984)**	387,742
Total comprehensive gain (loss) for the period		**$ (1,135,077)**	$ (867,599)	**$ (2,020,967)**	$ (2,615,641)
Net loss per share - basic and diluted		**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		**370,682,965**	326,229,630	**370,682,965**	314,118,370

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30,
In Canadian dollars (unaudited)

	Note	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Cash flows from (used in):					
Operating activities					
Net loss for the period		**$ (769,811)**	$ (541,881)	**$ (1,329,983)**	$ (3,003,383)
Adjustments for:					
Foreign exchange gain		**(5,839)**	48,827	**(16,433)**	112,190
Depreciation		**22,699**	12,920	**39,337**	22,588
Accretion		**-**	109,109		213,065
Stock based compensation		**242,000**	-	**242,000**	1,960,307
Interest expense		**16,495**	-	**32,816**	-
Changes in non-cash working capital items	13	**(102,392)**	(95,911)	**334,305**	(130,635)
Cash utilized in operations		**(596,848)**	(466,936)	**(697,958)**	(825,868)
Adjustments to net loss for cash items					
Realized foreign exchange loss (gain)		**(4,141)**	(672)	**(8,625)**	(3,958)
Net operating cash flows		**(600,989)**	(467,608)	**(706,583)**	(829,826)
Investing activities					
Purchases of property, plant and equipment	7	**(2,131)**	(82,972)	**(8,136)**	(132,616)
Exploration and evaluation expenditures	8	**(1,071,144)**	(1,472,906)	**(1,973,609)**	(2,432,488)
Net investing cash flows		**(1,073,275)**	(1,555,878)	**(1,981,745)**	(2,565,104)
Financing					
Proceeds from issuance of equity securities		**264,555**	-	**1,131,552**	3,850,992
Shares subscription received	11	**1,773,455**	-	**1,773,455**	-
Interest paid		**(717)**		**(723)**	-
Share issue costs		**-**	(243,201)	**(8,378)**	(243,951)
Net financing cash flows		**2,037,293**	(243,201)	**2,895,906**	3,607,041
Effect of exchange rates on cash		**3,617**	71,050	**7,014**	51,778
Net change in cash		**366,646**	(2,195,637)	**214,592**	263,889
Cash, beginning of the period		**152,013**	2,699,131	**304,067**	239,605
Cash, end of the period		**$ 518,659**	$ 503,494	**$ 518,659**	$ 503,494

Supplemental cash flow information (Note 13)

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
In Canadian dollars (unaudited)

		Issued capital							
	Note	Number of common shares	Amount	Share subscription	Share purchase warrants	Reserves	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2017		**301,318,970**	**$ 41,324,813**	**$ 383,820**	**$ -**	**$ 2,582,308**	**$ 693,104**	**$ (11,881,735)**	**$ 33,102,310**
Private placements	11	24,910,660	4,234,812	-	-	-	-	-	4,234,812
Share issuance costs	11	-	(243,950)	-	-	-	-	-	(243,950)
Share subscription received	11	-	383,820	(383,820)	-	-	-	-	-
Share based payments	11				-	2,040,000	-	-	2,040,000
Net loss for the period		-	-	-	-	-	-	(3,003,383)	(3,003,383)
Comprehensive income		-	-	-	-	-	387,742	-	387,742
Balance on June 30, 2018		**326,229,630**	**$ 45,699,495**	**$ -**	**$ -**	**$ 4,622,308**	**$ 1,080,846**	**$ (14,885,118)**	**$ 36,517,531**
Private placements	11	44,453,335	7,617,780	-	-				7,617,780
Share issuance costs	11	-	(515,405)	-	-	-	-	-	(515,405)
Share based payments	11	-	-	-	-	142,000	-	-	142,000
Issue of share warrants	11	-	(533,000)	-	533,000	-	-	-	-
Net loss for the period		-	-	-	-	-	-	(1,188,678)	(1,188,678)
Comprehensive income (loss)		-	-	-	-	-	260,185	-	260,185
Balance on December 31, 2018		**370,682,965**	**$ 52,268,870**	**$ -**	**$ 533,000**	**$ 4,764,308**	**$ 1,341,031**	**$ (16,073,796)**	**$ 42,833,413**
Private placements	11			-		-	-	-	-
Share subscription received	11	-	-	1,773,455		-	-	-	1,773,455
Share based payments	11				-	242,000	-	-	242,000
Net loss for the period		-	-	-		-	-	(1,329,983)	(1,329,983)
Comprehensive income (loss)		-	-	-		-	(690,984)	-	(690,984)
Balance on June 30, 2019		**370,682,965**	**$ 52,268,870**	**$ 1,773,455**	**$ 533,000**	**$ 5,006,308**	**$ 650,047**	**$ (17,403,779)**	**$ 42,827,901**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. (“Old Thor”). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. (“Thor” or the “Company”).Thor trades on the TSX Venture exchange under the symbol “THX-V”.

The Company is a junior natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold exploration projects located in West Africa.

The Company’s registered office is located at 1010 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, Canada.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

b) Basis of measurement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4 of the Company’s audited consolidated financial statements for the year ended December 31, 2018.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

2. BASIS OF PREPATION (continued)

c) Nature of operations and going concern

The Group is a junior natural resources company and is pre-revenue.

As at June 30, 2019, the Company had cash of $518,659 and a net working capital deficit of ($1,783,602). In April 2019 the Company made the following announcements for its Segilola Gold Project in Nigeria:

- On April 15, 2019 announced that it had received Investment Committee approval for US$78 million financing package with the Africa Finance Corporation ("AFC"). The funding package consists of a US$54 million senior secured credit facility, a US$9 million gold stream prepayment and a US$15 million equity investment in Thor.
- On April 16, 2019 announced that it had received a commitment from Norinco International Cooperation Limited ("Norinco International") for 10% financing of a US$65 million turnkey, engineering, procurement and construction contract awarded to Norinco International.
- As at the reporting date the Company was undertaking a private share placement to undertake a private placement for up to US$15 million. Please refer to the press release dated August 19, 2019 for further detail. The share placement will allow the Company to make the investment decision on the Segilola Gold Project. As at the date of approval of these unaudited condensed consolidated interim financial statements, the Company has received share subscriptions totalling US$5.85 million under the terms of the share placement.

The Board has reviewed the Group's cash flow forecasts up until June 2020 having regard to its current financial position and operational objectives. In the absence of an investment decision on the Segilola Gold Project being made, and with the US$5.85 million in share placement subscriptions received as at the date of signing these unaudited condensed consolidated financial statements, the Directors are satisfied that the Group is able to meet its existing liabilities and its ongoing working capital requirements over the next twelve months. Until an investment decision is made on the Segilola Gold Project the Group does not have any material work commitments on any of its licenses within the next twelve months and, in the absence of available funding, is able to cut discretionary expenditure and reduce headcount to reduce financing requirements further. Accordingly, the Board continues to adopt the going concern basis for the preparation of these financial statements.

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

Accordingly, no adjustments to the carrying values of the assets and liabilities have been made in these unaudited condensed consolidated interim financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis which may differ materially from the going concern basis.

In Canadian dollars, except where noted (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

b) Details of the group

In addition to the Company, these unaudited condensed consolidated interim financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The unaudited condensed consolidated interim financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity, with Subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. (“Thor BVI”)	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated (“African Star”)	British Virgin Islands	March 31, 2011	100%
African Star Resources SARL (“African Star SARL”)	Senegal	July 14, 2011	100%
Argento Exploration BF SARL (“Argento BF SARL”)	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL (“AFC Constelor SARL”)	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited (“SROL”)	Nigeria	August 18, 2016	100%
Segilola Gold Limited (“SGL”)	Nigeria	August 18, 2016	100%

c) Foreign currency translation

Functional and presentation currency

The Company’s presentation currency is the Canadian dollar (“$”). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company’s wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star and African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss).

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

d) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and the consolidated statement of comprehensive loss when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial Assets

Under IFRS 9, the Group classifies its financial assets into the following categories: those to be held at amortised cost, and those to be measured subsequently at fair value through profit and loss.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows).

Amortised cost: these assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Amounts receivables are measured at amortised cost using the effective interest rate method, less impairment.

Cash and cash equivalents

Cash and cash equivalents represent cash balances held at bank and on demand deposits. Cash and cash equivalents are measured at amortised cost.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income.

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost which comprise mainly of receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Impairment provisions for other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial Liabilities (continued)
Financial liabilities are initially recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost. These comprise accounts payable, accrued liabilities and deferred payment.

e) Property, plant and equipment

Recognition and Measurement
On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Exploration and evaluation expenditures

Acquisition costs

The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures

All costs incurred prior to legal title are expensed in the consolidated statement of comprehensive loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Projects in Construction and upon commercial production being achieved, re-categorised as Mining Property. Upon achieving commercial production, any costs will be depleted using a units of production method.

Farm-in agreements

As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell.

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

h) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

j) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss).

k) Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the equity-settled employee benefits reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
  Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

l) Interest income

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

m) Application of new and revised International Financial Reporting Standards

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2019 that had a significant effect on the Group's financial statements.

In Canadian dollars, except where noted (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Future accounting pronouncements

There are no standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.

4. ASSET ACQUISITION

a) Acquisition of Nigerian exploration licenses

In December 2018 the Company, through its wholly owned subsidiary Segilola Gold Limited ("SGL"), applied for two new gold exploration licenses, located in southwest Nigeria. Subsequent to the reporting date, on April 1, 2019, the Office of the Nigera Mining Cadastre granted the two licenses to SGL. The new licenses, which total 178 km^2, are located between 17km and 25km south of the Segilola Gold Project and cover significant sections of the structural trends that extend southwards from the Segilola high grade gold deposit. The addition of these two licenses bring the total number of exploration licenses held by SGL to six.

The total consideration paid for the two licenses was comprised of the following:

Purchase price		
Acquisition of exploration licenses		
Cash (NGN 1,332,000)	$	11,707
Total consideration December 31, 2018	**$**	**11,707**

5. AMOUNTS RECEIVABLE

		June 30, 2019		December 31, 2018
GST	**$**	**768**	**$**	952
Other receivables		**531,546**		1,710,309
	$	**532,314**	**$**	1,711,261

The majority of Other receivables consists of US$400,000 of share placement subscription funds pursuant to the August 2018 share placement yet to be received from a subscriber. The subscriber committed to a total subscription of US$2.5 million of which US$2.1 million has been received by the Company. As at the date of signing this report approximately US$400,000 remains outstanding. The Board is assessing the recoverability of the outstanding amount and if it concludes that the amount outstanding will not be recovered within a reasonable period of time the Company will cancel the shares represented by the amount outstanding. The pro-forma implications of this to the numbers presented in these unaudited financial statements as at June 30, 2019 would be as follows:

- a reduction in Other receivables of $524,000 (US$400,000);
- a reduction in Common shares of $528,000 representing 2,933,333 common shares;
- common shares on issue of 367,749,632;
- a reduction of warrants on issue of 2,933,333 from 46,117,869 to 43,184,536; and
- a foreign exchange gain of $4,000

The value of receivables recorded on the balance sheet is approximate to their fair value. There are no expected material credit losses. Please refer to note 14 for discussion on credit risk.

In Canadian dollars, except where noted (unaudited)

6. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		June 30, 2019		December 31, 2018
Current:				
Insurance	**$**	**15,573**	$	18,084
Other deposits		**67,010**		111,165
Other prepaids		**25,011**		8,728
	$	**107,594**		137,977
Non-current:				
Other prepaids	**$**	**23,327**	$	23,327
	$	**23,327**	$	23,327

7. PROPERTY, PLANT AND EQUIPMENT

		Motor vehicles		Plant and machinery		Software		Office furniture		Total
Costs										
Balance, December 31, 2017	$	283,485	$	363,387	$	18,979	$	90,716	$	756,568
Additions		128,685		16,589		-		48,604		193,878
Foreign exchange movement		20,559		13,031		535		3,586		37,711
Balance, December 31, 2018	$	432,729	$	393,006	$	19,514	$	142,906	$	988,157
Additions		-		-		-		8,136		8,136
Foreign exchange movement		(12,683)		(17,574)		(912)		(3,852)		(35,021)
Balance, June 30, 2019	**$**	**420,046**	**$**	**375,432**	**$**	**18,602**	**$**	**147,190**	**$**	**961,273**
Accumulated depreciation and impairment losses										
Balance, December 31, 2017	$	172,410	$	362,853	$	18,979	$	60,278	$	614,520
Depreciation		86,380		2,073		-		18,735		107,188
Foreign exchange movement		(3,726)		12,702		535		1,457		10,967
Balance, December 31, 2018	$	255,064	$	377,627	$	19,514	$	80,470	$	732,675
Depreciation		48,830		2,650		-		22,467		73,947
Foreign exchange movement		(15,605)		(17,214)		(912)		(2,870)		(36,601)
Balance, June 30, 2019	**$**	**288,289**	**$**	**363,063**	**$**	**18,602**	**$**	**100,067**	**$**	**770,020**
Carrying amounts										
Carrying value at December 31, 2017	$	111,075	$	534	$	-	$	30,438	$	142,048
Carrying value at December 31, 2018	$	177,665	$	15,379	$	-	$	62,436	$	255,482
Carrying value at June 30, 2019	**$**	**131,757**	**$**	**12,369**	**$**	**-**	**$**	**47,123**	**$**	**191,253**

During the three and six months ended June 30, 2019, depreciation of $16,813 and $34,610 (three and six months ended June 30, 2018 - $10,058 & $23,345) has been capitalized to exploration and evaluation assets. The accumulated depreciation capitalized to exploration expenditures to June 30, 2019 amounts to $630,511 (December 31, 2018 - $595,901).

In Canadian dollars, except where noted (unaudited)

8. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2017	$ 12,072,976	$ 1,556,955	$ 21,939,187	$ 13,643	$ 35,582,761
Acquisition costs	-	-	-	11,707	11,707
Exploration costs	1,508,986	12,577	5,030,150	-	6,551,713
Foreign exchange movement	315,287	37,878	301,738	1,103	656,006
Balance, December 31, 2018	$ 13,897,249	$ 1,607,410	$ 27,271,075	$ 26,453	$ 42,802,187
Acquisition costs	-	-	-	4,910	4,910
Exploration costs	128,568	7,418	2,172,488	-	2,308,474
Foreign exchange movement	(497,403)	(50,592)	(169,106)	(550)	(717,651)
Balance, June 30, 2019	**$ 13,528,414**	**$ 1,564,236**	**$ 29,274,457**	**$ 30,813**	**$ 44,397,920**

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuator commissioned by African Star or fund its 30% share of the exploration and operating expenses.

During the quarter a revised analysis of the soil geochemistry database was completed and three areas were selected for follow up auger/RAB drilling.

8. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso:

(i) Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL held a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km^2 located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL held a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2 located within the Houndé belt.

The three permits together cover a total area of 474km^2 over the Houndé Belt which form the Central Houndé Project.

(iii) Acacia Option Agreement, Central Houndé Project, Burkina Faso:

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia, formerly known as African Barrick Gold Plc, whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in Central Hounde Project, upon declaration of a Pre-Feasibility Study. As at September 30, 2018, Acacia has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Acacia earned a 51% interest in the Central Houndé Project. The Group currently holds a 49% interest in the Central Houndé Project.

In 2019 to date, Acacia Mining Plc (“Acacia”) continued its exploration work as per its JV with Thor.

LBC target - Bongui and Legue gold permits

Drilling
During Q1, a new drilling program was designed to follow-up the Q4 2018 results. As at March 31, 2019 a total of 1,323m of combined air-core and reverse circulation drilling were completed (1,198m AC and 125m RC). Highlights include 4m @ 2.2g/t Au from 30m in CHAC00459 and 2m @ 2.6g/t Au from 10m in CHAC00434.

PPC target - Ouéré permit

Drilling
The Q4 2018 drilling program was resumed on 14th February and almost complete by March 31, 2019. A total of 5,846m of combined air-core and reverse circulation drilling were completed in Q1 2019 (3,847m AC + 1,969m RC). Highlights include 2m @ 12.2g/t Au from 11m including 1m @ 23.8g/t Au in CHRC00094, 24m @ 0.6g/t Au from 75m in CHRC00093, 6m @ 1.7g/t Au from 12m including 2m @ 3.4g/t Au in CHAC00288, 6m @ 1.5g/t Au from 48m and 11m @ 0.79g/t Au from 76m in CHRC00106 and 4m @ 2.3g/t Au from 86m including 1m @ 5.1g/t Au in CHRC00104.

8. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso (continued):

The Company notes that Barrick Gold Corp. and Acacia Mining plc have reached an agreement on terms of a recommended offer by Barrick for the ordinary share capital of Acacia that Barrick does not own. The Option Agreement with Acacia contains right of first refusal clauses regarding the Company's right to reclaim Acacia's interest in the Central Houndé Project and the Company will assess it's options in this regard.

c) Segilola Project, Osun Nigeria:

The Segilola Gold Project is located in Osun State of Nigeria, approximately 120km northeast of Lagos. The property comprises mining and exploration licenses that covers an area of 17.2km^2.

On April 15, 2019 the Company announced that it had received Investment Committee approval for a US$78 million financing package with the Africa Finance Corporation ("AFC") for the construction and ramp-up of its Segilola Gold Project. The funding package consists of US$54 million senior secured credit facility, a US$9 million gold stream prepayment and a US$15 million equity investment in Thor.

On April 16 the Company announced it had received a commitment from Norinco International Cooperation Limited ("Norinco International") for 10% financing of a US$65 million turnkey, engineering, procurement and construction ("EPC") contract ("LSTK EPC Contract") awarded to Norinco International for the development of the Company's 100% owned Segilola Gold Project.

On May 8 the Company announced the appointment of Mr Michael Kelly as General Manager of the Segilola Gold Project.

On May 31 the Company signed the EPC with Norinco International. The EPC Contract was agreed on a lump sum turnkey basis which provides Thor with a fixed price of US$67.5 million for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant within 18 months of the commencement date and includes guarantees for construction schedule and plant performance.

Work started towards the end of May in the redesign of the Open Pit. This was completed by the end of June, with a view to the completion of a tender for the Mining Contract in the third quarter.

Work continued on the Relocation Action Plan ("RAP"). The survey process began in May with newspaper publication announcement in local newspapers. RAP sensitisation meetings were carried out in June, with the RAP surveys on Land delineation, valuation, asset and socio-economic surveys beginning on 21st June.

In Canadian dollars, except where noted (unaudited)

8. EXPLORATION AND EVALUATION ASSETS (continued)

d) Exploration Licenses, Nigeria

On April 1, 2019 Office of the Nigeria Mining Cadastre granted two new licenses to Segilola Gold Limited, a wholly owned subsidiary of the Company. The licenses located in southwest Nigeria are in addition to the four granted in December, total 142 km2, and are located between 17km and 25km south of the Segilola Gold Project and cover significant sections of the structural trends that extend southwards from the Segilola high grade gold deposit. The four licenses granted in December 2017, which total 334 km2, are located between 30km and 80km north-east of the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit. See also Note 4(a).

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria.

A regional reconnaissance stream sediment sampling program was initiated over exploration licences (100% Thor) located to the north and south of the Segilola Gold Project. These licences cover sections of the gold-bearing structural corridor that are directly along strike, both to the north and south, from Segilola.

Sampling is ongoing with a total of 246 samples collected, during the quarter, on EL28801 (20km south from Segilola) and EL126537 (40km north from Segilola). Geological mapping and rock chip sampling was completed in association with the stream sediment sampling program.
This ongoing reconnaissance exploration program will be continued over the remaining four licences.

A drilling program to test the extensions of the Segilola mineralisation at depth was designed using an updated exploration targeting model and drill sites prepared.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2018		December 31, 2018
Trade payables	**$**	**1,417,189**	$	1,087,873
Accrued liabilities		**636,420**		418,565
	$	**2,053,609**	$	1,506,438

Accounts payable and accrued liabilities are classified as financial liabilities and approximate their fair values.

In Canadian dollars, except where noted (unaudited)

10. DEFERRED PAYMENT

		Total
Balance as at December 31, 2017	**$**	2,245,498
Accretion		271,547
Interest expense		35,449
Principal repayments		(1,776,935)
Interest payments		(29,451)
Foreign exchange movement		147,297
Balance December 31, 2018	**$**	893,405
Interest expense		32,092
Interest payments		-
Foreign exchange movement		(36,937)
Balance June 30, 2019	**$**	**888,560**

The deferred payment (US$2,000,000) forms part of the acquisition of the Segilola Project in Osun, Nigeria becoming payable at the earlier of August 22, 2018 or completion of the financing for full scale development of the Project. Upon acquisition of the Segilola Project the Deferred Payment was recognised at its discounted value using an annualized rate of 20%. Subsequent to initial recognition an accretion expense of the fair value of the Deferred Payment over a period of two (2) years until August 22, 2018 was charged through the Statement of Comprehensive Loss. The deferred payment became subject to an annual interest rate of LIBOR plus 2% from August 22 2018. In November 2018 a total of $1,806,386 was paid with agreement with the third party reached to defer the US$650,000 balance payable until February 28, 2019. Upon agreement for the deferral being reached, the annual interest rate increased to LIBOR plus 5%. As at the date of signing these financial statements the balance payable together with interest remains unpaid and continues to incur interest at a rate of LIBOR plus 5%. It is the Company's intention to pay the remaining balance of the Deferred Payment from the subscription proceeds of the current share placement.

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	June 30, 2019 Number		**June 30, 2019**	December 31, 2018 Number		December 31, 2018
As at start of the year	370,682,965	$	52,268,870	301,318,970	$	41,324,813
Issue of new shares:						
- Issue March 29, 2018 [ii]	-		-	24,910,660		3,990,862
- Issue August 31, 2018[ii]	-		-	44,453,335		7,486,195
- Value of warrants Issue[ii]	-		-	-		(533,000)
	370,682,965	$	52,268,870	370,682,965	$	52,268,870

[ii] Private placement of 24,910,660 common shares at a price of $0.17 per share.
[ii] Private placement of 44,453,335 units at a price of $0.18 per unit. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase a common share of the Company at a price of $0.28 for a period of 36 months.

As at June 30, 2019 a total of CAD$1.7 million had been received from subscribers for shares at $0.20 each in accordance with the share placement being undertaken as at reporting date. The Share Subscriptions received represents an obligation by the Company to issue 8,877,500 common shares which brings the fully diluted issued share capital of the Company to 379,560,465 common shares as at reporting date.

c) Share-based compensation

The Company has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Company’s stock option plan.

Under the 2018 Share Option Plan, 30,000,000 common shares of the Company are reserved for issuance upon exercise of options.

On October 5, 2018 750,000 stock options were granted at an exercise price of $0.14 per share for a period of five years.

On March 12, 2018 12,800,000 stock options were granted at an exercise price of $0.145 per share for a period of five years.

On May 7, 2017 500,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. Subsequent to period end on July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

On January 16, 2017 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. Subsequent to period end on July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

22,050,000 of the stock options vested immediately. These options did not contain any market conditions and the fair value of the options where charged to the statement of comprehensive loss or capitalized as an intangible asset in the period. The assumptions inherent in the use of these models are as follows:

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

Vesting period (years)	First vesting date	Expected remaining life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested
3	01/16/2017	0.56	1.05%	$0.12	197.32%	$0.14	8,000,000
3	05/07/2017	0.85	0.87%	$0.12	192.23%	$0.15	500,000
5	03/12/2018	3.70	2.00%	$0.145	105.09%	$0.14	12,800,000
5	10/05/2018	4.27	2.43%	$0.14	100.69%	$0.14	750,000

The remaining unvested 1,750,000 stock options vest based on certain performance conditions over the life of the option. 875,000 of the options contain market conditions and the remainder have performance conditions where the probability of the milstones being achieved have been estimated by management.

The share price volatility measure for options granted in 2017 was the historical volatility in Thor's share price measured over same number of years as the life of the options granted. In 2018 the Company elected to measure volatility by calculating the average volatility of a collection of three peer companies historical share prices for the exercising period of each parcel of options. Management believes that given the transformational change that the Company has undergone since the acquisition of the Segilola Gold Project in August 2016, the Company's historical share price is not reflective of the current stage of development of the Company, and that adopting the volatility of peer companies who have advanced from exploration to development is a more accurate measure of share price volatility for the purpose of options valuation.

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2019 to June 30, 2019 and the outstanding and exercisable options at June 30, 2019:

			Contractual Lives	January 1, 2019	During the period			June 30, 2019	June 30, 2019 Number of Options	
Grant Date	**Expiry Date**	**Exercise Price**	**Remaining (Years)**	**Opening Balance**	**Granted**	**Exercised**	**Expired / Forfeited**	**Closing Balance**	**Vested and Exercisable**	**Unvested**
16-Jan-2017	16/01/2020 i	$0.12	0.56	9,750,000	-	-	-	9,750,000	8,000,000	1,750,000
7-May-2017	07/05/2020 ii	$0.12	0.85	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023	$0.145	3.70	12,800,000	-	-	-	12,800,000	-	-
5-Oct-2018	5-Oct-2023	$0.14	4.27	750,000	-	-	-	750,000	750,000	-
Totals			**2.37**	**23,800,000**	**-**	**-**	**-**	**23,800,000**	**9,250,000**	1,750,000
Weighted Average Exercise Price				**$0.134**	**-**	**-**	**-**	**$0.134**	**$0.122**	**$0.12**

[1] Subsequent to period end on July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

[2] Subsequent to period end on July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (unaudited)

The following is a summary of changes in options from January 1, 2018 to December 31, 2018 and the outstanding and exercisable options at December 31, 2018:

			Contractual Lives	January 1, 2018	During the period			December 31, 2018	December 31, 2018 Number of Options	
Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2020	$0.12	1.05	9,750,000	-	-	-	9,750,000	8,000,000	1,750,000
7-May-2017	7-May-2020	$0.12	1.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023	$0.145	4.20	-	12,800,000	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023	$0.14	4.76	-	750,000	-	-	750,000	750,000	-
Totals			**2.87**	**10,250,000**	**13,550,000**	**-**	**-**	**23,800,000**	**22,050,000**	1,750,000
Weighted Average Exercise Price				**$0.120**	**$0.145**	**-**	**-**	**$0.134**	**$0.135**	**$0.12**

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES (continued)

d) Share purchase warrants

On August 31, 2018 the Company issued 44,453,335 warrants pursuant to the private share placement closed on the same date, whereby one warrant was issued for every common share subscribed for (“Placement Warrants”). The warrants were issued with an exercise price of $0.28 for a period of thirty-six (36) months.

On August 31, 2018 the Company issued a total of 1,664,534 warrants to and Agent for broker and advisory services pursuant to the private share placement closed on the same date (“Broker Warrants”). The warrants were issued with an exercise price of $0.18 for a period of twenty-four (24) months.

Right to accelerate exercise of warrants

If at any time after four months and one day after August 31, 2018 the Common Shares trade on the TSX Venture Exchange (the "TSX-V”) at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may exercise a right to accelerate the expiry date of the Placement Warrants and/or Broker Warrants by giving notice to the holders of the Placing Warrants and, with respect to the Broker Warrants within five trading days after such event that the Placing Warrants and/or Broker Warrants shall expire (30) days from the date of such notice.

	Number of Warrants	Weighted Average Exercise Price	Carrying Value
Balance, December 31, 2017			$ -
Private placement	44,453,335	$0.28	475,000
Broker	1,664,534	$0.18	58,000
Balance, December 31, 2018	**46,117,869**		**533,000**

The value of the private placement and broker warrants of is net of the value of the Company’s right to accelerate exercise of the warrants.

The aggregate value of the Warrants is $533,000 which was determined using the Black Scholes model. The inputs to the model are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	2.17	2.08%	$0.28	82.43%	$0.08	44,453,335	44,453,335	31/08/2021
2	31/08/2018	1.17	2.08%	$0.18	73.06%	$0.07	1,664,534	1,664,534	31/08/2020

The volatility was determined by calculating the average volatility of a collection of three peer companies historical share prices for the exercise period of each parcel of warrants.

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES (continued)

d) Share purchase warrants (continued)

The Company's right to accelerate the exercising of the warrants arises in the event that the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may give notice to the holders of the warrants requiring that they exercise the warrants with a period of thirty (30) days from the date of notice, failing which the Warrants shall expire.

The inputs to the model for the Company's right to accelerate the exercising of the warrants are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	2.17	2.08%	$0.36	82.43%	$0.07	44,453,335	44,453,335	31/08/2021
2	31/08/2018	1.17	2.08%	$0.36	73.06%	$0.04	1,664,534	1,664,534	31/08/2020

e) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Share subscription' is used to record the share subscription monies received before a share placement has closed and shares issued.

'Option reserve' is used to recognize the value of stock option grants prior to exercise or forfieture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

'Share purchase warrants' is used to recognize the value of share purchase warrants prior to exercise or forfeiture.

In Canadian dollars, except where noted (unaudited)

12. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

a) Trading transactions

The Company's related parties consist of companies owned by directors as follows:

	Nature of transactions
Goldstream Capital Corporation	Director Fees

The Company incurred the following advances in the normal course of operations in connection with companies controlled by key management and directors.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the three and six months ended June 30, 2019 and 2018 were as follows:

		Three Months Ended June 30,				Six Months Ended June 30,		
		2019		2018		**2019**		2018
Consulting fees								
Current directors and officers	$	**98,275**	$	83,728	$	**221,499**	$	163,660
Directors fees and salaries								
Current directors and officers		**120,287**		-		**218,067**		-
Share-based payments								
Current directors and officers		**-**		-		**-**		944,000
	$	**218,562**	$	83,728	$	**439,566**	$	1,107,660

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and six months ended June 30, 2019 and 2018.

(ii) The Company paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at June 30, 2019 include $219,634 (December 31, 2018 - $62,027) due to directors or private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted (unaudited)

13. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
		2019		2018		**2019**		2018
Amounts receivable	**$**	**11,074**	$	1,574	**$**	**47,337**	$	(843)
Prepaid expenses and deposits		**(11,226)**		(28,294)		**28,749**		(23,818)
Accounts payable and accrued liabilities		**(263,461)**		(446,078)		**607,207**		(621,829)
Change in non-cash working capital accounts	**$**	**(263,613)**	$	(472,798)	**$**	**683,293**	$	(646,489)
Relating to:								
Operating activities	**$**	**(102,392)**	$	(95,911)	**$**	**334,305**	$	(130,635)
Financing activities		**-**		-		**43,824**		-
Investing activities		**(161,221)**		(376,887)		**305,164**		(515,855)
	$	**(263,613)**	$	(472,798)	**$**	**683,293**	$	(646,489)

Accounts payable and accrued liabilities includes $1,232,459 (December 31, 2018 - $927,294) related to exploration and acquisition costs.

b) The Company has no outlays in respect of income taxes for the three and six months ended June 30, 2019 and 2018.

14. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, amounts receivable, investment, accounts payable and accrued liabilities and deferred payment.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, accounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The carrying value of deferred payment approximates its fair value. The investment is carried at cost as it is not traded on an active market.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market risk

In Canadian dollars, except where noted (unaudited)

14. FINANCIAL INSTRUMENTS (continued)

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

June 30, 2019		Total
Assets		
Cash and cash equivalents	$	518,659
Amounts receivable		532,314
Total assets measured at amortised cost		**1,050,973**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	2,053,609
Deferred payment		888,560
Total liabilities measured at amortised cost	**$**	**2,942,169**

December 31, 2018		Total
Assets		
Cash and cash equivalents	$	304,067
Amounts receivable		1,711,261
Total assets measured at amortised cost		**2,015,328**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,506,438
Deferred payment		893,405
Total liabilities measured at amortised cost	**$**	**2,399,843**

In Canadian dollars, except where noted (unaudited)

14. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, UK, Nigerian, and Senegalese Chartered banks that are believed to be creditworthy.

At June 30, 2019 amounts receivable is comprised primarily of US$400,000 share subscription monies to be received from a subscriber pursuant to the private placement completed in August 2018. The Company does not believe it is exposed to significant credit risk and counterparty risks. As at the date of signing this report approximately US$400,000 remains outstanding. In accordance with the provisions of IFRS 9 the Company has undertaken a credit assessment risk with regards to this outstanding receivable. The risk was assessed in terms of the likelihood of a default occurring. Based on the Company's knowledge of the financial solvency of the subscriber, past experience and other factors, as at June 30, 2019 it is believed that the credit risk is limited and as such no impairment has been recognised. See also Note 5.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at June 30, 2019 and December 31, 2018 were as follows:

		June 30, 2019		December 31, 2018
Cash	$	518,659	$	304,067
Amounts receivable		532,314		1,711,261
Total	**$**	**1,050,973**	**$**	**2,015,328**

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional equity financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at June 30, 2019 and December 31, 2018.

Contractual maturity analysis as at June 30, 2019

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	1,217,838	199,351	-	-	1,417,189
Accrued liabilities	636,420	-	-	-	636,420
Other current liabilities	888,560	-	-	-	888,560
	2,742,818	**199,351**	**-**	**-**	2,942,169

In Canadian dollars, except where noted (unaudited)

14. FINANCIAL INSTRUMENTS (continued)

Liquidity and funding risk (continued)

Contractual maturity analysis as at December 31, 2018

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	888,522	199,351	-	-	1,087,873
Accrued liabilities	418,565	-	-	-	418,565
Other current liabilities	893,405	-	-	-	893,405
	2,200,492	**199,351**	**-**	**-**	**2,399,843**

Market risk
The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its deferred payment. The deferred payment incurs a variable rate that expose the Group to cash flow interest rate risk. See note 10 also. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The following table shows the interest rate profile of interest-bearing financial instruments as at March 31, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
Variable rate instruments		
Financial assets	$ -	$ -
Financial liabilities	(888,560)	(893,405)
	$ (888,560)	**$ (893,405)**

14. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis

An increase of 100 basis points in interest rates at each reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Profit and loss	
	June 30, 2019	December 31, 2018
Variable rate instruments	$ 8,886	$ 8,934

b) Foreign currency risk

The Group seeks to manage its exposure to this risk by ensuring that where possible, the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, UK Pounds Sterling and Australian Dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars, UK Pounds Sterling, and Australian Dollars. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	June 30, 2019 CAD$	June 30, 2019 CAD$	June 30, 2019 CAD$	June 30, 2019 CAD$	June 30, 2019 CAD$	June 30, 2019 CAD$
Canadian dollar	(392,330)	-	-	-	-	(392,330)
US dollar	(480,417)	-	-	403	-	(480,014)
Pound Sterling	(289,000)	-	-	-	-	(289,000)
Nigerian Naira	-	-	-	(39,462)	-	(39,462)
West African Franc	-	-	-	-	(268,335)	(268,335)
Australian dollar	(291,158)	-	-	-	-	(291,158)
Total	(1,452,905)	-	-	(39,059)	(268,335)	(1,760,299)

In Canadian dollars, except where noted (unaudited)

14. FINANCIAL INSTRUMENTS (continued)

Market risk continued

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$
Canadian dollar	(245,994)	-	-	-	-	(245,994)
US dollar	623,661	-	-	421	-	624,082
Pound Sterling	(185,567)	-	9	-	-	(185,558)
Nigerian Naira	-	-	-	(80,707)	-	(80,707)
West African Franc	-	-	-	-	(244,190)	(244,190)
Australian dollar	(90,843)	-	-	-	-	(90,843)
Total	101,257	-	9	(80,286)	(244,190)	(223,210)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

June 30, 2019	Canadian Dollar Appreciation By 5%	Canadian Dollar Depreciation By 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 24,000	$ (24,000)
December 31, 1018		
Comprehensive income (loss)		
Financial assets and liabilities	$ 105,800	$ (105,800)

15. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its 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 its capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

In Canadian dollars, except where noted (unaudited)

16. SEGMENTED DISCLOSURES

Geographic Information

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:

June 30, 2019	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Current assets	$ 7,948	$ 5,097	$ -	$ 137,976	$1,007,546	$ 1,158,567
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Property, plant nd equipment	27,999	1,432	-	157,416	4,406	191,253
Exploration and evaluation assets	13,528,414	1,564,235	-	29,305,271	-	44,397,920
Total assets	$ 13,564,361	$ 1,570,764	$ -	$29,600,663	$ 1,035,281	$45,771,069

December 31, 2018	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Current assets	$ 11,235	$ 5,339	$ -	$ 149,880	$ 1,986,851	$ 2,153,305
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Property, plant and equipment	33,216	1,687	-	212,487	8,092	255,482
Exploration and evaluation assets	13,897,249	1,607,410	-	27,297,528	-	42,802,187
Total assets	$ 13,941,700	$ 1,614,436	$ -	$27,659,895	$ 2,018,272	$45,234,303

17. SUBSEQUENT EVENTS

On April 30 the Company originally announced the undertaking of a private share placement. The placement deadline was extended beyond the 45 day time limit and then subsequently on August 19 the Company announced terms of a new private share placement to raise up to US$15 million at CAD$0.20 per share. The share placement will allow the Company to make the investment decision on the Segilola Gold Project. As at the date of filing of this report, subscription agreements totalling US$5.85 million have been received under the terms of this placement.