KORE MINING LTD.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2019 and 2018

(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of KORE Mining Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim consolidated financial statements.

KORE MINING LTD.
Condensed Interim Consolidated Statements of Financial Position
(unaudited)
(Expressed in Canadian dollars)

As at	Note		March 31, 2019		December 31, 2018
Current assets					
Cash and cash equivalents		$	**41,819**	$	30,620
Amounts receivable			**8,315**		59,568
Advances and prepaid expenses	5		**388,080**		461,555
Total current assets			**438,214**		551,743
Non-current assets					
Deferred transaction costs	11		**34,184**		-
Deposit			**10,000**		10,000
Mineral properties	6		**1,597,629**		1,612,792
Total assets		$	**2,080,027**	$	2,174,535
Current liabilities					
Accounts payable		$	**904,832**	$	841,766
Due to related parties	8		**899,100**		635,746
Total liabilities			**1,803,932**		1,477,512
Shareholders' equity					
Share capital	7		**6,306,463**		6,306,463
Warrants			**573,516**		573,516
Reserves			**455,971**		341,739
Deficit			**(7,047,241)**		(6,535,002)
Accumulated other comprehensive income (loss)			**(12,614)**		10,307
Total shareholders' equity			**276,095**		697,023
Total shareholders' equity and liabilities		$	**2,080,027**	$	2,174,535

Going concern	2
Subsequent events	11

Approved by the Board of Directors:

"James Hynes" — Director

"Adrian Rothwell" — Director

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

KORE MINING LTD.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(unaudited)
(Expressed in Canadian dollars)

	Note		For the three months ended March 31, 2019		For the three months ended March 31, 2018
Expenses					
Exploration and evaluation expenses	6	**$**	**22,984**	$	221,897
Management fees, salaries and corporate advisory fees	8		**137,903**		135,500
General and administration			**48,950**		33,377
Marketing, advisory and investor relations			**136,829**		21,987
Professional fees			**54,044**		7,560
Share-based payments	7		**114,232**		145,422
			514,942		565,743
Other income/expense					
Interest and finance (income) expense			**(112)**		194
Foreign exchange (gain) loss			**(2,591)**		(1,247)
			(2,703)		(1,053)
Net loss for the period		**$**	**512,239**	$	564,690
Item that may be subsequently reclassified to net income					
Cumulative translation adjustment			**(22,921)**		(12,894)
Comprehensive loss for the period		**$**	**489,318**	$	551,796
Basic and fully diluted loss per common share		**$**	**0.01**	$	0.02
Weighted average number of common shares outstanding			**71,241,914**		17,907,220

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

KORE MINING LTD.
Condensed Interim Consolidated Statements of Cash Flows
(unaudited)
(Expressed in Canadian dollars)

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
CASH USED IN OPERATING ACTIVITIES		
Loss for the period	**$ (512,239)**	$ (564,690)
Items not involving cash:		
Share-based payments	**114,232**	145,422
Unrealized foreign exchange losses	**-**	(2,357)
Changes in non-cash working capital items:		
Amounts receivable	**51,252**	12,202
Prepaid expenses and advances	**73,475**	-
Advances	**-**	(61,330)
Accounts payable	**292,236**	427,188
	18,956	(43,565)
FINANCING ACTIVITIES		
Issuance costs	**-**	(9,922)
	-	(9,922)
Impact of changes in foreign exchange	**(7,757)**	-
Change in cash	**11,199**	(53,487)
Cash at beginning of period	**30,620**	88,694
Cash at end of period	**$ 41,819**	$ 35,207
Supplemental cash flow information:		
Deferred transaction costs incurred through accounts payable	**$ 34,184**	$ -

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

KORE MINING LTD.

Condensed Interim Consolidated Statements of Changes in Equity

(unaudited)

(Expressed in Canadian dollars)

	Common Shares						
	Number	Amount $	Warrants $	Reserves $	Deficit $	Accumulated Other Comprehensive Income (Loss) $	Total Equity $
January 1, 2018	17,907,220	2,546,807	-	-	(2,029,880)	(41,174)	475,753
Unit issuance costs	-	(9,922)	-	-	-	-	(9,922)
Share-based payments	-	-	-	145,422	-	-	145,422
Net loss for the period	-	-	-	-	(564,690)	-	(564,690)
Other comprehensive income (loss)	-	-	-	-	-	12,894	12,894
March 31, 2018	17,907,220	2,536,885	-	145,422	(2,594,570)	(28,280)	59,457
Units issued on private placements	3,900,000	2,025,000	(75,000)	-	-	-	1,950,000
Units issued on settlement of convertible debt	500,000	175,000	75,000	-	-	-	250,000
Shares issued as finance cost	180,000	63,000	-	-	-	-	63,000
Unit issuance costs	-	(278,359)	-	33,911	-	-	(244,448)
Shares issued on exercise of options	800,000	503,101	-	(145,422)	-	-	357,679
Share-based payments	-	-	-	307,828	-	-	307,828
Shares issued to shareholders of Eureka	5,301,005	1,855,352	-	-	-	-	1,855,352
Shares issued pursuant to RTO	42,653,689	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(3,940,432)	-	(3,940,432)
Other comprehensive income (loss)	-	-	-	-	-	38,587	38,587
December 31, 2018	71,241,914	6,306,463	573,516	341,739	(6,535,002)	10,307	697,023
Share-based payments	-	-	-	114,232	-	-	114,232
Net loss for the period	-	-	-	-	(512,239)	-	(512,239)
Other comprehensive income (loss)	-	-	-	-	-	(22,921)	(22,921)
March 31, 2019	71,241,914	6,306,463	573,516	455,971	(7,047,241)	(12,614)	276,095

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

1. NATURE OF OPERATIONS

KORE Mining Ltd. (the "Company") is an exploration and development stage company that trades on the Toronto Stock Exchange Venture ("TSXV") under the symbol 'KORE'. The Company was formed through the amalgamation of Eureka Resources Inc. ("Eureka") and 1184938 BC Ltd (formerly Kore Mining Ltd.) ("Kore") in October 2018. The Company is focused on the development of its California gold projects, Imperial and Long Valley, as well as projects in British Columbia, Canada. The Company's head and registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company is in the process of exploring and evaluating its mineral resource properties and has not yet determined whether these properties contain economically recoverable mineral reserves. The recoverability of the amounts capitalized to exploration and evaluation assets is ultimately dependent upon the existence of economically recoverable ore reserves and resources, securing and maintaining title and/or beneficial interest in the properties, obtaining necessary financing to continue to explore, evaluate and develop the properties, and upon future profitable production or proceeds from disposition of the exploration and evaluation assets. The amounts shown as exploration and evaluation assets represent costs incurred in acquiring the assets, and do not necessarily represent current or future fair values.

2. GOING CONCERN

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

As at March 31, 2019, the Company had a working capital deficit of $1,365,718 (December 31, 2018 - $925,770) (current assets less current liabilities) and has incurred losses since inception with a deficit of $7,047,241 (December 31, 2018- $6,535,002). For the three months ended March 31, 2019, the Company had a loss of $512,239 (March 31, 2018 - $564,690). Subsequent to March 31, 2019, the Company closed a financing for $4,300,000 (Note 11). The Company's ability to continue to meet its obligations and carry out its planned exploration and development activities for at least the next twelve months is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there is significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as applicable to interim financial reports, including International Accounting Standard 34, "Interim Financial Reporting". These financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS. Except for the adoption of IFRS 16 on January 1, 2019, as detailed below, these condensed interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

These unaudited condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company on May 28, 2019.

Principles of Consolidation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries as listed below. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when we have existing rights that give us the ability to direct the activities that significantly affect the investee's returns. The results and financial position of subsidiaries are included in the consolidated financial statement from the date that control commences until the date that control ceases.

These consolidated financial statements incorporate the accounts of the Company and the following material subsidiaries:

Name of Subsidiary	Incorporation Jurisdiction	Percentage Ownership	Principal Activity
Imperial USA Corp.	Nevada, USA	100%	Mineral Property Exploration & Development
Imperial Gold Corporation**	Nevada, USA	100%	Holding Company
Kore USA Ltd.	Nevada, USA	100%	Mineral Property Exploration & Development
1184938 BC Ltd.	BC, Canada	100%	Holding Company
Eureka Minerals (USA) Inc.	Nevada, USA	100%	Mineral Property Exploration & Development

** Incorporated on March 25, 2019
All intercompany balances and transactions have been eliminated on consolidation.

Basis of measurement
These consolidated financial statements have been prepared on a historical cost basis. The statements are presented in Canadian dollars unless otherwise noted.

Significant judgments, estimates and assumptions
The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Judgments
The preparation of these consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 2.

The Company is also required to make significant judgments on the ongoing feasibility of exploration and evaluation assets, and whether there are indicators that the right to explore the specific area has expired or will be allowed to expire, that further exploration and evaluation plans have changed, or whether development of a specific area is unlikely to recover existing exploration and evaluation costs. If any of these indicators are present, management would need to assess whether the exploration and evaluation property is impaired.

(Expressed in Canadian dollars)

4. ADOPTION OF NEW ACCOUNTING STANDARD

On January 1, 2019, the Company adopted IFRS 16 – Leases, which is a new standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting. Adoption of this standard did not have a significant measurement or disclosure impact on the Company's unaudited condensed interim consolidated statements.

We completed our assessment of the adoption of IFRS 16 and determined that there were no quantitative impacts or any significant disclosure impacts as the Company does not have any significant leases.

5. ADVANCES AND PREPAID EXPENSES

Advances and prepaids consist of amounts advanced or prepaid in anticipation of work to be completed in the future. As at March 31, 2019, advances and prepaids includes, $322,496 related to marketing, $38,404 for future conferences, $23,144 related to insurance and $4,036 related to other items.

6. MINERAL PROPERTIES

A summary of the changes to mineral properties for the three months ended March 31, 2019 is as follows:

	Long Valley USA	Imperial USA	FG Gold Canada	Gold Creek Canada	Total
Balance, December 31, 2018	$ 527,374	$ 216,675	$ 370,607	$ 498,136	$ 1,612,792
Foreign exchange adjustment	(10,552)	(4,611)	-	-	(15,163)
Balance, March 31, 2019	**$ 516,822**	**$ 212,064**	**$ 370,607**	**$ 498,136**	**$ 1,597,629**

Acquisition of Imperial project

In March 2017, the Company purchased Imperial USA Corp. which owns the Imperial project located in California. In settlement of the purchase price, the Company paid US$150,000. The remaining payments under the agreement comprise US$1,000,000 payable upon the announcement of a revised Preliminary Economic Assessment (PEA) or similar report and US$1,000,000 payable 30 days after the date that gold is poured from ore mined from the related properties.

The vendor retains a 1% net smelter return royalty ("NSR") on the property. The vendor has the option to receive shares in the Company in settlement of the remaining payments up to achieving a maximum 4.9% ownership interest in the Company, above which level further share consideration is at the option of the Company.

In addition, under the agreement, the Company has committed to incur US$5 million in exploration and evaluation expenditures on the Imperial Project on or before the March 2022, the fifth anniversary of the date of the Imperial Purchase Agreement, of which US$787,477 ($1,011,776) has been incurred as of December 31, 2018. In the event that the Company does not incur these expenditures within this timeframe, the Company must then pay US$1,000,000 to the vendor.

(Expressed in Canadian dollars)

In May 2019, the Company entered into a definitive agreements to issue a 1% NSR on the Imperial Project, including granting certain other rights for project financing future and current royalty transactions (Note 11).

Acquisition of Long Valley project

In March 2017 the Company purchased certain mining claims in the Long Valley area of California with an upfront payment of US$350,000 to the vendor. The remaining payments under the agreement comprise US$500,000 due 30 days after commencement of commercial production and US$500,000 payable on the 12 month anniversary of the commencement of commercial production. A US$25,000 deposit was paid to the vendor prior to execution of the purchase agreement, which will be applied to the final payment, unless forfeited in the event the agreement is terminated. The vendor has the option to receive shares in the Company in settlement of the remaining payments.

The vendor retained a net smelter return royalty on the claims ("the Seller NSR"). The Seller NSR provides for a royalty of 0.5% when the price of gold is under US$1,400/oz, 1.0% when the price of gold is between US$1,401 to US$1,600/oz and 2.0% when the price of gold is above US$1,600/oz. The Company has the option to purchase back 1% of the royalty when the price of gold is above US$1,600/oz for US$2 million if purchased prior to the announcement of a feasibility study or for US$4 million if repurchased prior to commencement of commercial production. In addition, there is a further 1% NSR payable to another third party.

Acquisition of FG Gold project

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in certain claims comprising the FG Gold project located in the Cariboo Mining Division, British Columbia, Canada. The project is subject to a 3% NSR which becomes payable after the capital required to bring the property into commercial production is recovered from production. The NSR is limited to a maximum of $2,600,000 with an allowance for the change in the Consumer Price Index from September 1989 to the date the royalty becomes payable.

Acquisition Gold Creek project

Pursuant to the amalgamation with Eureka, the Company acquired a 100% interest in the Gold Creek project, located in the Cariboo Mining Division, British Columbia, Canada. The project is subject to a 1% NSR of which the Company may purchase 50% (being 0.5%) for $1,000,000.

Details of the exploration and evaluation expenses incurred are as follows:

		For the three months ended March 31, 2019		For the three months ended March 31, 2018
Permitting	$	**2,563**	$	153,982
Claim maintenance		**-**		3,689
Assay and sampling		**9,405**		-
Engineering, metallurgy and geotechnical		**1,846**		59,991
Geographic information system		**1,530**		4,235
Travel		**7,640**		-
	$	**22,984**	$	221,897

(Expressed in Canadian dollars)

7. SHARE CAPITAL

Authorized
Unlimited number of common shares with no par value.

Shares Issued
There were no share transactions during the three month period ended March 31, 2018 and 2019.

Subsequent to March 31, 2019, the Company completed a financing for the issuance of 7,200,000 common shares of the Company (Note 11).

Stock Options
Pursuant to a stock option plan (the "Plan") for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, with the exercise price to be determined on the date of issuance of the options. The term of options granted under the plan may not exceed five years and such options vest at terms to be determined by the board of directors at the time of the grant, but the exercise price shall not be less than the price determined by the policies of the stock exchange on which the Company's common shares are then listed.

A summary of stock option activity for the three months ended March 31, 2019

	Number of options	Weighted average exercise price
Outstanding options, December 31, 2018	1,935,000	$ 0.58
Granted	3,000,000	0.14
Expired	(260,000)	1.07
Outstanding options, March 31, 2019	**4,675,000**	**$ 0.26**

As at March 31, 2019, the following stock options were outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Exerice price
November 1, 2021	300,000	300,000	0.50
November 1, 2023	1,375,000	1,375,000	0.50
January 13, 2024	2,500,000	833,333	0.14
January 13, 2024	500,000	500,000	0.14
	4,675,000	**3,008,333**	

Subsequent to March 31, 2019, the Company granted 150,000 stock options with an exercise price of $0.25 and a term of five years and 125,000 options with an exercise price of $0.50 expired unexercised.

(Expressed in Canadian dollars)

Warrants

A summary of warrant activity for the three months ended March 31, 2019:

	Number of warrants	Weighted average exercise price	
Outstanding warrants, December 31, 2018	2,966,605	$	0.83
Issued	-		-
Outstanding warrants, March 31, 2019	**2,966,605**	**$**	**0.83**

As at March 31, 2019, the following warrants were outstanding:

Expiry date	Number of warrants outstanding	Exerice price	
May 31, 2019	335,772	$	1.50
May 31, 2019**	1,333		0.90
June 10, 2020	121,500		1.25
October 21, 2020	308,000		0.50
October 21, 2020	2,200,000		0.75
	2,966,605		

**Warrants are convertible into units consisting of one common share and one half warrant; each whole warrant entitles the holder to acquire one additional common share at an exercise price of $1.50 until May 31, 2019.

Share-based compensation

In January 2019, the Company granted 2,500,000 stock options to directors and officers which entitle the holders to purchase one common share per option at an exercise price of $0.14 until January 13, 2024 which vest one-third on grant and one-third annually through January 13, 2021. The fair value of the stock options of $193,083 or $0.08 per option was determined using the Black Scholes option valuation model and $79,332 was recognized as share-based payments expense in relation to the vesting of options for the three months ended March 31, 2019.

In January 2019, the Company granted 500,000 stock options to an advisor which entitle the holder to purchase one common share per option at an exercise price of $0.14 until January 13, 2024 which were vested on grant. The fair value of the stock options of $34,900 or $0.07 per option was determined using the Black Scholes option valuation model.

Share-based compensation was determined using the following weighted average assumptions:

	March 31, 2019
Risk free interest rate	1.9%
Expected life	3.7
Annualized volatility	75%
Dividend rate	0%

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions
During the three month period ended March 31, 2019, the related party transactions (excluding key management compensation) were as follows:

a) A company owned by a relative of a director and officer provided marketing consulting services of $14,250 (March 31, 2018- $10,500) for the three months ending March 31, 2019.

b) Amounts owing to related parties are unsecured, non-interest bearing and due on demand. As at March 31, 2019, $899,100 (December 31, 2018 - $635,746) is due to related parties.

Key management compensation
Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the Chairman, President & Chief Executive Officer, Chief Financial Officer and Directors. For the three months ended March 31, 2019, total key management compensation was $208,332, which includes management fees and salaries of $129,000 and share-based compensation of $79,332.

9. FINANCIAL INSTRUMENTS

Financial Risk Management
The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below (See Note 2).

a. Credit risk
Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash is held with reputable financial institutions in Canada.

b. Liquidity risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2018, the Company had a working capital deficit of $1,365,718, and it does not have any long term monetary liabilities. The Company will seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they fall due. As at March 31, 2019, the Company had cash of $41,819 to settle current liabilities of $1,803,932. Subsequent to March 31, 2019, the Company completed additional financing (Note 11). The Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. See Note 2.

c. Interest rate risk
Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds its cash and cash equivalents on which it earns variable rates of interest, and may therefore be subject to a certain amount of risk, though this risk is considered by management to be immaterial.

d. Foreign currency risk
Foreign currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains its cash reserves in Canadian and United States dollars. The portion of the Company's funds held in US dollars are subject to fluctuations in foreign exchange rates.

At March 31, 2019, the Company has certain monetary items denominated in United States dollars. Based on these net exposures, a 10% appreciation or depreciation of the Canadian dollar against the United States dollar would result in an increase or decrease of $2,500 in the Company's net loss.

Fair Values
The carrying values of cash, deposits and other receivables and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and development of exploration and evaluation properties in the United States and Canada. The following table shows the geographic breakdown of the Company's non-current assets:

	December 31, 2018		
	Canada	USA	Total
Mineral properties	**$ 868,743**	**$ 744,049**	**$ 1,612,792**

	March 31, 2019		
	Canada	USA	Total
Mineral properties	**$ 868,743**	**$ 728,886**	**$ 1,597,629**

11. SUBSEQUENT EVENT

In May 2019, the Company closed an investment by Macquarie Bank Ltd and its affiliates (collectively, "Macquarie") and has increased total proceeds to the Company to $4,300,000. The Company will issue a total of 7.200,000 common shares at a price of $0.25 per common share. As at March 31, 2019, the Company had $34,184 of deferred costs relating to this transaction.

As part of the investment by Macquarie, Macquarie will subscribe for 6,000,000 common shares and acquire 1% NSR royalty (the "Macquarie Royalty") on the Imperial Project (Note 6) for a total cost of $4,000,000. The agreement provides for certain rights for Macquarie to provide project development financing, rights of refusal and offer on additional royalty issuances and sales, and prescribes the proceeds to be used primarily to advance permitting of the Imperial Project. The Company maintains a right to buy back the Macquarie Royalty on the following terms: i) within 6 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than $0.75

per share, the Company may buy back the Macquarie Royalty for $4,750,000; or ii) within greater than 6 months but less than 12 months of the closing date for the Macquarie Royalty, if the Company is acquired at a price of no less than $1.00 per share, the Company may buy back the Macquarie Royalty for $6,750,000. The Company paid a fee of $80,000 to a financial advisor in connection with the transaction.