CENTRAL TIMMINS EXPLORATION CORP.

Unaudited Interim Condensed Financial Statements

For the three and nine months ended September 30, 2019

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying interim condensed financial statements of Central Timmins Exploration Corp. (the "Company") are the responsibility of management and the Board of Directors of the Company.

The unaudited interim condensed financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited interim condensed financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRSs appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim condensed financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim condensed financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Charles Gryba"
President and Director

"Christopher Hopkins"
Chief Financial Officer

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 unaudited interim condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Corporation'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 unaudited interim condensed financial statements by an entity's auditor.

Statements of Financial Position

(Expressed in Canadian Dollars)

As at,	**September 30, 2019**	*December 31,* 2018
	(Unaudited)	(Audited)
	$	$
Assets		
Current Assets		
Cash *(Note 6)*	**607,123**	2,068,312
Receivables and other assets *(Note 7)*	**61,844**	89,105
	668,967	2,157,417
Non-Current Assets		
Right-of-use asset *(Note 8)*	**57,743**	-
Total Assets	**726,710**	2,157,417
Liabilities		
Current Liabilities		
Trade and other payables *(Notes 9 and 12)*	**87,461**	129,953
Current portion of lease liability *(Note 10)*	**49,942**	-
Premium liability on flow-through shares	**-**	375,000
	137,403	504,953
Non-Current Liabilities		
Lease liabilities *(Note 10)*	**9,514**	-
Total Liabilities	**146,917**	504,953
Shareholders' Equity		
Capital stock *(Note 13)*	**2,792,644**	2,792,644
Warrant reserve *(Note 14)*	**126,962**	126,962
Share-based payment reserve *(Note 13)*	**222,724**	112,776
Deficit	**(2,562,537)**	(1,379,918)
	579,793	1,652,464
Total Liabilities and Shareholders' Equity	**726,710**	2,157,417

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 15)
Subsequent Events (Note 16)

Approved by the Board of Directors

"Julian Kemp"
Director

"Charles Gryba"
Director

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

CENTRAL TIMMINS EXPLORATION CORP.

Statement of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ending September 30,		***Nine months ending September 30,***	
	2019	***2018***	***2019***	***2018***
	$	$	$	$
Administrative Expenses				
Interest Income	**(1,762)**	-	**(8,402)**	-
Professional fees	**53,681**	25,395	**187,263**	127,675
General and administrative	**17,206**	17,223	**45,233**	39,261
Depreciation *(Note 8)*	**14,810**	-	**34,378**	-
Share-based payments	**40,768**	-	**109,948**	-
Interest expense *(Note 10)*	**2,017**	-	**4,760**	-
Interest on related party loans	**-**	-	**-**	5,465
Shareholder information	**4,653**	9,856	**34,414**	13,575
Investor relations and travel	**(8,704)**	8,406	**79,747**	10,838
Total Administrative Expenses	**(122,669)**	(60,880)	**(487,341)**	(196,814)
Exploration and evaluation expenditures *(Note 3)*	**(318,694)**	(111,605)	**(1,070,278)**	(272,733)
Flow-through share premium recovery	**106,000**	-	**375,000**	-
Gain on debt forgiveness *(Note 12 and 13)*	**-**	-	**-**	113,438
Net loss and comprehensive loss for the period	**(335,363)**	(172,485)	**(1,182,619)**	(356,109)
Loss per share - basic and diluted	**$ (0.007)**	$ (0.006)	**$ (0.023)**	$ (0.013)
Weighted average number of shares outstanding – basic and diluted	**51,350,000**	28,800,000	**51,350,000**	25,918,681

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

CENTRAL TIMMINS EXPLORATION CORP.

Statements of Changes in Equity
For the Nine months Ended September 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock		Subscription Receipts		Reserves			
	Number of shares	**Amount**	**Number of subscription receipts**	**Amount**	**Share-based payments**	**Warrants**	**Deficit**	**Total**
Balance at December 31, 2017	**15,000,000**	**$ 150,000**	**-**	**$ -**	**$ -**	**$ -**	**$ (475,582)**	**$ (325,582)**
Private Placement *(Note 13)*	8,900,000	545,000						545,000
Debt conversion *(Note 12 and 13)*	4,900,000	245,000						245,000
Premium liability on flow-through shares		(100,000)						(100,000)
Subscription receipts issued for property payment *(Note 3)*			200,000	20,000				20,000
Net loss and comprehensive loss for the period	-	-			-	-	(356,109)	(356,109)
Balance at September 30, 2018	**28,800,000**	**$ 840,000**	**200,000**	**$ 20,000**	**$ -**	**$ -**	**$ (831,691)**	**$ 28,309**
Private Placement *(Note 13)*	22,250,000	2,725,000			-	-	-	2,725,000
Premium liability on flow-through shares		(375,000)			-	-	-	(375,000)
Shares issued for property payment *(Note 3)*	200,000	20,000	(200,000)	(20,000)	-	-	-	-
Shares issued for MOU agreement *(Note 3)*	100,000	12,000			-	-	-	12,000
Share issuance cost - legal	-	(129,177)			-	-	-	(129,177)
Share issuance cost – cash	-	(177,400)			-	-	-	(177,400)
Reserve on issuance of stock options *(Note 13)*	-	-			112,776	-	-	112,776
Reserve on issuance of warrants *(Note 3 and 14)*	-	-			-	4,183	-	4,183
Reserve on issuance of warrants *(Note 14)*	-	(122,779)			-	122,779	-	-
Net loss and comprehensive loss for the period	-	-			-	-	(548,227)	(548,227)
Balance at December 31, 2018	**51,350,000**	**$2,792,644**	**-**	**$ -**	**$ 112,776**	**$ 126,962**	**$(1,379,918)**	**$ 1,652,464**
Reserve on issuance of stock options *(Note 13)*	-	-	-	-	109,948	-	-	109,948
Net loss and comprehensive loss for the period	-	-	-	-	-	-	(1,182,619)	(1,182,619)
Balance at September 30, 2019	**51,350,000**	**$2,792,644**	**-**	**$ -**	**$ 222,724**	**$ 126,962**	**$(2,562,537)**	**$ 579,793**

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

CENTRAL TIMMINS EXPLORATION CORP.

Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine months ending September 30,	***2019***	*2018*
Operating activities	**$**	$
Net income (loss) for the period	**(1,182,619)**	(356,109)
Items not involving cash:		
Accrued interest on related party loans	**-**	5,465
Share-based payments	**109,948**	-
Depreciation *(Note 8)*	**34,378**	-
Interest Expense *(note 10)*	**4,760**	-
Gain on debt forgiveness	**-**	(113,438)
Subscription receipts issued for property payment	**-**	20,000
Flow-through share premium recovery	**(375,000)**	-
Change in non-cash working capital:		
Receivables and other assets	**27,261**	(31,574)
Trade and other payables	**(42,492)**	(391,099)
	(1,423,764)	(866,755)
Financing activities		
Lease Liability *(Note 10)*	**(37,425)**	
Proceeds from private placement, net of share issuance costs	**-**	545,000
	(37,425)	545,000
Decrease in cash	**(1,461,189)**	(321,755)
Cash at beginning of period	**2,068,312**	499,977
Cash at end of period	**607,123**	178,222

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Central Timmins Exploration Corp. (the “Company” or “CTEC”) was incorporated on November 10, 2017 under the laws of the Canada Business Corporations Act.

The Company’s head office is located at 200 Bay Street, Suite 2350, Toronto, ON, Canada, M5J 2J2. The Company is an exploration stage company whose current focus is on acquiring interests in exploration properties in Timmins, Ontario, Canada. Substantially all of the Company’s efforts are devoted to financing and acquiring these properties. There has been no determination whether the Company's interests in mineral properties will contain mineral reserves which are economically recoverable.

On October 4, 2018 the Company filed a Final Prospectus with the Ontario Securities Commission and on October 16, 2018, the Company closed its initial public offering of 15,000,000 common shares at $0.10 per share for aggregate gross proceeds of $1,500,000. The Company's common shares commenced trading October 16, 2018 on the TSX Venture Exchange (the “Exchange”) under the symbol "CTEC".

As at September 30, 2019, the Company had working capital of $531,564 (December 31, 2018 - $1,652,464), had not yet achieved profitable operations, had accumulated losses of $2,562,537 (December 31, 2018 - $1,379,918) and expects to incur future losses in the development of its business. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and 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. Such adjustments could be material.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that future exploration programs will result in profitable mining operations. The Company's continued existence will be dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company will require substantial additional funds to explore and, if warranted, develop its acquired exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of future exploration and property development. The terms of any additional financing obtained by the Company could result in significant dilution to the shareholders of the Company.

Management plans to secure the necessary financing through the issuance of new equity or debt instruments. Nevertheless, there is no assurance that these initiatives will be successful.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These unaudited interim condensed financial statements were authorized for issuance by the Board of Directors of the Company on November 21, 2019.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation and functional and presentation currency

These unaudited interim condensed financial statements have been prepared under the historical cost basis, except for certain assets which are measured at fair value as explained in the accounting policies set out in Note 3 of the Company's annual audited financial statements for the year ended December 31, 2018. In addition, these unaudited interim condensed financial statements have been prepared using the accrual basis of accounting except for cash flow information. Management advises readers of these unaudited interim condensed financial statements to review the audited financial statements and accompanying notes for the year ended December 31, 2018 in conjunction with the review of these statements.

The financial statements are presented in Canadian Dollars, which is also the functional currency of the Company.

2.3 Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant estimates and judgments relate to, but are not limited to, the following:

- determination of the flow-through share premium requires the use of estimates when calculating the premium associated with the issuance of flow-through shares compared with common shares;
- the calculation of the fair value of share-based payments requires the use of estimates of inputs in the Black-Scholes option pricing valuation model;
- accounting policy for exploration and evaluation expenditures as an expense;
- ownership and control of property requires the use of judgment;
- incremental borrowing rate to obtain an asset of similar value to the right-of-use asset;
- provisions for income taxes expected to be paid based on a qualitative assessment of relevant factors; and
- assessment of the going concern assumption as detailed in Note 1 to the financial statements.

2.4 Adoption of new and revised standards and interpretations

- IFRS 16 – Leases – In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

  At January 1, 2019, the Company adopted the following and there was no material impact on the Company's financial statements.

  All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:
  - Leases of low value assets; and
  - Leases with a duration of twelve months or less.

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations (continued)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenditures of the Company are detailed as follows:

	Three months ended		***Nine months ended***		**Cumulative to date**
	September 30, 2019	*September 30, 2018*	***September 30, 2019***	*September 30, 2018*	
	$	$	**$**	$	**$**
Timmins Project	**318,694**	111,605	**1,070,278**	272,733	**1,924,933**
Exploration and evaluation costs	**318,694**	111,605	**1,070,278**	272,733	**1,924,933**

	Three months ended		***Nine months ended***	
	September 30 2019	*September 30 2018*	***September 30 2019***	*September 30 2018*
Acquisition costs	**$ 3,490**	$ -	**$ 30,413**	$ 20,000
Assays	**20,700**	67,526	**42,468**	67,526
Drilling	**113,073**	-	**475,491**	-
Geophysical and MMI Surveys	**83,764**	47,387	**199,101**	116,377
Technical Report (NI 43-101)	**-**	-	**-**	57,293
Consulting	**50,561**	-	**175,986**	-
Other exploration and evaluation	**47,106**	(3,308)	**146,819**	11,537
	$ 318,694	$ 11,605	**$ 1,070,278**	$ 161,128

Timmins Project

On December 22, 2017 Company entered into a definitive purchase and sale agreement (the "Agreement") to purchase the Timmins mineral exploration properties from Claim Post Resources Inc. ("Claim Post"), for a cash consideration payable at closing of $350,000 and a Net Smelter Royalty (the "NSR") payable to Claim Post that varies from 1% to a maximum of 2%, depending upon the claims and the pre-existing NSR burden. The NSR provides CTEC the option to buy Claim Post's NSR for cash consideration of $1,500,000 within 24 months of closing, and if the buyout is not fully exercised, the NSR payable to CTEC is capped at $5,000,000 total, proceeds net (excluding any buy out payments) to Claim Post. The transaction closed on January 8, 2018 and the $350,000 payment to Claim Post was made. The transaction was subject to regulatory and third-party approvals and customary conditions precedent. No finder's fees were payable in connection with the transaction.

As at September 30, 2019, CTEC had a total of 581.5 (December 31, 2018 – 511) claim units in the Porcupine Mining District ("The Timmins Area Project"), of which 89 (December 31, 2018 – 89) are patented claims included in the Dayton Agreement, the Racetrack Agreement and the Goldstone Agreement, and 492.5 (December 31, 2018 – 422) are unpatented claim units.

With the introduction of computer staking in Ontario, CTEC continues to stake claim units mainly in Robb, Turnbull and Bonar Townships covering ground that has good massive sulphide exploration potential for VMS type deposits. As at September 30, 2019 and December 31, 2018, the Company held the following unpatented claim units:

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION EXPENDITURES (continued)

As at,	**September 30, 2019**	December 31, 2018
	# of Claims Units	# of Claims Units
Deloro Township	**39.5**	44
Ogden Township	**58**	84
Mountjoy Township	**167**	197
Godfrey Township	**41.5**	67
Jamieson Township	**9**	12
Jessop Township	**6**	6
Price Township	**3.5**	6
Robb Township	**50**	5
Turnbull Township	**69**	1
Bonar Township	**25**	-
Cote Township	**6**	-
Massey Township	**1**	-
Bristol Township	**2**	-
Whitesides Township	**15**	-
	492.5	422

On March 20, 2018, the Company entered into a memorandum of understanding (the "MOU") with the Matachewan First Nation and Mattagami First Nation (collectively, the "First Nations") pursuant to which the Company and the First Nations signaled their intent to engage in negotiations toward an impact benefit agreement (an "IBA") regarding the Timmins Project. Pursuant to the terms of the MOU, the Company has agreed to pay to the First Nations an amount equal to 2% of all costs of the Phase I exploration on the Timmins Project up to the date of the agreement and annually thereafter. The total amount accrued in the nine months for these costs was $14,113 (December 31, 2018 - $6,700). In addition, an aggregate of 100,000 Common Shares and 100,000 common share purchase warrants ("Warrants") to be issued the date the Company's Common Shares are listed on the TSX Venture Exchange. The Warrants shall be exercisable into Common Shares at a price of $0.10 per Common Share for a period of five (5) years following the Closing Date, subject to vesting terms by which 25% vest on the date of issuance and the remaining vest equally over a period of eighteen months from the date of issuance. On October 16, 2018 both the 100,000 Common Shares and the 100,000 common share purchase warrants were issued.

The fair value of these respective warrants has been determined using the Black-Scholes valuation model based on a share price of $0.10, exercise price of $0.10, life expectancy of 5 years, volatility of 172.06%, risk free interest rate of 2.40% and a dividend yield of $nil. The total fair value of these warrants was $9,489 for which $4,183 was included in exploration and evaluation expenditures as at year end.

On April 24, 2018, the Company entered into a Mining Claim Acquisition Agreement with Goldstone Resources Inc. ("Goldstone"), to acquire 100 per cent interest in 24 mining claims and 90 per cent interest in 2 additional claims all located in Deloro Township, Ontario ("Faymar Property"). Upon closing, the total consideration payable to Goldstone shall be $20,000 which will be paid by the issuance of 200,000 common shares of CTEC at a value of $0.10 per share. Various claims are subject to a net smelter returns royalty of 0.2%.

3. EXPLORATION AND EVALUATION EXPENDITURES (continued)

On June 18, 2018, in connection with the Faymar Agreement, the Company and Goldstone entered into a subscription receipt agreement (the "Subscription Receipt Agreement") pursuant to which the Company issued 200,000 subscription receipts ("Subscription Receipts"). Each Subscription Receipt shall, without further payment of any additional consideration, be deemed to have subscribed for one common share issuable upon conversion of the Subscription Receipts, on the earlier of one of the following events: (i) the Company completes an initial public offering and the common shares are listed for trading on a recognized public stock exchange; or (ii) the Company completing a plan of arrangement, amalgamation, reverse takeover, qualifying transaction or any other business combination pursuant to which the common shares (or shares of the resulting issuer) are listed for trading on a recognized stock exchange. The prospectus (Note 12) qualifies the distribution of 200,000 common shares issuable upon conversion of the Subscription Receipts in connection with the Offering. On October 16, 2018 the 200,000 Subscription Receipts converted to 200,000 Common Shares.

4. CAPITAL MANAGEMENT

The Company includes shareholders equity (deficit) in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

All of the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Recent market conditions have and are expected to continue to have an adverse impact on the ability of junior mining exploration companies to secure equity funding. The Company has historically relied on equity financing to raise capital and will continue its attempts to do so. Although CTEC was successful in securing debt and equity financing in the periods reported, there is no guarantee that future fund-raising attempts will be equally successful.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

5. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL AND OTHER RISK

The Company classifies financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash is classified as level 1.

5. FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL AND OTHER RISK (continued)

The Company's financial instruments are exposed to financial and other risks as summarized below:

Fair value

As at September 30, 2019, the carrying value approximates the fair value amounts of the Company's cash and trade and other payables.

Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price if one exists.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which are held by a Canadian chartered bank, and management believes the risk of loss is remote. The Company has not experienced any significant collection issues to September 30, 2019.

The Company's maximum exposure to credit risk as at September 30, 2019 and 2018 is the carrying value of cash.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due and ensuring an adequate supply of funds to enable the Company to carry out its intended programs. As at September 30, 2019, the Company had a cash balance of $607,123 (December 31, 2018 - $2,068,312) to settle current liabilities of $117,729 (December 31, 2018 - $504,953). All of the Company's financial trade liabilities have contractual maturities of less than one year and are subject to normal trade terms.

As at September 30, 2019, the Company had working capital of $551,238 (December 31, 2018 - $1,652,464). In order to meet its longer-term working capital needs and property exploration expenditures, the Company intends on securing additional financing to ensure that those obligations are properly discharged. As such, management believes that the Company will then have sufficient working capital to discharge its current and anticipated obligations for a minimum of one year. There can be no assurance that CTEC will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised through the issuance of shares from the treasury of the Company, control of CTEC may change and shareholders may experience additional dilution. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of, or eliminate one or more of its exploration activities or relinquish some or all of its rights to certain of its interests in mineral properties.

iii) Interest rate risk

The Company does not have significant interest rate risk as the promissory notes were at a fixed interest rate of 10% (Note 10).

(Expressed in Canadian Dollars)

6. CASH

The cash balance at September 30, 2019 consists of $607,123 (December 31, 2018 - $2,068,312) on deposit with a major Canadian bank.

During the period ending September 30, 2019, the Company raised $nil (December 31, 2018 – $1,350,000) in flow-through common share financing which, under the terms of the flow-through financings, these funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian Income Tax Act. As at September 30, 2019, $nil (December 31, 2018 – $1,000,000) of CTEC's cash balance is required for this purpose.

7. RECEIVABLES AND OTHER ASSETS

The Company's receivables and other assets arise from two main sources: 1) prepaid expenses and 2) harmonized sales tax ("HST") receivable from government taxation authorities. These are broken down as follows:

As at	**September 30, 2019**	**December 31, 2018**
Prepaid expenses	**$ 12,612**	**$ 16,179**
HST receivable	**49,232,**	**72,926**
Total receivables and other assets	**$ 61,844**	**$ 89,105**

8. RIGHT-OF-USE ASSET

IFRS 16 – right-of-use asset recognition at January 1, 2019	$ 61,964
Additions	30,157
Depreciation	(34,378)
Balance, September 30, 2019	**$ 57,743**

Right-of-use assets consist of the lease for the Company's office and a vehicle lease. They are amortized over a period of 19 months and 24 months respectively.

Maturity Analysis – Contractual Undiscounted Cash Flows	
As at September 30, 2019	
Less than one year	$ 52,067
Greater than one year	11,133
Total undiscounted lease obligation	**$ 63,200**

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration acquisition activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

(Expressed in Canadian Dollars)

9. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of the trade and other payables:

As at	**September 30, 2019**	December 31, 2018
Less than 1 month	**$ 63,778**	$ 93,441
Over 3 months	**23,683**	36,512
Total trade and other payables	**$ 87,461**	$ 129,953

10. LEASE LIABILITY

On April 1, 2018, the Company entered into a 28 month sublease lease agreement to lease an office. The lease payments are $5,540 per month from the commencement date of the lease.

The Company has recorded this lease as a right-of-use asset (note 8) and lease liability in the statement of financial position as at September 30, 2019. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. Effective interest rate is 10.25%. The continuity of the lease liability is presented in the table below:

	Office Lease
Balance, December 31, 2018	**$ -**
Additions	92,121
Interest expense	4,760
Lease payments	(37,425)
Balance, September 30, 2019	**$ 59,456**

	Under 1 year	Between 1-2 years	Between 3-4 years	Over 5 years	Total
Office and Vehicle Lease	$ 49,942	$ 9,514	$ -	$ -	$ 59,456

The Company did not apply IFRS 16 on a fully retrospective basis. As at January 1, 2019, adoption of IFRS 16 had no material impact on the financial statements since there were no operating leases that required the Company to recognize assets and liabilities

11. KEY MANAGEMENT COMPENSATION

The remuneration of directors and other members of key management personnel during the three and nine months ended March 31, 2019 were as follows:

	For three months ended		***For nine months ended***	
	September 30, 2019	September 30, 2018	**September 30, 2019**	September 30, 2018
Management and consulting fees	**$ 36,000**	$ 19,500	**$ 106,000**	$ 40,500
Exploration and evaluation expenditures	**18,000**	-	**54,000**	-
Share-based compensation	**40,768**	-	**109,948**	-

In accordance with IAS 24, Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(Expressed in Canadian Dollars)

12. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

As at September 30, 2019, the trade and other payables balance includes related party amounts of $7,246 (December 31, 2018 - $4,962). The related parties are directors and officers of the Company, an individual who is related to the President and CEO of the Company and entities over which executive management and directors have control or significant influence. The amounts are for services rendered during the year and arose as a result of transactions entered into with the related parties in the ordinary course of business.

The Company executed a Promissory Note with certain related parties, being Neville Dastoor, Charles Gryba, Jens Mayer, Mark Wellings, and INFOR Financial Inc. (the "Promissory Note Holders") in the aggregate amount of $350,000 on December 1, 2017. The Promissory Note is unsecured and bears an interest at a rate 10% calculated and payable semi-annually. The Company recorded interest of $nil during the period for the Promissory Note (December 31, 2018 – $5,466).

On February 26, 2018 the Company converted the $350,000 outstanding Promissory Note to common shares of the Company. (See Note 12). As a result, the Company recorded a gain on the settlement of debt totaling $105,000 and a gain on the forgiveness of debt from interest totaling $8,438.

On April 1, 2018, the Company entered into an agreement with a consultant related to the President and Chief Executive Officer to perform services for a term of 2 years for $6,000 per month.

On May 24, 2018, the Company entered into an agreement with the President and Chief Executive Officer to perform services that will commence on the date of the public offering for a term of 3 years for $10,000 per month.

13. CAPITAL STOCK

(a) Authorized

As at December 31, 2018, the Company's authorized number of common shares was unlimited and without par value.

(b) Issued

	Number of Shares		Amount
Balance at November 10, 2017	**-**	**$**	**-**
Private placement	15,000,000		150,000
Balance at December 31, 2017	**15,000,000**	**$**	**150,000**
Private placement	31,150,000		3,270,000
Debt conversion	4,900,000		245,000
Shares issued for property payment	200,000		20,000
Shares issued for MOU agreement	100,000		12,000
Share issue costs - legal	-		(129,177)
Share issue costs – cash	-		(177,400)
Reserve on issuance of warrants	-		(122,779)
Premium liability on flow-through shares	-		(475,000)
Balance at December 31, 2018 and September 30, 2019	**51,350,000**	**$**	**2,792,644**

On November 28, 2017 the Company closed a Private Placement for 15,000,000 shares at $0.01 for proceeds of $150,000.

On February 26, 2018 the Company closed a Private Placement of 8,600,000 shares, comprised of 3,600,000 shares at $0.05 and 5,000,000 Flow-through shares at $0.07 per share and for an aggregate total of $530,000.

13. CAPITAL STOCK (continued)

(b) Issued (continued)

On February 26, 2018 the Company entered into a Conversion Agreement with each of its Promissory Note holders to which the parties agreed to convert $350,000 of debt for 4,900,000 common shares. The commons shares were valued at a fair value of $0.05 per share for a total of $245,000. The remaining $105,000 was recorded as a gain on debt forgiveness in the statement of income and comprehensive income. The accrued interest amount of $8,438 was forgiven by the Promissory Note holders at the time of conversion and was recorded as a gain on debt forgiveness in the statement of income and comprehensive income.

On March 12, 2018, the Company completed a private placement for aggregate proceeds of $15,000, by issuing 300,000 shares at a price of $0.05 per share.

On October 16, 2018, the Company closed its initial public offering of 15,000,000 common shares at $0.10 per share for aggregate gross proceeds of $1,500,000. The Company's common shares commenced trading October 16, 2018 on the TSX Venture Exchange (the "Exchange") under the symbol "CTEC".

PI Financial Corp. (the "Agent") raised the $1,500,000 in connection with the Company's IPO. The Company paid a commission of 7% of gross proceeds to the Agent, and granted the Agent 1,050,000 broker warrants, to purchase common shares at a price of $0.10 for a period ending twenty-four months from the date of closing. The Company also issued as a corporate finance fee, an additional 500,000 broker warrants to purchase common shares at a price of $0.10 for a period ending twenty-four months from the date of closing.

CTEC granted to the Agent an over-allotment option, exercisable for a period of 30 days following the date of closing of the IPO, to purchase up to an additional 2,250,000 common shares at a price of $0.10 per common share to cover over-allotments, if any, and for market stabilization purposes. On November 26, 2018 the Company issued 2,250,000 common shares for total proceed of $225,000 upon the exercise of the over-allotment. The Company paid additional commission of 7% of gross proceeds to the Agent, and granted the Agent an additional 157,500 broker warrants, to purchase common shares at a price of $0.10 for a period ending twenty-four months from the date of closing.

On October 16, 2018, the Company issued 100,000 common shares at a price of $0.12 per share pursuant to MOU agreement with the Matachewan First Nation and Mattagami First Nation dated March 20, 2018. (See Note 3).

On June 18, 2018, in connection with the Faymar Agreement, the Company and Goldstone entered into a subscription receipt agreement (the "Subscription Receipt Agreement") pursuant to which the Company issued 200,000 subscription receipts ("Subscription Receipts") at a price of $0.10 per Subscription Receipt. On October 16, 2018 the 200,000 Subscription Receipts converted to 200,000 Common Shares.

On December 21, 2018 the Company closed a Private Placement of 5,000,000 Flow-through shares at $0.20 per share for total proceeds of $1,000,000. The Offering was structured as a charity donation arrangement pursuant to which Goldcorp Inc. ("Goldcorp") acquired 5,000,000 common shares of the Company as a back-end purchaser, representing approximately 9.74% of the issued and outstanding common shares.

Pursuant to an investor rights agreement entered into between the Corporation and Goldcorp (the "Investor Rights Agreement") concurrently with the Offering, Goldcorp has been granted the right (but not the obligation) to participate in future financing transactions of the Company in order to maintain its pro-rata equity ownership percentage interest in the Company at up to 9.9% of the issued and outstanding common shares. Goldcorp has also been provided certain other rights, including but not limited to the right to request that a technical committee be formed by the Company that will remain in place as long as Goldcorp maintains its equity ownership percentage interest in the Company at greater than 5.0% of the issued and outstanding common shares.

Shareholders shall also have the right of first refusal over any third party offers regarding a tolling arrangement, streaming agreement, royalty sale or other non-equity financing for the purpose of funding the future exploration and development of any issuer's projects. In addition, if shareholder's ownership interest falls below 5.0% of the common shares issued and outstanding as a result of any non-cash equity issuance, shareholder will have the opportunity to participate in the next equity financing and acquire additional common shares as outlined above.

(Expressed in Canadian Dollars)

13. CAPITAL STOCK (continued)

(c) Stock Options – Stock Option Plan

The Company maintains a stock option plan (the "Stock Option Plan") which was originally approved by the shareholders of the Company on May 17, 2018. The Stock Option Plan is a "rolling" plan under which up to 10% of the issued and outstanding Common Shares of the Company from time to time, subject to adjustment in certain circumstances, may be issued.

In the event that no specific determination is made by the Board with respect to any of the following matters, the period during which an option shall be exercisable shall be five years from the date of grant except those options issued to persons of consultants employed in Investor Relation activities shall vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.

The purpose of the Stock Option Plan is to develop the interest of bona fide officers, directors, employees, management company employees, and consultants of the Company in the growth and development of the Company by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Company.

All outstanding options have been expensed as share-based payments in the period in which they vested. At September 30, 2019, 4,650,000 (At December 31, 2018 – 3,400,000) options were outstanding and have a weighted average exercise price of $0.087 (December 31, 2018 – $0.10) per option.

A summary of stock options issued and outstanding is as follows:

As at	**September 30, 2019**		December 31, 2018	
	Weighted Average Exercise Price	**Number of Options**	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period/year	**$ 0.10**	**3,400,000**	**$ -**	**-**
Transactions during the period:				
Granted	**0.05**	**1,250,000**	**0.10**	**3,200,000**
Granted	**-**	**-**	**0.12**	**200,000**
Outstanding at end of period/year	**0.087**	**4,650,000**	**0.10**	**3,400,000**
Exercisable at end of period/year	**$ 0.087**	**1,162,500**	**$ 0.10**	**850,000**

The weighted average remaining contractual life of the options outstanding at period end is 4.24 years.

On October 16, 2018, the Company issued 3,200,000 stock options to certain directors and officers of the Company at an exercise price of $0.10 expiring 5 years from the date the Company's Common Shares are listed on the TSX Venture Exchange. On October 17th, the Company issued 200,000 options to two consultants at an exercise price of $0.12 expiring 5 years from the date the Company's Common Shares are listed on the TSX Venture Exchange.

The Options granted are to vest as follows: (i) 25% vesting on the date the Company's Common Shares are listed on the TSX Venture Exchange; (ii) 25% vesting one (1) year following the date the Company's Common Shares are listed on the TSX Venture Exchange; (iii) 25% vesting two (2) years following the date the Company's Common Shares are listed on the TSX Venture Exchange; and (iv) 25% vesting three (3) years following the date the Company's Common Shares are listed on the TSX Venture Exchange.

On July 2, 2019, the Company issued 1,250,000 stock options to certain directors and officers of the Company at an exercise price of $0.05 expiring July 2, 2024.

The Options granted are to vest as follows: (i) 25% vesting on the date of issuance; (ii) 25% vesting one (1) year following the date of issuance; (iii) 25% vesting two (2) years following the date of issuance; and (iv) 25% vesting three (3) years following the date of issuance.

(Expressed in Canadian Dollars)

13. CAPITAL STOCK (continued)

(c) Stock Options – Stock Option Plan (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model for stock options issued and outstanding as at December 31, 2018:

Grant date	October 16, 2018	October 17, 2018	July 2, 2019	Total
No. of options	3,200,000	200,000	1,250,000	4,650,000
Exercise price	$ 0.10	$ 0.12	$ 0.05	
Expected life in years	5	5	5	
Volatility	172.40%	172.40%	177.37%	
Risk-free interest rate	2.40%	2.41%	1.42%	
Dividend yield	-	-	-	
Forfeiture rate	0.00%	0.00%	0.00%	
Grant date share price	$0.10	$0.12	$0.04	
Remaining contractual life	4.05	4.05	4.76	
Fair value of options granted	$ 303,777	$ 22,784	$ 47,449	$ 374,010

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on comparable companies. Changes in the underlying assumptions can materially affect the fair value estimates. As at September 30, 2019 period end, share-based payments expense for the period totaled $109,948. (December 31, 2018 – $112,776)

14. WARRANT RESERVE

A summary of the changes in the Company's reserve for warrants is set out below:

As at	September 30, 2019		December 31, 2018	
		Number of Warrants		Number of Warrants
Outstanding at beginning of period/year	**$ 126,962**	**1,807,500**	$ -	-
Transactions during the year				
Fair value of warrants issued	-	-	4,183	100,000
Fair value of broker's warrants issued	-	-	122,779	1,707,500
Expired	-	-	-	-
Outstanding at end of period/year	**$ 126,962**	**1,807,500**	$ 126,962	1,807,500

The weighted average exercise price per warrant of the outstanding warrants as at December 31, 2018 was $0.10 (2017 - $NIL).

The following table summarizes the assumptions used with the Black-Scholes valuation model for warrants issued and outstanding as at December 31, 2018:

Grant date	October 16, 2018	October 16, 2018	November 16, 2018	Total
No. of warrants	1,550,000	100,000	157,500	1,807,500
Exercise price	$ 0.10	$ 0.10	$ 0.10	
Expected life in years	2	5	2	
Volatility	148.99%	172.06%	149.67%	
Risk-free interest rate	2.30%	2.40%	2.22%	
Grant date share price	0.10	0.10	0.105	
Dividend yield	-	-	-	
Fair value of warrants	$ 110,810	$ 9,489	$ 11,969	$ 132,268

(Expressed in Canadian Dollars)

14. WARRANT RESERVE (continued)

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Volatility is based on comparable companies. Changes in the underlying assumptions can materially affect the fair value estimates.

Broker warrants issued to non-employees were valued using the fair value of the equity instrument granted in the absence of a reliable estimate of the fair value of the goods or services received.

On October 16, 2018, the Company issued 100,000 warrants of the Company at an exercise price of $0.10 expiring 5 years from the date the Company's Common Shares are listed on the TSX Venture Exchange pursuant to MOU agreement with the Matachewan First Nation and Mattagami First Nation dated March 20, 2018.

These warrants are to vest as follows: (i) 25% vesting on the date the Company's Common Shares are listed on the TSX Venture Exchange; (ii) 25% vesting six (6) months following the date the Company's Common Shares are listed on the TSX Venture Exchange; (iii) 25% vesting twelve (12) months following the date the Company's Common Shares are listed on the TSX Venture Exchange; and (iv) 25% vesting eighteen (18) months following the date the Company's Common Shares are listed on the TSX Venture Exchange.(See Note 3) As at December 31, 2018, 25,000 of these warrants are exercisable and $4,183 of the fair value was included in exploration and evaluation expenditures.

15 COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Pursuant to the issuance of 5,000,000 flow-through shares on February 26, 2018 and the issuance of 5,000,000 flow-through shares on December 21, 2018, the Company renounced $350,000 and $1,000,000, respectively, of qualified exploration expenditures with an effective date of December 31, 2018. The Company is required to spend these flow-through funds by December 31, 2019. A premium liability on flow-through shares in the amount of $475,000 had been recognized on the statement of financial position, which represents the premium between the quoted market price and the price paid by investors for the flow-through shares. The related flow-through expenditures were renounced to investors during the period ended December 31, 2018 and $100,000 of the premium liability was reversed and recognized in the statement of loss and comprehensive loss. During the period ending September 30, 2019 the remaining $375,000 of the premium liability was reversed and recognized in the statement of loss and comprehensive loss.

As of September 30, 2019, the Company's remaining obligation for flow-through expenditures was $nil (December 31, 2018 - $1,000,000).

The Company is committed to monthly payments under the terms of operating agreements for the office space and management and consulting fees. The aggregate remaining payments per year are as follows:

2019	$ 97,858
2020	$ 198,779
2021	$ 67,000

16. SUBSEQUENT EVENTS

On December 19, 2018 the Company entered into a definitive agreement with Goldcorp Canada Limited and Goldcorp Inc. (the "Porcupine Joint Venture") for the sale of certain of the Company's non-core mineral claims (the "Claims") to the Porcupine Joint Venture for aggregate proceeds of $258,624. The Claims consist of nine patented mineral claims in Deloro Township, Timmins, Ontario with a total area of approximately 327 acres. The sale transaction was completed on November 4, 2019.

16. SUBSEQUENT EVENTS (continued)

On November 21, 2019 the Company announced the Board's approval to seek the consolidation of the Corporation's common shares on a 1:6 basis, subject to shareholder and regulatory approval. The Company currently has 51,350,000 common shares issued and outstanding. Upon completion of the consolidation, and assuming that no further common shares are issued prior to the consolidation and the maximum allowable share consolidation on the basis of one post-consolidation Common Share for six pre-consolidation common shares, the number of post-consolidation Common Shares issued and outstanding will be approximately 8,558,333 on a non-diluted basis.