

NEW DIMENSION RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the three and six months ended
NOVEMBER 30, 2018**

Unaudited – Prepared by management

(Expressed in Canadian Dollars)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the three and six months ended November 30, 2018.

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

Unaudited

As at

	Note	November 30, 2018 \$	May 31, 2018 \$
ASSETS			
Current			
Cash		284,859	3,637,549
Receivables	3	193,284	172,296
Prepaid expenses		20,407	637
		<u>498,550</u>	<u>3,810,482</u>
Non-current			
Receivables	3	553,489	476,576
Exploration and evaluation assets	6	4,006,115	3,452,153
		<u>4,559,604</u>	<u>3,928,729</u>
TOTAL ASSETS		<u>5,058,154</u>	<u>7,739,211</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4	414,095	964,932
Contractual obligation payable	7	379,602	391,500
		<u>793,697</u>	<u>1,356,432</u>
Non-current			
Contractual obligation payable	7	1,518,406	1,487,210
		<u>1,518,406</u>	<u>1,487,210</u>
SHAREHOLDERS' EQUITY			
Share capital	8	13,508,352	13,508,352
Reserves – warrants		322,680	322,680
Reserves – options		1,256,046	763,297
Reserves – Foreign currency translation		(1,459,962)	1,722
Deficit		(10,881,065)	(9,700,482)
		<u>2,746,051</u>	<u>4,895,569</u>
TOTAL LIABILITIES AND EQUITY		<u>5,058,154</u>	<u>7,739,211</u>
Nature of operations and going concern	1		
Basis of presentation	2		
Subsequent events	13		

APPROVED ON BEHALF OF THE BOARD ON January 29, 2019:

Director

Director

- See accompanying notes to the condensed interim consolidated financial statements -

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

Unaudited

For the period ended

	Note	Three months		Six months	
		Ended November 30, 2018 \$	Ended November 30, 2017 \$	Ended November 30, 2018 \$	Ended November 30, 2017 \$
General and administrative expenses					
Share-based payments	8	166,805	389	492,749	1,610
Management and administrative fees		172,477	3,880	321,301	8,325
Salaries and benefits		78,644	1,500	156,360	3,000
Office and general		24,788	13,877	102,179	17,051
Professional fees		25,987	53,485	59,676	53,485
Property investigation costs		-	22,559		32,559
Shareholder information and meetings		50,205	966	61,993	6,353
Regulatory and transfer agent fees		11,349	3,442	12,793	4,056
		(530,255)	(100,098)	(1,207,051)	(126,439)
Foreign exchange gain/(loss)		(731)	-	30,095	-
Interest and other income -net		10,122	(114)	15,571	(724)
Contractual obligation payable interest	7	(9,599)	-	(19,198)	-
Loss for the period		(530,463)	(100,212)	(1,180,583)	(127,163)
Other comprehensive loss					
Foreign currency translation		(374,372)	-	(1,461,684)	-
Comprehensive loss for the period		(904,835)	(100,212)	(2,642,267)	(127,163)
Loss per share – basic and diluted		(0.01)	(0.00)	(0.02)	(0.01)
Weighted average number of shares outstanding		48,499,732	21,756,216	48,499,732	21,756,216

- See accompanying notes to the condensed interim consolidated financial statements -

New Dimension Resources Ltd.**Condensed Interim Consolidated Statements of Cash Flows***Expressed in Canadian Dollars**Unaudited**For the six months ended*

	Note	November 30, 2018	November 30, 2017
		\$	\$
Cash provided by (used in):			
Operating activities			
Loss for the period		(1,180,583)	(127,163)
Items not affecting cash:			
Share-based payments	8	492,749	1,610
Contractual obligation payable interest	7	19,198	-
Foreign exchange		(30,095)	-
Changes in non-cash working capital	11	(670,626)	140,965
		(1,369,357)	15,412
Financing activities			
Financing costs		(65,580)	-
Investing activities			
Exploration and evaluation costs		(1,567,411)	(112,503)
Acquisition of subsidiaries		(311,674)	-
		(1,879,085)	(112,503)
Effect of fluctuations in exchange rate		(38,668)	-
Change in cash		(3,352,690)	(97,091)
Cash – beginning of year		3,637,549	257,839
Cash – end of period		284,859	160,748

Supplemental cash flow information

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– See accompanying notes to the condensed interim consolidated financial statements –

New Dimension Resources Ltd.

Condensed Interim Consolidated Statement of Shareholders' Equity

Expressed in Canadian Dollars

Unaudited

	Share capital (Number of Shares) (i)	Share capital (Amount)	Reserves – Warrants	Reserves – Options	Reserves- Foreign Currency Translation	Accumulated Deficit	Total
		\$	\$	\$	\$	\$	\$
May 31, 2017	21,756,216	9,365,158	322,680	761,687	-	(9,122,695)	1,326,830
Share-based payments	-	-	-	1,610	-	-	1,610
Loss for the period	-	-	-	-	-	(127,163)	(127,163)
November 30, 2017	21,756,216	9,365,158	322,680	763,297	-	(9,249,858)	1,201,277
Shares issued for exploration and evaluation interests	40,000	4,400	--	-	-	-	4,400
Loss for the period	-	-	--	-	-	(450,624)	(450,624)
Shares issued on acquisition	4,972,521	546,977	--	-	-	-	546,977
Shares issued net of share issuance costs	34,772,727	3,585,817	--	-	-	-	3,585,817
Shares issued on exercise of warrants	12,000	6,000	--	-	-	-	6,000
Foreign currency translation	-	-	--	-	1,722	-	1,722
May 31, 2018	48,499,732	13,508,352	322,680	763,297	1,722	(9,700,482)	4,895,569
Share-based payments	-	-	--	492,749	-	-	492,749
Loss for the period	-	-	--	-	-	(1,180,583)	(1,180,583)
Foreign currency translation	-	-	--	-	(1,461,684)	-	(1,461,684)
November 30, 2018	48,499,732	13,508,352	322,680	1,256,046	(1,459,962)	(10,881,065)	2,746,051

(i) refer to Note 1 for detail on share consolidation undertaken during the year ended May 31, 2018

– See accompanying notes to the condensed interim consolidated financial statements –

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

Expressed in Canadian Dollars

Unaudited

1. Nature of Operations and Going Concern

New Dimension Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate office is at Suite 1020, 625 Howe St, Vancouver V6C 1H2 with the registered address and records office being located at 8681 Clay Street, Mission, British Columbia.

The Company engages primarily in the acquisition, exploration and evaluation of mineral properties in Canada and Argentina.

During the year ended May 31, 2018, the Company consolidated its share capital on the basis of 2.5 to 1. All share, per share, stock option, share purchase warrant and other share information has been retroactively presented on a post-consolidated basis.

These unaudited condensed interim consolidated financial statements for the three and six months ended November 30, 2018 (the "interim financial statements") have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred a deficit of \$10,881,065 at November 30, 2018 and has no current source of revenue. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of Presentation

These interim financial statements have been prepared in accordance with *IAS 34 Interim Financial Reporting*.

The interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2018 (the "Annual Financial Statements"), which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies used in these interim financial statements are consistent with those disclosed in the Annual Financial Statements.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

Expressed in Canadian Dollars

Unaudited

2. Basis of Presentation - continued

Principles of Consolidation

The interim financial statements include the accounts of the Company and its 100% controlled entities as follows:

Entity	Country of Incorporation	Functional Currency
Minera Mariana Argentina S. A.	Argentina	Argentinean Peso
Sierra Blanca S.A.	Argentina	Argentinean Peso
NDR Guernsey Limited	Guernsey	Canadian dollar
NDR Holdings Limited	Guernsey	Canadian dollar
New Dimension Guernsey Limited	Guernsey	Canadian dollar
Mariana International Limited	Guernsey	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	Canadian dollar

Change in Accounting Policies – Financial Instruments

On July 24, 2014, the IASB issued the completed *IFRS 9, Financial Instruments*, ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted. IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in *IAS 39 Financial Instruments: recognition and measurement*, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 on May 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below. All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

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

Asset /Liability	Original classification	New classification
Cash and cash equivalents	Amortized cost	Amortized cost
Amounts receivable	Amortized cost	Amortized cost
Payables and accrued liabilities	Amortized cost	Amortized cost
Contractual Obligation payable	Amortized cost	Amortized cost

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

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

Expressed in Canadian Dollars

Unaudited

2. Basis of Presentation- continued

Approval

These unaudited condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on January 29 2019.

Historical cost

These interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share-based payments, the valuation of other income on deferred premiums, the valuation of the contractual obligation payable, the valuation of amounts receivable from governments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- (i) **Economic recoverability and probability of future benefits of exploration and evaluation costs.**
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
- (ii) **Valuation of share-based payments**
The Company uses the Black-Scholes Option Pricing Model for valuation of share based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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Unaudited

2. Basis of Presentation- continued

(iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

iv) Non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of non-cash consideration.

When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

v) Other income on deferred premiums

The Company calculates the value of the other income on the deferred premiums based on exploration expenditures incurred which qualify for Canadian Exploration Expenses.

vi) Functional currency

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its Argentinian subsidiaries is the Argentinian peso and that the functional currency of its other entities, including the parent is the Canadian dollar.

vii) Contractual obligation payable

During the year the Company entered into a contractual obligation to pay up to \$400,000 per year for a period of up to 15 years to acquire certain assets in Argentina. The Company has assessed the contractual obligation payable for the acquisition of the Argentinian assets as being more likely than not to not continue past 5 years.

New Accounting Policies and Pronouncements

The following are the accounting standards issued but not effective that the Company believes could be significant.

• IFRS 16 – Leases

Effective for annual periods commencing on or after January 1, 2019, this new standard eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company is currently evaluating the impact the standard is expected to have on its financial statements

3. Receivables

	November 30, 2018	May 31, 2018
	\$	\$
HST/GST receivable	8,973	18,957
Other receivables	45,939	34,195
Current portion of IVA receivable	138,372	119,144
	193,284	172,296
Non-current portion of IVA receivable	553,489	476,576

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

Expressed in Canadian Dollars

Unaudited

4. Accounts payable and accrued liabilities

	November 30, 2018	May 31, 2018
		\$
Accounts payable	185,191	\$ 878,412
Accrued liabilities	228,904	86,520
	414,095	964,932

5. Financial Instruments

Categories of financial instruments

	November 30, 2018	May 31, 2018
	\$	\$
Financial assets		
FVTPL		
Cash	284,859	3,637,549
Loans and receivables		
Receivables	746,773	648,872
	1,031,632	4,286,421
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	414,095	964,932
Contractual obligation payable	1,898,008	1,878,710
	2,312,103	2,843,642

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	November 30, 2018	May 31, 2018
	\$	\$
Level 1		
Cash	284,859	3,637,549
Level 2	-	-
Level 3	-	-
	284,859	3,637,549

The carrying value of receivables and accounts payable and accrued liabilities and contractual obligation payable approximate their fair value.

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

Expressed in Canadian Dollars

Unaudited

5. Financial Instruments (continued)

a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are denominated in US dollars and Argentinean Pesos. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

November 30, 2018	Cash	Receivables	Accounts payable and accrued liabilities
	\$	\$	\$
US dollars	159,368	-	168,599
Argentinean peso	78,169	737,566	127,921

May 31, 2018	Cash	Receivables	Accounts payable and accrued liabilities
	\$	\$	\$
US dollars	1,083,408	-	308,085
Argentinean peso	16,052	629,914	180,380

At November 30, 2018 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase pre-tax loss by \$67,858.

b) Interest rate and credit risk

The Company has a positive cash balance and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at November 30, 2018 and 2017, the Company did not hold any short-term investments or cash equivalents.

Receivables consist of goods and services tax due from the governments of Canada and Argentina. Management believes that the credit risk concentration with respect to receivables is limited.

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at November 30, 2018, the Company had cash of \$284,859 (May 31, 2018 - \$3,637,549) to settle current liabilities of \$793,697 (May 31, 2018 - \$1,356,432). Of these current liabilities \$379,602 relates to the contractual obligation payable that can be settled in shares or cash. A balance of \$142,900 owing to related parties has been agreed with each party to continue to be deferred until a later date. The Company is currently working on the closing of its non-brokered private placement as announced December 2018 amended to include a one-half share purchase warrant for each share sold. Refer to Note 13 for further details.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

Expressed in Canadian Dollars

Unaudited

5. Financial Instruments (continued)

d) Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

6. Exploration and Evaluation Assets

	Las Calandrias Santa Cruz, Argentina	Los Cisnes, Santa Cruz, Argentina	Sierra Blanca, Santa Cruz, Argentina	Savant Lake, Ontario, Canada	Total
	\$	\$	\$	\$	\$
Balance, May 31, 2017	-	-	-	1,125,280	1,125,280
Camp, travel, administration and other costs	-	-	-	4,145	4,145
Geologists and data collection	-	-	-	2,708	2,708
Balance November 30, 2017				1,132,133	1,132,133
Acquisition and tenure	1,683,777	280,630	280,629	24,400	2,269,436
Camp, travel, administration and other costs	30,952	4,806	412	-	36,170
Geologists and data collection	9,057	5,357	-	-	14,414
Balance, May 31, 2018	1,723,786	290,793	281,041	1,156,533	3,452,153
Acquisition and tenure				3,375	3,375
Camp, travel, administration and other costs	166,554	42,188	6,061	33,545	248,348
Geologists and data collection	244,404	58,426	1,422	10,838	315,090
Drilling and assay costs	609,627	282,273	-	28,061	919,961
Foreign exchange movement	(694,950)	(147,025)	(90,837)	-	(932,812)
Balance November 30, 2018	2,049,421	526,655	197,687	1,232,352	4,006,115

Las Calandrias Santa Cruz, Argentina

The Company has a 100% interest in the Las Calandrias gold-silver property, subject to a 2% NSR payable to SSL and a 0.25% NSR payable to certain employees. Both NSR's would be payable in the event of future commercial production of gold and/or silver being achieved.

Los Cisnes, Santa Cruz, Argentina

The Company has a 100% interest in the Los Cisnes gold-silver property, subject to a 2% NSR payable to SSL in the event of future commercial production of gold and/or silver being achieved.

Sierra Blanca, Santa Cruz, Argentina

The Company has a 100% interest in the Sierra Blanca gold-silver property subject to a 2% NSR payable to SSL and a 1.5% NSR payable to IAMGOLD Corporation. Both NSR's would be payable in the event of future commercial production of gold and/or silver being achieved.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

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6. Exploration and Evaluation Assets (continued)

Savant Lake Property, Ontario, Canada

Effective April 1, 2016, the Company entered into an agreement to earn a 100% interest in the Savant Lake Property, in Ontario. Under the terms of the agreement, the Company can earn its interest in the property by issuing 240,000 shares (2018 – 40,000 issued at a fair value of \$4,400; 2017 - 40,000 shares issued at a fair value of \$12,000) and paying \$100,000 (2018 - \$20,000 paid; 2017 - \$20,000 paid) to the vendors in stages with the final payment on or before the fourth anniversary date of the agreement. The property is subject to a 2% net smelter royalty, of which 1% can be purchased for \$1,000,000.

Domain Project, Manitoba, Canada

The Domain Project consists of a 3 mineral claims in northern Manitoba. The Company currently holds a 29.56% interest in the property. Capitalized costs related to the property were written off during the year ended May 31, 2013.

7. Contractual Obligation Payable

The Company has a contractual obligation payable of \$1,898,008 in relation to its acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca gold-silver projects in Santa Cruz province, Argentina.

	November 30, 2018	May 31, 2018
	\$	\$
Current	379,602	391,500
Non-current	1,518,406	1,487,210
	1,898,008	1,878,710

The contractual obligation requires the Company to make annual payments of up to \$400,000 per year in either cash or shares until the earlier of:

- December 31, 2032,
- commencement of commercial production,
- expropriation of the properties or
- the Company returns a project in accordance with the terms of the acquisition agreement

Management has assessed that the contractual obligation period will not extend beyond five years. Management considered the above terms of the agreement and the expected timeline for completion regarding each potential end to the obligation payments in making this judgment. The Company has therefore recognized the net present value of its obligation over five years, using an average discount rate of 2.05%.

During the six months ended November 30, 2018 the Company recorded interest expense of \$19,198. (2017:nil) and \$9,599 for the three months ending November 30, 2018 in relation to the contractual obligation payable.

8. Share Capital and Reserves

- (i) Authorized share capital
Unlimited common shares without par value.

Subsequent to period end, the Company announced its intention to complete a non-brokered Private Placement (Refer to Note 13).

- (ii) Stock options

Under the terms of the Company's stock option plan, the maximum number of shares in respect of which options may be outstanding is equivalent to 10% of the issued and outstanding shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or if the optionee is a consultant.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended November 30, 2018

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8. Share Capital and Reserves (continued)

The vesting periods of options outstanding range from immediately to one year and maximum terms of options are set at 5 years from the grant date.

On June 4, 2018, the Company granted 3,350,000 stock options to directors, officers, employees and consultants at a price of \$0.25 per share for a period of 5 years. On October 18, 2018, the Company granted an aggregate of 250,000 incentive stock options to one director and one officer of the Company. The stock options are exercisable at a price of \$0.15 per share and will have a term of 5 years.

Each stock option will allow the holder to purchase one common share of the Company. All stock options granted are subject to staged vesting periods.

a) Movements in stock options during the period:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2017	550,284	\$0.40
Cancelled/expired	(26,284)	\$2.63
Balance, November 30, 2017	524,000	
Balance, May 31, 2018	524,000	\$0.30
Expired	(40,000)	\$0.25
Granted	3,600,000	\$0.24
Balance, November 30, 2018	4,084,000	\$0.25

b) Fair value of options granted

During the six months ended November 30, 2018 a total value of \$492,749 (2017 - \$1,610) and \$166,805 for the three months ending November 30, 2018 (2017: \$389) has been recorded to reserves – options and to share based payments expense. The portion of share-based payments recorded is based on the vesting schedule of the options.

On October 18, 2018 the Company granted an aggregate of 250,000 incentive stock options to one director and one officer of the Company. The fair value of these options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Six months November 30, 2018	Year ended May 31, 2018
Risk-free interest rate	1.75%	-
Expected dividend yield	nil	-
Expected stock price volatility	216.58%	-
Expected life	5	-
Expected forfeiture rate	nil	-

On June 4, 2018, the Company granted 3,350,000 stock options to directors, officers, employees and consultants at a price of \$0.25 per share for a period of 5 years. The fair value of the options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

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Expressed in Canadian Dollars

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8. Share Capital and Reserves (continued)

	Six months November 30, 2018	Year ended May 31, 2018
Risk-free interest rate	1.75%	-
Expected dividend yield	nil	-
Expected stock price volatility	217.79%	-
Expected life	5	-
Expected forfeiture rate	nil	-

c) Stock options outstanding

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry date
282,600	282,600	\$ 0.25	1.45	May 11, 2020
141,400	141,400	\$ 0.38	2.47	May 19, 2021
60,000	60,000	\$ 0.34	3.32	March 27, 2022
3,350,000	1,675,000	\$ 0.25	4.51	June 4, 2023
250,000	62,500	\$ 0.15	4.88	October 18, 2023
4,084,000	2,221,500			

The weighted average exercise price of the options exercisable at November 30, 2018 is \$0.26.

(iii) Share purchase warrants

a) Movements in warrants during the period:

	Warrants Outstanding	Weighted Average Exercise Price
Balance, May 31, 2017	2,246,549	\$0.50
Balance November 30, 2017	2,246,549	\$0.50
Exercised	(12,000)	\$0.50
Expired	(947,288)	\$0.50
Balance, May 31, 2018	1,287,260	\$0.50
Balance, November 30, 2018	1,287,260	\$0.50

b) A summary of the Company's warrants outstanding as at November 30, 2018, is as follows:

Warrants Outstanding	Warrants Exercisable	Price per share	Expiry date
1,084,260	1,084,260	\$0.50	December 28, 2018
203,000	203,000	\$0.50	February 8, 2019
1,287,260	1,287,260	\$0.50	

Refer to Note 13 for further details.

New Dimension Resources Ltd.

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9. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

	Six months ended November 30, 2018	Six months ended November 30, 2017
	\$	\$
Rent	4,800	4,800
Consulting	224,044	8,325
Salary costs	-	3,000
Share-based payments	414,620	-

b) Related party balances

	November 30, 2018	May 31, 2018
	\$	\$
ER Global – Eric Roth - Chief Executive Officer	100,000	47,573
Genco Professional Services Sharon Cooper – Chief Financial Officer*	16,391	-
Wayne Johnstone – Chief Financial Officer	2,730	36,509
Scott Heffernan	13,200	20,000
Mary Little	3,300	-
Glen Parsons	13,200	-
John Wenger	13,200	52,500
Charles Russell	14,583	-
Brenda Nowak – Corporate Secretary	10	34,125

* appointed October 18, 2018

c) Compensation of key management personnel

The remuneration for the services of key management personnel during the six months was as follows:

	Six months ended November 30, 2018	Six months ended November 30, 2017
	\$	\$
Salary/Exploration/Consulting (i)	233,175	11,325
Share based payments	215,541	-

(i) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the six months ended November 30, 2018 and 2017.

New Dimension Resources Ltd.

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10. Segmented Information

The Company's business consists of one reportable segment – the acquisition, exploration and evaluation of mineral properties. Details on a geographic basis are as follows:

	November 30, 2018	May 31, 2018
	\$	\$
Total Non-current long-lived assets		
Canada	1,232,352	1,156,533
South America	2,773,763	2,295,620
	4,006,115	3,452,153
	Six months ended November 30, 2018	Six months ended November 30, 2017
	\$	\$
Loss		
Canada	850,152	127,163
South America	166,175	-
Europe	164,256	-
	1,180,583	127,163

11. Supplemental Cash Flow Information

	Six months ended November 30, 2018	Six months ended November 30, 2017
	\$	\$
Changes in non-cash working capital		
Movement in receivables	(239,148)	76,680
Movement in prepaid expenses	(16,784)	-
Movement in accounts payable and accrued liabilities	(414,694)	62,285
	(670,626)	140,965
	Six months ended November 30, 2018	Six months ended November 30, 2017
	\$	\$
Schedule of non-cash investing and financing transactions:		
Exploration and evaluation expenditures included in accounts payable	118,811	765
Contractual obligation payable	1,898,008	-

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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12. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There have been no changes to the management of capital during the fiscal year. There are no external requirements imposed on the Company regarding its capital management.

The Company's investment policy is to invest its cash and cash equivalents in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company expects to require additional financings to carry out its exploration and evaluation plans and operations through its current operating period.

13. Subsequent events

On December 14, 2018, the Company announced its intention to complete a non-brokered Private Placement to fund development of its portfolio of high-grade gold-silver deposits in Santa Cruz Province, Argentina, as well as for general working capital. The Company has amended its previously announced non-brokered Private Placement of up to 21,818,182 common shares at a price of \$0.055 per common share to include a one-half share purchase warrant for each share sold. Each whole share purchase warrant shall entitle the holder to acquire an additional common share at \$0.125 per share for a period of 18 months from issue and at \$0.25 thereafter until expiry. Each warrant expiring 3 years after issuance. The warrants will be further subject to accelerated expiry terms. Namely, the Company has the right to accelerate expiry of the warrants if the closing price of Company's shares equals or exceeds \$0.25 per common share for 10 consecutive trading days during the first 18 months, or \$0.50 per common share thereafter.

All securities issued under the Private Placement will be subject to a hold period of four months from the date of issuance of the securities.

The Company did not proceed with its previously announced flow-through private placement.

On December 28, 2018, a total of 1,084,260 warrants expired.