BRAVEHEART RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars, unless otherwise stated)

FOR THE YEARS ENDED May 31, 2019 and 2018

S & W LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Braveheart Resources Inc.

Opinion

We have audited the consolidated financial statements of **Braveheart Resources Inc.** (the Company), which comprise the consolidated statements of financial position as at May 31, 2019 and May 31, 2018, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at May 31, 2019 and May 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (Canadian GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Howard Wolle.

S+W LLP

September 30, 2019 — S & W LLP
Toronto, Canada — Chartered Professional Accountants, Licensed Public Accountants

BRAVEHEART RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT

	Note		May 31 2019		May 31 2018
ASSETS					
Non-current assets					
Property, plant and equipment	6,7	$	**2,749,353**	$	-
Unprocessed ore	6		**5,039,144**		-
Mineral properties	6,8		**2,365,008**		125,008
Deferred tax asset	6, 8,13		**1**		-
Total non-current assets			**10,153,506**		125,008
Current assets					
Deposits and prepaids	6, 9		**687,504**		63,500
Restricted funds committed to related party loan	17		**650,000**		-
Harmonized sales tax receivable	11		**222,631**		30,905
Cash and cash equivalents	10		**696,182**		93,501
Total current assets			**2,256,317**		187,906
Total assets		$	**12,409,823**	$	312,914
EQUITY AND LIABILITIES					
Equity					
Share capital	12	$	**7,405,439**	$	4,876,834
Issuable shares	12		**-**		103,500
Warrants	12		**1,218,932**		286,011
Equity component of convertible debenture	19		**1,926,400**		-
Contributed surplus	12		**3,331,109**		3,331,109
Deficit			**(11,395,581)**		(8,480,727)
Total Equity			**2,486,299**		116,727
Going concern	1				
Commitments and contingencies	20				
Events after the reporting period	21				
Non-current liabilities					
Due to related party	17		**5,061,922**		-
Flow through share premium	12, 13		**23,600**		-
Decommissioning obligations	18		**164,863**		-
Debt component of convertible debenture	6,19		**4,305,790**	$	-
Total non-current liabilities			**9,556,175**		-
Current liabilities					
Accounts payable and accrued liabilities	14		**320,405**		149,243
Due to directors	17		**6,944**		6,944
Advance payable	15		**40,000**		40,000
Total current liabilities			**367,349**		196,187
Total liabilities			**9,923,524**		196,187
Total equity and liabilities		$	**12,409,823**	$	312,914

Approved on behalf of the Board on September 30, 2019:

Signed: "Gestur Kristjansson" Signed: "David W. Johnston"

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

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BRAVEHEART RESOURCES INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED MAY 31, 2019 and 2018

	Note	Year ended May 31 2019	May 31, 2018
Expenses			
Management fees	17	**$ -**	$ 19,202
Marketing and advertising		**75,445**	-
Consulting fees	17	**463,462**	55,700
Amortization		**57,075**	-
Acretion	18	**8,483**	-
Administrative expenses		**153,759**	52,171
Professional fees		**223,610**	37,098
Rent	17	**2,952**	4,800
Salaries and wages		**130,175**	-
Supplies and maintenance		**139,792**	-
Acquisition transaction costs	6	**561,909**	-
Mining exploration expenses	8	**610,124**	488,561
Interest expense	17, 19	**494,112**	-
Impairment of mining properties	8	**-**	24,301
Operating loss		**2,920,898**	681,833
Gain on sale of asset		**5,700**	-
Interest income		**343**	163
Net loss		**$ (2,914,855)**	(681,670)
Flow-through share premium renunciation	13	**-**	28,906
Net loss and comprehensive loss for the period		**$ (2,914,855)**	$ (652,764)
Net loss per share	16	**(0.049)**	$ **(0.017)**
Weighted average outstanding shares		**59,094,462**	40,732,961

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

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BRAVEHEART RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2019 and 2018

		Share Capital Common Shares		Issuable Shares		Warrants		Contributed Surplus	Equity Convertible Debenture		
	Note	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**			**Deficit**	**Total**
Balance, May 31, 2017		32,414,505	$ 4,599,157	50,000	$ 3,000			$ 3,152,930	$ -	$ (7,827,962)	$ (72,875)
Share issue for cash		7,558,333	483,500	(50,000)	(3,000)						480,500
Flow-through share issue for cash		3,578,267	266,160								266,160
Issuable shares				1,035,000	103,500						103,500
Share issue for property acquisition		200,000	20,000								20,000
Fair value of warrants			(464,190)			9,450,395	$ 286,011	178,179			-
Unrenounced flow-through share premium			(17,000)								(17,000)
Share issue costs			(10,793)								(10,793)
Loss and comprehensive loss										(652,764)	(652,764)
Balance, May 31, 2018		43,751,105	$ 4,876,834	1,035,000	$ 103,500	9,450,395	$ 286,011	$ 3,331,109	$ -	$ (8,480,726)	$ 116,728
Share issue for cash	12	15,225,000	1,522,500	(1,035,000)	(103,500)						1,419,000
Flow-through share issue for cash	12	2,950,000	295,000								295,000
Flow-through share premium	12		(23,600)								(23,600)
Share issue for property acquisition		31,877,029	1,685,626								1,685,626
Fair value of warrants	12		(932,920)			43,080,781	$ 932,920				-
Equity component of convertible debenture	19								1,926,400		1,926,400
Share issue costs	12		(18,000)								(18,000)
Loss and comprehensive loss										(2,914,855)	(2,914,855)
Balance, May 31, 2019		93,803,134	**$ 7,405,439**	**-**	**$ -**	**52,531,176**	**$ 1,218,931**	**$ 3,331,109**	**$ 1,926,400**	**$ (11,395,581)**	**$ 2,486,299**

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

BRAVEHEART RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MAY 31, 2019 and 2018

	Note		**May 31 2019**		May 31, 2018
Cash flows from operating activities					
Net income/(loss) for the period		**$**	**(2,914,855)**	$	(652,764)
Add back/Deduct non-cash expenses/(income)					
Amortization	7		**57,076**		-
Acretion	18		**8,483**		-
Interest accrued	17, 19		**494,112**		-
Flow-through share premium renunciation	13		**-**		(28,906)
Bad debt			**-**		564
Net changes in working capital balances					
Harmonized sales tax receivable	11		**(191,726)**		(20,132)
Prepaids and deposits	9		**(624,003)**		(37,000)
Undispensed funds	17		**(650,000)**		-
Accounts payable and accrued liabilities	14		**171,160**		(29,538)
Cash flows used in operating activities			**(3,649,753)**		(767,776)
Cash flows from investing activities					
Investment in capital assets	6, 7		**(2,806,429)**		-
Investment in unprocessed ore	6		**(3,418,637)**		-
Mineral properties	8		**(2,240,000)**		(75,000)
Cash flows used in investing activities			**(8,465,066)**		(75,000)
Cash flows from financing activities					
Issue of common shares and warrants, net of costs	12		**1,917,500**		738,866
Debt assumed as part of acquisition	6, 19		**6,000,000**		-
Related party loan	17		**4,800,000**		-
Issuable shares			**-**		100,500
Loans and advances			**-**		(4,003)
Cash provided by financing activities			**12,717,500**		835,363
Net change in cash			**602,681**		(7,413)
Cash, beginning of the year			**93,501**		100,914
Cash, end of the year		**$**	**696,182**	$	93,501

1. REPORTING ENTITY AND GOING CONCERN

Braveheart Resources Inc. (the "Company") is an exploration stage company engaged in locating, acquiring and exploring for precious metals in Canada. The Company was incorporated pursuant to the laws of Ontario on October 13, 2009. The Company is listed on the TSX Venture Exchange, having the symbol BHT and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is 2520 – 16Th Street NW, Calgary, Alberta T2M 3R2, Canada.

On January 18, 2019 the Company acquired all shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and these financial statements include the operating results of Purcell and its subsidiaries (Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd.).

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in future profitable mining operations and the Company has incurred significant losses to date resulting in a cumulative deficit of $11,395,581 as at May 31, 2019 (May 31, 2018 – a deficit of $8,480,726). The recoverability of the carrying value of exploration properties and the Company's continued existence is 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 alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there remains doubt which constitutes a material uncertainty as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these audited financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance it exploration, development and production efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

For the year ended May 31, 2019, the Company had a net loss of $2,914,855 and cash flow used in operations of $3,649,753. As at period end, the Company had working capital of $1,888,968, including cash of $696,182.

The Company has a history of operating losses. In recent years, it had negative cash flows operations and working capital deficiencies.

Whether and when the Company can attain profitability and positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

Management continues to actively pursue additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The 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 review affects both current and future period.

The financial statements were authorized for issue by the Board of Directors on September 30, 2019.

2.3 Basis of Consolidation

The consolidated financial statements include the financial statements of Braveheart Resources Inc. and its wholly-owned subsidiary, Purcell Basin Minerals Inc., a private company incorporate in British Columbia and its wholly-owned subsidiaries Bul River Mineral Corporation, Gallowai Metal Mining Corporation, Grand Mineral Corporation, and Stanfield Mining Group of Canada Ltd. all private companies. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated through the consolidation process. The accounts of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

2.4 Basis of measurement

The financial statements have been prepared on the historical cost basis as set out in the accounting policies below. Certain items are stated at fair value.

3. ACCOUNTING POLICIES:

3.1 Application of new International Financial Reporting Standards ("IFRS")
The following standards were adopted on June 1, 2018:
IFRS 9 Financial Instruments ("IFRS 9"): This standard replaced IAS 39 Financial Instruments: Recognition and Measurement. This standard sets out revised guidance for classifying and measuring financial assets and liabilities and introduces a new expected credit loss model for calculating impairment of financial assets and includes a reformed approach to hedge accounting. The standard also requires that when financial liabilities measured at amortized cost are modified or exchanged, and where such modification or exchange does not result in derecognition, that the adjustment to the amortized cost of the financial liability be recognized in profit or loss. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 contains two principal classification categories for financial liabilities: amortized cost and fair value through profit or loss (FVTPL). The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial instruments. There were no financial assets or financial liabilities that were subject to reclassification, or to which the company elected to reclassify, upon adoption of IFRS 9.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15"): Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Since the company has no revenues, the application of this new standard had no impact on the reported results. There was no impact on the cash flows from operating activities as a result of adopting this standard.

3.2 Business combinations

Business combinations are accounted for using the acquisition method when the acquisitions of companies and/or assets meet the definition of a business under IFRS. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The acquired identifiable assets and liabilities and any contingent consideration are measured at their fair value at the date of acquisition. The fair value of property, plant and equipment is the estimated amount for which these assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion. Any excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recognized as goodwill. If the cost of acquisition is less than fair value of the identifiable assets and liabilities, the difference is recorded as a gain in profit or loss. Associated transaction costs are expensed when incurred.

3.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year. Such gains and losses are recognized in profit or loss.

Functional and Presentation Currency

The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

3.4 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to a contractual agreement.

Classification of Financial Assets

Financial assets are initially measured at fair value and classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Financial assets measured at amortized cost are initially recognized at fair value and subsequently are measured at amortized cost using an effective interest rate method. Financial assets measured at FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss.

Financial assets recognized in the consolidated statements of financial position include cash and cash equivalents, restricted funds committed to related party loan, deposits and prepaids. Cash and cash equivalents consist of bank balances in Canada.

Cash and cash equivalents are classified as fair value through profit or loss and are measured at fair value.

Restricted funds committed to related party loan is also classified as fair value through profit or loss.

Deposits and prepaids are initially recognized at fair value and is subsequently measured at amortized cost using an effective interest rate method.

Classification of Financial Liabilities

Financial liabilities are classified as either FVTPL or amortized cost. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the consolidated statements of loss and comprehensive loss unless the change in fair value is attributable to changes in credit risk in which case the change is reported in other comprehensive income. Financial liabilities reported at amortized cost, including borrowings, are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities consist of accounts payable and accrued liabilities, due to directors, advance payable, due to related party, and debt component of convertible debenture.

Accounts payable and accrued liabilities, due to directors, advance payable, due to related party, debt component of convertible debenture are all initially recognized at fair value and classified as amortized cost, and subsequently measured at amortized cost.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company's cash and cash equivalents and investments are considered Level 1 in the hierarchy.

Cash and cash equivalents in the statements of financial position comprise cash at Canadian banks and short-term deposits with an original maturity of 3 months or less.

A comparison of the classification of financial assets and financial liabilities before and after implementation of IFRS 9 is shown in the table below.

	IAS 39	IFRS 9:
Cash and cash equivalents	FVTPL	FVTPL
Restricted funds committed to related party loan	FVTPL	FVTPL
Deposits and prepaid	loans and receivables	amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	other financial liabilities	amortized cost
Due to directors	other financial liabilities	amortized cost
Advance payable	other financial liabilities	amortized cost
Due to related party	other financial liabilities	amortized cost
Debt component of convertible debenture	other financial liabilities	amortized cost

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and stock options are recognized as a deduction from equity, net of any tax effects.

3.5 Significant accounting judgments and estimates

The preparation of these financial statements in compliance 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates, which by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The recoverability of exploration and evaluation expenditures incurred
- Estimate of fair values on acquisition of Purcell
- The fair value of stock options and warrants issued in conjunction with the issuance of the Company's common shares and the fair value of stock options and warrants using the Black Scholes option pricing model; and Management assumption of no material restoration, rehabilitation and environmental costs, based on the facts and circumstances that existed during the period.
- The recoverability of deferred tax assets and liabilities

- The going concern assumption and judgement in evaluating the existence of material uncertainties and any significant doubt regarding the Company's ability to continue as a going concern
- Property, plant and equipment useful lives and related depreciation and amortization.

Critical accounting judgments:

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assumptions made by management.

3.6 Property, Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price which includes the cash consideration and the fair market value of the shares issued for the acquisition of mineral properties and those directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within the provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Operations, Comprehensive Loss and Deficit during the financial period in which they are incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in the Consolidated Statement of Operations, Comprehensive Loss and Deficit.
Property, plant and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:
Plant and building – 20 years
Equipment – 10 years
Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

3.7 Income taxes

The Company uses the Asset and Liabilities method to determine income tax and deferred tax. Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes and are presented as noncurrent liabilities.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. An asset is recognized on the statement of financial position when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in income in the period in which the change is substantively enacted.

Deferred taxes are not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The Company is entitled to refundable BC mineral exploration tax credits and refundable mining duties as a result of incurring mineral exploration expenses in British Columbia. These amounts are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured. Once recovered, these amounts are treated as a reduction to the carrying value of mineral properties.

3.8 Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flowthrough subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability on the Statements of Financial Position. The subsequent renunciation of such qualifying expenditures incurred by the Company in favor of the flow-through subscribers is reported as a reduction in the 'unrenounced flow-through share premium' liability on the Statements of Financial Position and a corresponding reduction in deferred tax expense on the Consolidated Statements of Loss and Comprehensive loss.

3.7 Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying account of the asset, as soon as the obligation to incur such costs arises. The decommissioning obligation total $164,863. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit of loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage, which are created on an ongoing basis during production, are accounted for at their net present values and charged against profits as extraction progresses.

3.9 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the avoidable cost of meeting its obligations under the contract.

The Company had no material provisions as at May 31, 2019 (May 31, 2018 - Nil).

3.10 Exploration and evaluation asset

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are charged to operations as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are charged to operations as incurred.

Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

3.11 Impairment of assets

(i) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating units exceed its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Company of units) on a pro rata basis.

(ii) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.12 Income recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the provision of goods (or the completion of services) to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with the customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation. Income from the sale of mineral products, when they occur, are generally recorded on a gross basis when title passes to an external party. The Company recognizes income when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to the customer at the time of control of the product passes to the customer. Interest income is accrued as earned.

3.13 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at fair value, which is the exchange amount. This is the amount of consideration established and agreed to by the related parties.

3.14 Segment reporting

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments.

An operating segment is a group of assets and operations engaged in performing mining or advanced exploration that are subject to risks and returns that are different from those of other segments, the Company has determined that these assets are the cash generating units (CGU). Other parts of the business are aggregated and treated as part of a 'corporate and exploration' segment. The Company provides segmental information using the same categories of information the Company's chief operating decision maker utilizes. The Company's chief operating decision maker is considered by management to be the board of directors.

The Company operates in one business segment, mineral exploration, and one geographical segment, Canada. Segment analysis is based on individual mining operations and exploration projects that have a significant amount of capitalized expenditure or other fixed assets.

3.15 Loss per share

The Company presents basic and diluted earnings/(loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.16 Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The fair value of the share component calculated using Black-Scholes option pricing model, is credited to share capital and the value of the warrant component is credited to the warrants account. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrants account is recorded as an increase to share capital.

3.17 Comprehensive income or loss

Comprehensive income or loss is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a year except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the

Statements of Loss and Comprehensive Loss, nor has the Company accumulated other comprehensive income during the periods that have been presented.

3.18 Recent Accounting Pronouncements

The Company is currently evaluating the impact on its financial statements of recent accounting pronouncements, as follows:

(i) On January 13, 2016 the IASB issued IFRS 16, "Leases". The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, "Leases". This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The extent of the impact of adoption of this standard has not yet been determined.

4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Mineral properties and exploration and evaluation asset

The application of the Company's accounting policy for mineral properties and exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the project, or where exploration activities are not adequately advanced to support a precious metals resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the mineral property acquisition costs.

Where an indicator of impairment exists, a formal estimated recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral properties is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, discounted by an appropriate pre-tax discount rate to arrive at a net present value.

4.2 Other receivables

The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

4.3 Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4.4 Share-based payment transactions

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Under this method, the fair value of the equity-settled share- based payment is measured on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. For options that do not vest immediately, the fair value is measured at the grant date and each tranche is recognized on a graded- vesting basis over the period in which the options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

Equity-settled, share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

5. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- price risk
- commodity price risk
- foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's other receivables, and cash and equivalents.

The Company considers this risk to be low.

Other Receivables

Other receivables are measured at carrying value and are subject to credit risk exposure.

Cash and cash equivalents, deposits, and restricted funds

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

(ii) Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to operating cost, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

(**iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company considers the interest rate risk to be low as convertible debentures and related party loans are at fixed rates.

(iv) Commodity price risk

The value of the Company's exploration and evaluation assets are related to the price of gold, copper, and other mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Gold, copper, and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank reserves, management forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to gold and other mineral commodities.

(v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in United States dollars. There were $Nil in foreign exchange expenses for the year ended May 31, 2019 (May 31, 2018- $Nil).

Sensitivity analysis - Based on management's knowledge and experience of the financial markets, the Company believes that movements at ± 10% are "reasonably possible" over a one year period:

(a) The Company does not hold significant balances in foreign currencies to give rise to significant exposure to foreign exchange risk.

(b) Price risk is remote since the Company is a non-producing entity.

Capital risk management

The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Company in a way that optimizes the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Company remains in a sound financial position.

There were no changes to the Company's approach to capital management during the year, as compared to the prior year.

6. ACQUISITION OF PURCELL BASIN MINERALS INC.

6.1 Summary of Acquisition

On January 18, 2019 the Company completed a definitive agreement to acquire the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and made pursuant to the Companies' Creditors Arrangement Act (CCAA). This was an arm's length transaction. The acquisition of Purcell received approval from all required parties and the transaction closed on January 18, 2019.

Under the terms of the Plan, Braveheart settled all priority payables including the costs of the Court appointed Monitor under the CCAA proceedings, related legal expenses and the interim financing that was in place and being paid by the debtor in possession. The cash cost of the priority payables was $1,184,652.

The unit holders of CuVeras LLC ("CuVeras"), one of two secured creditors of Purcell, have been issued 10 million common shares of Braveheart and 10 million warrants of Braveheart, with each warrant entitling the holder to purchase a Braveheart common share at a price of $0.15 per share for a period of 12 months.

Braveheart has purchased CuVeras' senior secured position for $6,000,000 in the form of a convertible debenture, which will mature three years from the date of issuance. The debenture bears annual interest of 0%, 1% and 2% respectively in the first, second and third year of the debenture. After two years, 40% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.40 per share. After three years, the remaining 60% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.50 per share. If the convertible debenture is fully converted into common shares of Braveheart, an aggregate of 13,200,000 common shares would be issuable to CuVeras. (See also Note 19)

(in Canadian dollars)

Highlands Pacific LLC and Highlands Pacific Partners LP and related entities controlled by Brendan MacMillan ("MacMillan Group"), the second secured creditor of Purcell, has been paid $2,500,000 in exchange for releasing all claims against the assets of Purcell and all claims against CuVeras and those parties have settled all litigation between them.

Unsecured creditors of Purcell have received 30% of their claim value in common shares of Braveheart at a price of $0.10 per share based on a satisfactory proof of claim, resulting in the issuance of 4,276,248 common shares of Braveheart.

6.2 Value Received and Consideration Transferred

Fair value of assets acquired assets and liabilities assumed:		
Cash	$	118,000
Deposit		525,214
Amounts receivable		1,057,643
Deferred tax asset		1
Property, plant & equipment		2,806,429
Mineral Property		2,000,000
Unprocessed ore		5,039,144
		11,546,431
Decommissioning Obligation		(156,380)
Accounts payable assumed		(119,993)
Fair value of net assets acquired	$	11,270,058
Fair value of consideration transferred:		
Shares and warrants issued to secured creditors	$	1,000,000
Payments made to secured creditor and monitor		3,724,433
Convertible debenture		6,000,000
Shares issued to unsecured creditors		427,625
Shares and warrants issued to former Purcell shareholders (see 6.3 below)		118,000
Fair value of consideration transferred	$	11,270,058

The acquisition of historical non-capital loss and tax pools of $153,522,370 are available to reduce future income taxes.

(in Canadian dollars)

The Company incurred $561,909 in acquisition transaction costs including direct costs incurred of the Monitor and legal costs that have been included in the statement of loss.

6.3 Contingent consideration arrangements

Pre-existing Purcell equity holders were granted an offer to acquire up to 16.5 million units ("Units") of the Company. Each Unit was comprised of one common share of the Company and one warrant, with each warrant entitling the holder to purchase one common share at a price of $0.15 per share for a period of 12 months. Each Purcell equity holder, regardless of how many Purcell shares previously held by such equity holder, was required to make a flat cash payment of $1,000 for all the Units purchased. On May 8, 2019, 118 pre-existing Purcell equity holders accepted the offer resulting in cash proceeds of $118,000 and the issuance of 16,200,781 Units. These transactions have been reflected in 6.2 above.

The Company is defending two claims in dispute which was assumed. Should the disputes be settled in favour of the claimants this would result in the issue of up to 2,250,000 common shares.

7. PROPERTY, PLANT AND EQUIPMENT

May 31, 2019	Cost	Accumulated amortization	Net book value
Buildings	2,456,429	(44,418)	2,412,011
Equipment	350,000	(12,658)	337,342
Total	2,806,429	(57,076)	2,749,353

Amortization rates based on estimated useful lives of 20 years for Building and 10 years for Equipment.

(in Canadian dollars)

8. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION ASSET

Acquisition of Mineral Properties

	May 31, 2017	Additions	Impairment	May 31, 2018
International	$ 1	$ -	$ -	$ 1
Tin City	1	1658	(1,658)	1
President	1	2,328	(2,328)	1
Gold Viking & Anna	1	-	-	1
Rhea & Waffer	1	-	-	1
Ottawa	1	315	(315)	1
Sirush	1	-	-	1
Referendum & Whitewater	1	20,000	(20,000)	1
Alpine Mine	30,000	95,000	-	125,000
	$ 30,008	$ 119,301	$ (24,301)	$ 125,008

	May 31, 2018	Additions	Impairment	May 31, 2019
International	$ 1	$ 4,972	$ (4,972)	$ 1
Tin City	1	-	-	1
President	1	2,356	(2,356)	1
Gold Viking & Anna	1	-	-	1
Rhea & Waffer	1	-	-	1
Ottawa	1	1,164	(1,164)	1
Sirush	1	-	-	1
Referendum & Whitewater	1	1,650	(1,650)	1
Alpine Mine (Note 12)	125,000	240,000	-	365,000
Purcell (Note 6)	-	2,000,000	-	2,000,000
	$ 125,008	$ 2,250,142	$ (10,142)	$ 2,365,008

Mining Exploration Expenses

	For the Period Ended May 31, 2019	For the Year Ended May 31, 2018
President	$ 2,356	$ -
International	4,972	-
Ottawa	1,164	-
Referendum & Whitewater	1,650	-
Alpine	487,513	488,561
Purcell	112,469	-
	$ 610,124	$ 488,561

Total mining exploration expense and mineral exploration value asset – May 31, 2019

Net acquisition of mineral properties	$ 2,365,008
Exploration and evaluation asset	610,124
	$ 2,975,132

The BC Mining Exploration Tax Credit is a 20% credit on qualified mining exploration for the determination of the existence, location, extent or quality of a mineral resource in BC – 2019 - $Nil; 2018 - $Nil.

International Property

100% owned property near Duncan Lake, BC.

During the year ended May 31, 2014, the Company wrote down the carrying value of the International Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

Tin City Property

100% owned property immediately north of the International property.
During the year ended May 31, 2014, the Company wrote down the carrying value of the Tin City Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

President Property

100% owned property located on the west side of Duncan Lake, BC.

During the year ended May 31, 2014, the Company wrote down the carrying value of the President Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

Gold Viking & Anna Property

100% owned property located near Slocan City, BC.

During the year ended May 31, 2015, the Company wrote down the carrying value of the Gold Viking & Anna Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

Rhea & Waffer Property

100% owned property located near Nelson, BC.

During the year ended May 31, 2014, the Company wrote down the carrying value of the Rhea & Waffer Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

Ottawa Property

100% owned property located near Slocan Lake.

During the year ended May 31, 2014, the Company wrote down the carrying value of the Ottawa Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

(in Canadian dollars)

Sirush Property

100% owned property located near Nelson, BC contiguous to the Rhea property.

The property is subject to a 1% net smelter return pertaining to any future commercial production from the claims, which can be purchased back by the company for $200,000.

During the year ended May 31, 2014, the Company wrote down the carrying value of the Sirush Property to a nominal value of $1. The Company is keeping the claims in good standing, however, no exploration is currently planned for this property.

Referendum & Whitewater Property

100% owned property that is strategically located near the head of Snowwater Creek and contiguous to claims recently acquired by the Company that enlarged its Rhea property.

Referendum-Whitewater deal

During the year ended May 31, 2015, the Company wrote down the carrying value of the Referendum & Property to a nominal value of $1. The Company is keeping the claims in good standing.

Alpine Mine Property

The property is located in the West Kootenay region approximately 20 kilometres northeast of Nelson. During the 2016 fiscal year the Company entered into an agreement to acquire 100% of the property. Please refer to note 11 for commitment.

Purcell Property

The property is located in the East Kootenay region approximately 30 kilometres from Cranbrook. On January 18, 2019 the Company successfully acquired the property out of a formal insolvency proceeding. Funding that had been previously committed in order proceed through to closing of the transaction (mine care and maintenance, deposits and professional fees) have been capitalized and included in Property, Plant and Equipment. Please refer to note 6, for a full description of the transaction that resulted in the acquisition of the Purcell Property.

9. DEPOSITS AND PREPAIDS

	May 31, 2019	May 31, 2018
Restricted deposits	$ 539,715	$ -
Advances	147,789	63,500
Deposits and prepaid	$ 687,504	$ 63,500

Restricted are held in Canadian banks as required by British Columbia Ministry of Mining

(in Canadian dollars)

10. CASH AND CASH EQUIVALENTS

		May 31, 2019		May 31, 2018
Cash	$	696,182	$	93,364
Cash equivalents		-		137
	$	696,182	$	93,501

All cash and cash equivalents are held in Canadian banks.

11. HARMONIZED SALES TAX AND OTHER RECEIVABLES

		May 31, 2019		May 31, 2018
Financial assets				
Harmonized sales tax	$	222,631	$	30,905

12. SHARE CAPITAL

Authorized: Unlimited number of common share without a value

		May 31, 2019		May 31, 2018
Authorized and issued		Number of shares		
Common shares without par value		43,751,105		32,414,505
Issued for cash - shares (i)(ii)		15,225,000		7,558,333
Issued for cash - flow-through shares (ii)		2,950,000		3,578,267
Issued for property (iii)(iv)(v)		31,877,029		200,000
Common shares		93,803,134		43,751,105
Opening	$	4,876,834	$	4,599,157
Issued for cash – units (i) (ii)		1,522,500		483,500
Issued for cash - flow-through shares (ii)		295,000		266,160
Issued for property (iii)(iv)(v)		1,685,626		20,000
Flow-through share premium		(23,600)		(17,000)
Share issue costs		(18,000)		(10,793)
Fair value of warrants		(932,920)		(464,190)
	$	7,405,439	$	4,876,834

(i) In August 2018, the Company completed a private placement of 2,535,000 units at $0.10 per unit and for gross proceeds of $253,500. The units comprise one common share and one common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.15 for 24 months from the date of issuance.

(ii) In December 2018, the Company completed a private placement of 12,690,000 units at $0.10 per unit and for gross proceeds of $1,269,000. The units comprise one common share and one common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.15 for 24 months from the date of issuance. In addition, on that date the Company completed a private placement of 2,950,000 units issued on a flow-through basis at a price of $0.10 per share for gross proceeds of $295,000. Each two flow through warrants will entitle its holder to acquire one additional common share of the Company at a price of $0.15 for 24 months from the date of issuance. Commissions totalling $18,000 were paid on the private placement resulting in net proceeds of $1,546,000. Additionally, 180,000 broker warrants were issued to a registered broker entitling the holder to acquire one additional common of the Company for each warrant held at a price of $0.10 for a period of 24 months from the date of issue.

(in Canadian dollars)

(iii) In December 2018, the Company issued 1,400,000 common shares at a value of $0.10 per share in accordance with the terms of the amended Option Agreement on the Alpine Mine property. See Note 19.

(iv) In January 2019, the Company issued 14,276,248 common shares at a value of $0.10 per share and 10,000,000 units at a value of $0.10 under the terms of the Purcell Basin Minerals Inc. acquisition pursuant to the Plan of Arrangement. The units and shares were issued to a combination of secured (10,000,000) and unsecured (14,276,248) creditors. The units included 10,000,000 warrants of the Company that entitle the holder to acquire one additional common share of the Company at a price of $0.15 for each warrant held for 12 months from the date of issuance. See Note 6.

(v) In May 2019, the Company completed a private placement of 16,200,781 units for gross proceeds of $118,000. The units comprise one common share and one common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.15 until January 18, 2020. This private placement was completed as pre-existing Purcell equity holders accepted the offer discussed in Note 6.

Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the period ended May 31,2019:

	Number of Warrants		Black-Scholes Value		Weighted Average Exercise Price
Balance, May 31, 2017	15,710,000	$	2,413,471	$	0.11
Expired	(12,400,000)		-		
Issued	9,450,395		464,190		0.13
Balance, May 31, 2018	12,760,395	$	2,877,661	$	0.12
Expired	(3,310,000)		-		-
Issued	43,080,781		932,920		0.15
Balance, May 31, 2019	52,531,176	$	3,810,581	$	0.15

The fair value of warrants issued during the period $932,920 (May 31, 2018 - $464,190).

At May 31, 2019, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Warrants	Exercise Price		Expiry date
6,416,667	$	0.12	July 28, 2019
1,537,500	$	0.12	August 28, 2019
746,228	$	0.15	December 31, 2019
750,000	$	0.15	February 20, 2020
2,535,000	$	0.15	August 2, 2020
10,000,000	$	0.15	January 17, 2020
14,165,000	$	0.15	December 27, 2020
180,000	$	0.15	December 27, 2020
16,200,781	$	0.15	January 18, 2020
52,531,176	$	0.15	

(in Canadian dollars)

Stock option plan

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the period ended May 31, 2019:

	Number of Options	Black-Scholes Value	Weighted Average Exercise Price
Balance, May 31, 2017	3,040,000	$ 733,175	$ 0.09
Expired	(40,000)	-	
Balance, May 31, 2018	3,000,000	$ 733,175	$ 0.06
Expired	-	-	-
Balance, May 31, 2019	3,000,000	$ 733,175	$ 0.06

The following table summarizes information about stock options outstanding and exercisable at February 28, 2019, following the consolidation adjustment:

Date of Grant	Number of Outstanding at February 28, 2019	Exercise Price	Weighted Average Remaining Life (months)	Date of Expiry	Number of Exercisable at May 31, 2019
April 25, 2017	3,000,000	$ 0.06	35	April 25, 2022	3,000,000
	3,000,000				3,000,000

The Company provides compensation to directors, employees and consultants in the form of stock options.

No stock options were granted during the year ended May 31, 2019.

(in Canadian dollars)

13. INCOME TAX

The Company's effective tax rate, which differs from the combined federal and provincial statutory rate of 26.5% (2018 - 26.5%), is reconciled as follows:

	May 31, 2019	May 31, 2018
Loss before income taxes	$ (2,914,855)	$ (652,764)
Income tax recovery @ 26.5% (2018- 26.5%)	(772,437)	(172,983)
Impairment and mining exploration expenses	-	135,908
Share issue costs	(4,770)	(1,873)
Part XII.6 taxes	-	-
Other – amortization and accretion	17,353	-
Stock-based compensation	-	-
Valuation allowance	759,834	38,948
Add: Deferred income tax recovery	-	28,906
Deferred tax recovery (a)	$ -	$ 28,906

(a) The $nil (2018 - $28,906) of deferred income tax recovery above pertains to the deferred premium on flow- through shares.

The deferred tax liability and asset calculated using a substantially enacted tax rate of 26.5% (2018 - 26.5%) is as follows:

	May 31, 2019	May 31, 2018
Deferred income tax asset		
Undeducted capital assets	$ 2,279,486	$ -
Undeducted share issuance costs	11,486	6,716
Undeducted non-capital losses	12,680,272	897,471
Undeducted capital losses	4,131,583	599
Mineral properties and exploration and evaluation assets	22,651,126	682,426
	41,753,953	1,587,212
Less: Deferred income tax assets not recognized	(41,753,953)	(1,587,212)
	-	-

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2019	May 31, 2018
Financial liabilities		
Other accruals	$ 146,103	$ 20,000
Other payables	174,302	129,243
	$ 320,405	$ 149,243

15. ADVANCE PAYABLE

Advance payable is $40,000 (May 31, 2018 - $40,000) and this amount does not have any terms or conditions.

(in Canadian dollars)

16. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended May 31, 2019 was based on the loss attributable to shareholders and a weighted average number of ordinary shares of 59,094,462.

17. RELATED PARTIES

On January 4, 2019 the Company entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a director of the Company. The loan has a principal amount of $5,000,000 and carries an interest rate of 14.8% for a term of four years and is secured by a General Security Agreement. Interest will accrue for the first two years, and commencing in the third year, the Company will be required to make blended payments comprised of principal and interest.

Under the terms of the loan agreement, $650,000 of the $5,000,000 will remain in an escrow account as security for certain third-party debts with Matlock Farms Ltd. This $650,000 is included as an asset under Undispersed funds on long-term debt.

At January 18, 2019, $4,000,000 of the available $4,350,000 has been advanced to the Company. On April 12, 2019 $150,000 was available leaving an additional $200,000 remaining as Undispersed funds on long term debt.

		May 31 2019
Loan due January 4, 2019, bears interest at 14.8%	$	4,800,000
Accrued interest at end of year		261,922
	$	5,061,922

(in Canadian dollars)

The following related party transactions occurred and were charged in the financial statements during the year ended May 31, 2019 and 2018 as follows:

Consulting fees	May 31 2019	May 31 2018
Management fees, consulting fees, accounting fees and salary expense:		
Management fees were charged by officers for corporate administrative and financial management services	$ 36,000	$ 19,202
Consulting fees were charged by officers and a relative of a director for corporate administrative and financial management services	280,238	55,700
Accounting fees were charged by an officer for financial management services	32,500	13,630
Other		
Rent fees (office premises) were charged by a company with a common director	-	4,800
Loans payable to directors and officers of the Company.	-	6,944
Payments made to Lucky Drilling Ltd., a contractor in which a Director of the Company is a significant shareholder	31,285	222,412
	$ 380,023	$ 320,797

18. **DECOMMISSIONING LIABILITIES**

The Corporation estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately $470,747 in 2029. A Corporation credit adjusted risk-free interest rate of 15.0% and an estimated inflation rate of 3.0% was used to calculate the present value of asset retirement obligations.

Decommissioning obligations activities during the year:

Additions during the year (Note 6)	$156,380
Accretion	8,483
May 31, 2019	$164,863

(in Canadian dollars)

19. CONVERTIBLE DEBENTURE

On January 18, 2019, Braveheart purchased CuVeras LLC's senior secured position of Purcell for $6,000,000 in the form of a convertible debenture (the "Debenture), which will mature three years from the date of issuance. The debenture has annual interest of 0%, 1% and 2% respectively in the first, second and third year of the debenture. After two years, 40% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.40 per share. After 35 months, the full principal amount of the Debenture can be converted into shares of Braveheart at a price of $0.50 per share. If the Debenture is fully converted into common shares of Braveheart, an aggregate of 13,200,000 common shares would be issuable to CuVeras.

The Debenture has been bifurcated into its debt and equity components. The fair value of the debt portion in the amount of $4,073,600 was estimated using a discounted cash flow method based on an expected life of three years, timing of expected conversions, and a discount rate of 15%. The residual of $1,926,400 was allocated to equity. Interest accrued during the year ended May 31, 2019 is 232,190

The Debenture is comprised of the following:

Face value of Convertible Debenture	$6,000,000
Equity component of Convertible Debenture	1,926,400
Liability component of Convertible Debenture	$4,073,600
Accrued interest to May 31, 2019 (non-cash)	232,190
Liability component of Convertible Debenture at May 31, 2019	$4,305,790

20. COMMITMENTS AND CONTINGENCIES

The Company is defending two claims in dispute which was assumed. Should the disputes be settled in favour of the claimants this would result in the issue of up to 2,250,000 common shares.

The Company has a commitment to spend $295,000 from amounts raised through flow-through financing issued prior to December 31, 2019 on eligible Canadian exploration and development expenses. At May 31, 2019, the Company had not yet incurred these required expenses but is expected to do so prior to the end of calendar 2019.

On November 2, 2016, the Company entered into an option agreement with regards to the Alpine Mine property. In December 2018 the Company entered into an amended Option Agreement covering the Alpine Property. The main amendments to the Option Agreement were: 1) the elimination of any future minimum exploration expenditure requirement; 2) the extension of required payments out to December 2023 (previously 2022). The revised future commitments under the Option Agreement are as follows:

(in Canadian dollars)

	Cash Payment	Common Shares	Exploration Expenditures
December 15, 2018	$ 100,000 (fulfilled)	400,000 (fulfilled)	$ -
December 21, 2018	$ -	1,000,000 (fulfilled) -	$ -
December 15, 2019	$ 200,000	400,000	$ -
December 15, 2020	$ 200,000	-	$ -
December 15, 2021	$ 200,000	-	$ -
December 15, 2022	$ 1,300,000	-	$ -
December 15, 2023	$ 1,300,000	-	$ -
	$ 3,300,000	1,800,000	$ -

21. EVENTS AFTER THE REPORTING PERIOD

In June 2019, the Company completed private placements of

(i)3,823,530 flow-through common shares at $0.17 per common share for gross proceeds of $650,000.

(ii)333,333 units at $0.15 per unit, for gross proceeds of $50,000. The units comprise one common share and one-half common share purchase warrant. Each warrant will entitle its holder to acquire one additional common share of the Company at a price of $0.21 for 24 months from the date of issuance.

In June 2019, the Company announced the grant of up to 6,300,000 stock options at the exercise price of $0.16 to officers, directors, employees, and consultants with an expiry date in 5 years.

In July 2019, 6,083,334 common shares have been issued on the exercise of warrants for gross proceeds of $730,000. In August 2019, 1,162,500 common shares have been issued on the exercise of warrants for gross proceeds of $139,500.

The company has advanced $165,000 representing 50% of the cost of a replacement electrical transformer for the Purcell processing facilities.