PACIFIC EMPIRE
MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2019

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

Pacific Empire Minerals Corp.
211 - 850 West Hastings Street
Vancouver, BC, V6C 1E1

August 22, 2019

To the Shareholders of
Pacific Empire Minerals Corp.

The accompanying unaudited condensed interim financial statements of Pacific Empire Minerals Corp. (the "Company") for the three months ended June 30, 2019 and 2018 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

Yours truly,

"Brad Peters"

President and Chief Executive Officer

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
Unaudited – Prepared by Management

ASSETS		June 30, 2019		March 31, 2019
Current assets				
Cash	$	757,144	$	204,491
Receivables (Note 3)		136,132		113,429
Prepaid expenditures		42,210		23,386
Field supplies		93,171		80,019
Marketable securities (Note 4)		113,839		91,694
Total current assets		1,142,496		513,019
Non-current assets				
Restricted cash (Note 5)		23,000		23,000
Property and equipment (Note 6)		353,700		324,848
Reclamation deposits (Note 7)		75,500		53,500
Exploration and evaluation assets (Note 8)		99,300		68,050
Total non-current assets		551,500		469,398
TOTAL ASSETS	$	1,693,996	$	982,417
LIABILITIES				
Current liabilites				
Accounts payable and accrued liabilities	$	94,494	$	34,358
Due to related parties (Note 10)		20,440		9,650
Current lease liability (Note 11)		14,883		-
Total current liabilities		129,817		44,008
Non-current				
Lease liability (Note 11)		26,270		-
Flow-through premium liability (Note 12)		16,500		-
Total non-current liabilities		42,770		-
TOTAL LIABILITIES		172,587		44,008
SHAREHOLDERS' EQUITY				
Share capital (Note 12)		4,255,100		3,458,407
Reserves		376,371		358,890
Deficit		(3,110,062)		(2,878,888)
TOTAL SHAREHOLDERS' EQUITY		1,521,409		938,409
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,693,996	$	982,417

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Event after the Reporting Date (Note 18)

Approved on behalf of the Board of Directors on August 22, 2019

"Brad Peters" , Director   *"Larry Donaldson"* , Director

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Changes in Shareholders' Equity
Unaudited – Prepared by Management

	Number of common shares		Share capital		Reserves		Deficit		Total
Balance as at March 31, 2018	29,793,850	$	3,276,122	$	292,440	$	(1,847,629)	$	1,720,933
Shares issued for mineral properties	200,000		32,000		-		-		32,000
Shares issued for cash	1,000,000		200,000		-		-		200,000
Share issue costs - cash			(14,493)		-		-		(14,493)
Share issue costs - warrants	-		(5,222)		5,222		-		-
Share - based compensation	-		-		14,052		-		14,052
Loss for the period	-		-		-		(254,540)		(254,540)
Balance as at June 30, 2018	30,993,850	$	3,488,407	$	311,714	$	(2,102,169)	$	1,697,952
Balance as at March 31, 2019	30,993,850	$	3,458,407	$	358,890	$	(2,878,888)	$	938,409
Shares issued for cash	10,672,857		747,100		-		-		747,100
Flow-through shares issued for cash	1,100,000		99,000		-		-		99,000
Flow-through premium liability	-		(16,500)		-		-		(16,500)
Shares issued for mineral properties	150,000		11,250		-		-		11,250
Share issue costs - cash	-		(28,838)		-		-		(28,838)
Share issue costs - warrants	-		(15,319)		15,319		-		-
Share - based compensation	-		-		2,162		-		2,162
Loss for the period	-		-		-		(231,174)		(231,174)
Balance as at June 30, 2019	42,916,707	$	4,255,100	$	376,371	$	(3,110,062)	$	1,521,409

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management

	June 30, 2019	June 30, 2018
EXPLORATION EXPENDITURES (Note 9)	$ 133,289	$ 132,186
Less: Recoveries (Note 9)	(17,811)	(19,622)
Net exploration expenditures	115,478	112,564
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative and office	23,477	27,493
Amortization (Note 6)	4,638	8,518
Consulting fees (Note 10)	37,400	29,000
Investor relations and shareholder communication	43,009	23,032
Management fees (Note 10)	30,000	30,000
Professional fees	16,723	12,917
Share - based compensation (Note 10 & 12)	2,162	14,052
Travel	1,256	459
Total general and administrative expenses	158,665	145,471
Loss from operations	(274,143)	(258,035)
Option income and sale of royalty interests (Note 8)	33,000	4,000
Foreign exchange loss	(59)	(435)
Interest income and other	883	552
Fair value adjustments on marketable securities	9,145	(622)
Loss and comprehensive loss for the period	$ (231,174)	$ (254,540)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	36,092,107	30,708,136

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Condensed Interim Statements of Cash Flows
Unaudited – Prepared by Management

	June 30, 2019	June 30, 2018
Cash flows from operating activities		
Loss for the period	$ (231,174)	$ (254,540)
Item not affecting operating activities:		
Interest income received	(552)	(552)
Items not affecting cash:		
Amortization	23,469	8,518
Interest on lease liability	757	-
Fair value adjustments on marketable securities	(9,145)	622
Option income and sale of royalty interests	(13,000)	(4,000)
Share - based compensation	2,162	14,052
Accrual for exploration tax credits	(17,811)	(19,622)
Changes in non-cash working capital items:		
Receivables	(4,892)	(13,823)
Prepaid expenses	(18,824)	(18,615)
Accounts payable and accrued liabilities	56,536	(13,676)
Due to related parties	10,790	-
Field supplies	(13,152)	(52,552)
Total cash used in operating activities	(214,836)	(354,188)
Cash flows from investing activities		
Acquisition of exploration and evaluation assets	(20,000)	(16,030)
Interest received on cash	552	552
Purchase of property and equipment	(7,725)	(6,917)
Purchase of reclamation deposits	(22,000)	(16,000)
Total cash used in investing activities	(49,173)	(38,395)
Cash flows from financing activities		
Proceeds from the sale of common shares	747,100	200,000
Proceeds from the sale of flow -through shares	99,000	-
Repayment of lease liability	(4,200)	-
Share issuance costs	(25,238)	(13,750)
Total cash provided by financing activities	816,662	186,250
Change in cash	552,653	(206,333)
Cash, beginning of the period	204,491	1,493,234
Cash, end of the period	$ 757,144	$ 1,286,901

Supplemental disclosure with respect to cash flows (Note 17)

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Pacific Empire Minerals Corp. (the "Company" or "Pacific Empire"), was incorporated on July 13, 2012 under the Business Corporations Act (British Columbia). The Company's principal business activities are the acquisition and exploration of mineral properties in Canada. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol "PEMC" and the OTCQB Venture Market Exchange under the symbol "PEMSF". The Company's head office address is at Suite 211, 850 West Hastings Street, Vancouver, British Columbia V6C 1E1, Canada and its registered and records office is located at Suite 1700, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9, Canada.

These condensed interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these condensed interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. At the date of these financial statements, the Company has not identified whether any of its properties contain ore reserves that are economically recoverable. At June 30, 2019, the Company has not achieved profitable operations and has accumulated losses since inception.

With its current plans and budgets associated with those plans, management believes it will have sufficient working capital to meet its general and administrative expenses, and budgets related to the acquisition and exploration of mineral properties for the ensuing twelve months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Measurement and Presentation

These condensed consolidated financial statements have been prepared on a historical cost basis except for assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies

The accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied in its annual audited financial statements and related note disclosures as at and for the year ended March 31, 2019, and do not include all the information required for full annual audited financial statements in accordance with IFRS.

It is suggested that these condensed interim financial statements be read in conjunction with the annual audited financial statements.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

New Accounting Policy

Flow-Through Share Private Placements

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium reflects the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability. The reversal of the flow-through share premium liability is recorded as other income as the required exploration expenditures are completed.

New and Future Accounting Standards

Leases

On February 1, 2019, the Company adopted IFRS 16 Leases which replaces IAS 17 Leases and related interpretations. The new standard eliminates the previous classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires lessee to recognize assets and liabilities for all leases unless the underlying asset has a low value or the lease term is twelve months or less. At the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the "right-of-use" asset). The Company recognizes interest expense on the lease liability and amortization expense on the right-of-use asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company adopted IFRS 16 using the modified retrospective approach and recognized the right-of-use assets at the amount equal to the lease liabilities. As a result, there was no impact to accumulated deficit upon adoption. In addition, the Company elected to use the exemptions proposed by the standard on lease contracts for which the lease terms end within twelve months as of the date of adoption and lease contracts for which the underlying asset is of low value.

As at April 1, 2019, the Company recognized $44,596 in right-of-use assets and lease liabilities as follows:

Lease commitments disclosed as at March 31, 2019	$	53,483
Effect of discounting		(8,887)
Lease liability recognized as at April 1, 2019	$	44,596

Right-of-use assets includes office space.

3. RECEIVABLES

The Company's receivables arise from goods and services tax and mineral exploration tax credits from government taxation authorities.

As at June 30, 2019 and 2018, receivables consist of the following:

		June 30, 2019		March 31, 2019
Goods and services tax receivable	$	15,681	$	10,789
Mineral exploration tax credits		120,451		102,640
	$	136,132	$	113,429

4. MARKETABLE SECURITIES

As at June 30, 2019 and 2018, the Company had the following investments:

		June 30, 2019		March 31, 2019
Fair value through profit or loss				
Cost	$	148,450	$	135,450
Accumulated unrealized loss		(34,611)		(43,756)
Fair value	$	113,839	$	91,694

5. RESTRICED CASH

At June 30, 2019, the Company classified $23,000 (March 31, 2019 - $23,000) as restricted cash. This amount is comprised of a GIC held as a deposit for its corporate credit cards.

6. PROPERTY AND EQUIPMENT

During the three months ended June 30, 2019, amortization of $18,831 (2019 - $Nil) has been included in exploration expenditures.

	Computer equipment and software	Field equipment	Vehicles and related equipment	Right-of-use assets	Total
Cost					
As at March 31, 2019	$ 20,471	$ 342,967	$ 31,079	$ -	$ 394,517
Additions	-	7,725	-	44,596	52,321
As at June 30, 2019	20,471	350,692	31,079	44,596	446,838
Accumulated amortization					
As at March 31, 2019	$ 12,458	$ 51,235	$ 5,976	$ -	$ 69,669
Additions	370	18,831	214	4,054	23,469
As at June 30, 2019	12,828	70,066	6,190	4,054	93,138
Net book value					
As at March 31, 2019	$ 8,013	$ 291,732	$ 25,103	$ -	$ 324,848
As at June 30, 2019	$ 7,643	$ 280,626	$ 24,889	$ 40,542	$ 353,700

Right-of-use assets includes leased office space (Note 11) and is amortized on a straight-line basis over the term of the related lease.

7. RECLAMATION DEPOSITS

Reclamation deposits are held as security towards future exploration work and the related future potential cost of reclamation of the Company’s land and unproven mineral interests. Once reclamation of the properties is complete, the deposits will be returned to the Company. As at June 30, 2019, $75,500 (March 31, 2019 - $53,500) is being held as security on the Company’s claims.

As at June 30, 2019, the Company has no material reclamation obligations.

8. EXPLORATION AND EVALUATION ASSETS

Properties	June 30, 2019	Mineral titles and Option payments	March 31, 2019
Bull's Eye	$ 1,438	$ -	$ 1,438
Bulkley	4,192	-	4,192
Moffat	7,157	-	7,157
Paragon	21,821	-	21,821
Sat	6,366	-	6,366
Plateau	3,465	-	3,465
Hogem	1,635	-	1,635
Tak	1,914	-	1,914
Red	2,300	-	2,300
Worldstock	13,750	13,750	-
Topley Richfield	17,500	17,500	-
Kitimat	8,339	-	8,339
Pinnacle Reef	9,423	-	9,423
	$ 99,300	$ 31,250	$ 68,050

During the three months ended June 30, 2019, the Company had the following changes to its exploration and evaluation assets:

WORLDSTOCK

In May 2019, The Company has entered into an option agreement with a private vendor to acquire a 100% interest in the Worldstock Property located in south-central British Columbia. To earn its 100% interest in the property, the Company paid $10,000 cash and issued 50,000 common shares valued at $3,750 or $0.075 per share upon signing and is required to make annual staged option payments on the anniversary of the effective date totaling $75,000 cash and 550,000 common shares over a four-years period as follows

- Making an initial cash payment of $10,000 (paid) upon signing of the agreement and issuing 50,000 common shares (issued) of the Company;
- Making a cash payment of $10,000, and issuing 50,000 common shares of the Company by the first anniversary of the effective date;
- Making a cash payment of $15,000, and issuing 100,000 common shares of the Company by the second anniversary of the effective date;
- Making a cash payment of $20,000, and issuing 100,000 common shares of the Company by the third anniversary of the effective date; and
- Making a cash payment of $30,000, and issuing 300,000 common shares of the Company by the fourth anniversary of the effective date;

The fair value of the common shares issued on signing were valued at the observable market price on the day they were issued.

8. **EXPLORATION AND EVALUATION ASSETS** (Continued)

TOPLEY RICHFIELD

In May 2019, the Company entered into an option agreement with two private vendors to acquire a 100% interest in the Topley Richfield Property located in the Babine Copper-Gold Porphyry district in central British Columbia. The Topley Richfield Property is contiguous with the Company's Bulkley Property. To earn its 100% interest in the property, the Company paid $10,000 cash and issued 100,000 common shares valued at $7,500 or $0.075 per share upon signing and is required to make annual staged option payments on the anniversary of the effective date totaling $180,000 cash and 900,000 common shares over a four-year period as follows:

- Making an initial cash payment of $10,000 (paid) upon signing of the agreement and issuing 100,000 common shares (issued) of the Company;
- Making a cash payment of $30,000, and issuing 200,000 common shares of the Company by the first anniversary of the effective date;
- Making a cash payment of $50,000, and issuing 200,000 common shares of the Company by the second anniversary of the effective date;
- Making a cash payment of $50,000, and issuing 200,000 common shares of the Company by the third anniversary of the effective date; and
- Making a cash payment of $50,000, and issuing 300,000 common shares of the Company by the fourth anniversary of the effective date;

The fair value of the common shares issued on signing were valued at the observable market price on the day they were issued.

PINNACLE REEF

During the three months ended June 30, 2019, ML Gold Corporation ("ML Gold") terminated the acquisition agreement for the Pinnacle Reef property entered into during the year ended March 31, 2017. The Company retains 100% interest in the property and ML Gold has no further obligations pursuant to the agreement.

STARS

Pursuant to the option agreement with ML Gold Corporation ("ML Gold") entered into on November 20, 2017 for the Stars Project, ML Gold made a $20,000 cash payment and issued to the Company 20,000 common shares valued at $13,000 or $0.65 per share as required by June 5, 2019 to keep the agreement in good standing. The shares were valued using the observable market price on the day of issuance. As a result of the receipt of cash and shares of ML Gold, $33,000 has been recorded in other income.

9. EXPLORATION EXPENDITURES

During the three months ended June 30, 2019, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Bulkley	Paragon (f. Wasp)	NWT	Worldstock	Other*	Total
Administration Cost	$ 587	$ 3,621	$ -	$ -	$ 1,500	$ 5,708
Amortization	3,578	6,026	1,883	2,071	5,273	18,831
Geophysics	-	-	10,196	-	-	10,196
Drilling and related field costs	3,416	15,318	-	4,603	12,724	36,061
Personnel	12,513	11,838	200	9,575	10,787	44,913
Travel	5,696	3,783	-	2,426	5,675	17,580
Total Expenditures	25,790	40,586	12,279	18,675	35,959	133,289
Exploration tax credits**	(4,677)	(6,801)	(945)	(4,592)	(796)	(17,811)
Total Recoveries	(4,677)	(6,801)	(945)	(4,592)	(796)	(17,811)
Net Expenditures	$ 21,113	$ 33,785	$ 11,334	$ 14,083	$ 35,163	$ 115,478

* Components of "Target Generation and Other" exploration expenditures for the three months ended June 30, 2019 were Bull's Eye - $200; Wildcat - $2,177; Topley Richfield - $1,388; Sat - $6,378; and Target Generation - $25,816.

During the three months ended June 30, 2018, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Wildcat	Red	Kitimat	Moffat	Other*	Total
Administration Cost	$ 890	$ -	$ -	$ -	$ 543	$ 1,433
Geophysics	-	-	-	9,100	-	9,100
Drilling and related field costs	3,898	5,727	4,646	-	-	14,271
Personnel	46,844	13,956	14,748	3,400	4,390	83,338
Travel	6,689	8,406	4,859	1,078	3,012	24,044
Total Expenditures	58,321	28,089	24,253	13,578	7,945	132,186
Exploration tax credits**	(9,784)	(3,664)	(4,086)	-	(2,088)	(19,622)
Total Recoveries	(9,784)	(3,664)	(4,086)	-	(2,088)	(19,622)
Net Expenditures	$ 48,537	$ 24,425	$ 20,167	$ 13,578	$ 5,857	$ 112,564

* Components of "Target Generation and Other" exploration expenditures for the period ended June 30, 2018 were Pinnacle Reef - $800; Stars - $1,427; Copper King - $713; and Target Generation - $5,005

** All of the Company's exploration activities are located in British Columbia, Canada. As such, the Company is eligible for the Mining Exploration Tax Credits on qualifying expenditures. The credit is 20% of the qualifying expenditures, and an enhanced 30% credit is available for expenditures incurred in Mountain Pine Beetle affected areas. Except for the Kitimat property, all the Company's projects are in areas qualifying for the 30% enhanced credit. The Company has accrued a credit at the 30% qualifying rate on expected qualifying expenditures except for Kitimat which is accrued at 20%. Actual credits and refunds are subject to review and potential adjustment by tax authorities

10. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into certain transactions with key management personnel, which the Company has defined as Officers and Directors of the Company. The aggregate value of these transactions and outstanding balances are as follows:

	June 30, 2019	June 30, 2018
Exploration expenditures		
President*	$ -	$ 2,400
Vice President, Exploration*	18,000	23,800
Management and consulting fees		
President*	27,200	23,200
Vice President, Exploration*	10,200	5,800
Seabord Services Corp.**	30,000	30,000
Share - based compensation		
Management and directors	594	9,036
Seabord Services Corp.**	119	1,806
	$ 86,113	$ 96,042

Amounts due to related parties as of June 30, 2019 and March 31, 2019 are as follows:

Related party liabilities	Items or services	June 30, 2019	March 31, 2019
President	Management fees and reimbursable expenses	$ 9,240	$ 9,650
Vice President, Exploration	Management fees and reimbursable expenses	11,200	-
		$ 20,440	$ 9,650

*BJP Consulting and Rory Ritchie Geological Consulting are controlled by Brad Peters, President and Chief Executive Officer, and Rory Ritchie, Vice-President, Exploration respectively.

** Seabord Services Corp. ("Seabord") provides the following services: A Chief Financial Officer ("CFO"), a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

There were no changes to the Company's Board of Directors or management during the three months ended June 30, 2019.

11. LEASE LIABILITY

The Company's right-of use assets included office space and are included in property and equipment (Note 6).

Lease liabilties recognized as at April 1, 2019	$ 44,596
Lease payments made	(4,200)
Interest expense on lease liabilities	757
	41,153
Less: current portion	(14,883)
As at June 30, 2019	$ 26,270

12. EQUITY

Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value.

Share Capital

No preferred shares have been issued from incorporation to June 30, 2019.

During the three months ended June 30, 2019:

The Company completed a non-brokered private placement for aggregate proceeds of $846,100 including the issuance of 10,672,857 Units of the Company at a price of $0.07 per Unit with each Unit comprised of one common share and one common share purchase warrant for gross proceeds of $747,100, and 1,100,000 flow-through common shares at a price of $0.09 per flow-through common shares for gross proceeds of $99,000. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.14 per share for a period of 36 months until May 22, 2022. Pursuant to the Company's accounting policy, the gross proceeds of the private placement were allocated using a residual value method with respect to the measurement of shares and warrants issued as private placement Units.

A flow-through liability of $16,500 was recognized in connection with the flow-through offering equal to the premium paid for the flow-through shares. This liability will be reversed and recognized as other income once qualified exploration expenditures are incurred for the amount raised under the flow-through offering.

In consideration for arranging the private placement, the Company paid finder's fees of $22,937 cash and issued 339,900 finder's warrants valued at $15,319. Each finder's warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.14 per share until May 22, 2022. The fair value of the finder's warrants issued as part of the private placement were estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 1.65%, dividend yield of 0%, volatility of 118% and an expected life of 3 years. The Company paid an additional $5,900 in legal and regulatory costs related to the private placement.

The Company issued 150,000 common shares valued at $0.075 per share or $11,250 related to the Topley Richfield and Worldstock acquisition agreements (Note 8). The common shares were valued using the observable market price on the issuance date.

During the period ended June 30, 2018:

The completed a non-brokered private placement of 1,000,000 units of the Company at a price of $0.20 per Unit with each Unit comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 per share for a period of 36 months until April 24, 2021. In consideration for arranging the private placement, the Company paid finder's fees of $12,000 paid in cash and through the issuance of 60,000 finder's warrants valued at $5,222. Each finder's warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.30 per share until April 24, 2021. The fair value of the finder's warrants issued as part of the private placement were estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 2.02%, dividend yield of 0%, volatility of 100% and an expected life of 3 years. The Company paid an additional $2,493 in legal and regulatory costs related to the private placement.

Pursuant to an option agreement entered into in February 2017 with a private title holder to acquire a 100% interest in the Wildcat property, the Company issued 200,000 common shares valued at $32,000 or $0.16 per share. The common shares were valued using the observabl market price on the issuance date.

12. EQUITY (Continued)

Stock Option Plan

As at June 30, 2019, the Company had a stock option plan that allows the Board of Directors to grant incentive stock options to the Company's officers, directors, related company employees and consultants to purchase up to that number of common shares equal to 10% of its outstanding shares for a term of up to ten years. The exercise price of each option is to be not less than the fair market value of the Company's stock as determined by the Plan administrator. The vesting terms are determined at the time of the option grant.

There were no changes to the number of stock options granted during the three months ended June 30, 2019.

The following table summarizes the stock options outstanding and exercisable at June 30, 2019:

Date Granted	Number of Options	Exercisable		Exercise Price	Expiry Date
May 27, 2015	65,000	65,000	$	0.15	May 27, 2020
May 27, 2015	240,000	240,000		0.20	May 27, 2020
June 7, 2016*	100,000	75,000		0.15	June 7, 2021
June 23, 2017	1,090,000	1,090,000		0.20	June 23, 2022
July 4, 2017	150,000	150,000		0.20	July 4, 2022
July 24, 2018**	225,000	168,750		0.20	July 24, 2021
	1,870,000	1,788,750			

* stock options vest 25% every year beginning one year after the date of grant.
** stock options vest 25% every quarter starting 3 months from date of grant.

The weighted average remaining life of the stock options exercisable is 2.50 years (March 31, 2019 – 2.73 years).

Share-based Payments

During the three months ended June 30, 2019, the Company recorded share-based payment expense of $2,162 (2019 - $14,052), which represents the fair value of options vested during the year with the offsetting amount credited to reserves.

Warrants

The changes in warrants outstanding are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2019	11,060,000	$	0.30
Granted	11,012,757		0.14
Balance, June 30, 2019	22,072,757	$	0.29

12. EQUITY (Continued)

The following table summarizes the warrants outstanding and exercisable at June 30, 2019:

Date Granted	Number of Warrants		Exercise Price	Expiry Date
March 20, 2018 - IPO Warrants	10,000,000	$	0.30	March 20, 2021
April 24 , 2018 Private Placement	1,000,000	$	0.30	April 24, 2021
April 24 , 2018 Finders' Warrants	60,000	$	0.30	April 24, 2021
May 22 , 2019 Private Placement	10,672,857	$	0.14	May 22, 2022
May 22 , 2019 Finders' Warrants	339,900	$	0.14	May 22, 2022

Brokers Options

As part of the IPO closed in the year ended March 31, 2018, the Company granted Haywood 700,000 broker's options noted above. The Broker's options are exercisable into a unit, consisting of one common share and one common share purchase warrant. As at June 30, 2019, 700,000 brokers options remain outstanding and expire March 20, 2021.

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition and exploration of mineral properties. As such, all of the Company's property and exploration and evaluation assets are located in Canada.

14. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk, interest rate risk, and market risk.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Although the Company operates only in Canada and all expenditures are incurred in Canadian dollars, U.S. dollars are sometimes held by the Company. As at June 30, 2019, the Company did not hold a significant balance of U.S. dollars. Therefore, a change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar would have an immaterial effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no concentration of credit risk other than on cash deposits and receivables. The Company's cash deposits are primarily held with a Canadian chartered bank. Further, receivables comprise amounts due from the federal government. Therefore, credit risk is considered low.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at June 30, 2019, included $94,494 of accounts payable and accrued liabilities, and $20,440 in amounts due to related parties. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

14. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Interest Rate Risk

When the Company has sufficient cash, it will invest in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at June 30, 2019 and June 30, 2018, the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

Market Risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the June 30, 2019 value of marketable securities a 10% increase or decrease in the share prices of these companies would have an immaterial impact on profit or loss for the year.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. There have been no changes in approach to managing capital during the three months ended June 30, 2019 and management believes it will have sufficient working capital to undertake its current business and the budgets associated with those plans for the next twelve months. The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS BY CATEGORY

The Company classified its financial instruments as follows:

	March 31, 2019	March 31, 2018
Financial assets		
Amortized cost:		
Cash	$ 757,144	$ 204,491
Restricted cash	23,000	23,000
Receivables	136,132	113,429
Reclamation deposits	75,500	53,500
Fair value through profit or loss:		
Marketable securities	113,839	91,694
	$ 1,105,615	$ 486,114
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	$ 94,494	$ 34,358
Lease liability - current	14,883	-
Lease liability - non-current	26,270	-
Due to related parties	20,440	9,650
	$ 114,934	$ 44,008

15. FINANCIAL INSTRUMENTS BY CATEGORY

Fair Values

The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices that are observable, either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, market interest rates, and volatility factors, which can be observed or corroborated in the marketplace.
- Level 3: inputs that are less observable, unavoidable or where the observable data does not support the majority of the instruments' fair value.

As at June 30, 2019, there were no changes in the levels in comparison to the year ended March 31, 2019.

Financial instruments which are measured using the fair value hierarchy include marketable securities which are categorized as Level 1 except as to $86,250 in marketable securities for the investment in BatteryOne.

The Company's investment in BatteryOne does not have a quoted market price in an active market and the Company has assessed a fair value of the investment based on BatteryOne's unobservable financial information. As a result, the fair value is classified within Level 3 of the fair value hierarchy.

The fair value of the Company's lease liability is approximated by its carrying value as its imputed interest rates are comparable to current interest rates.

The carrying values of cash, restricted cash, receivables, reclamation deposits, accounts payable and accrued liabilities and due to related parties approximate their fair value because of the short-term nature of these instruments.

16. COMMITMENT

In April 2018, the Company renewed a lease agreement with LRG Investments Ltd. for office space in Vancouver, Canada. The original lease commenced on January 1, 2013 for six years. The renewed lease has a three - year term and commenced in January 1, 2019 with expected annual commitments of $16,800 (year 1), $17,800 (year 2), and $18,800 (year 3).

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the three months ended June 30, 2019 included:

- Recorded the issuance of 150,000 common shares valued at $11,250 pursuant to the Topley Richfield and Worldstock property agreements (Note 8);
- The recording of $15,319 in capital stock and reserves related to the fair value of finders' warrants (Note 12);
- Included in accounts payable $3,600 in share issue costs; and
- The recognition of $44,596 of right-to-use assets and lease liabilities related to the adoption of IFRS 16.

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS(Continued)

Significant non-cash investing and financing transactions during the three months ended June 30, 2018 included:

- Reduced mineral properties by $5,000, and recorded option revenue of $4,000 related to 100,000 common shares of ML Gold received pursuant to the Stars property agreement;
- Recorded the issuance of 200,000 common shares valued at $32,000 pursuant to the Wildcat property agreement;
- Reclass of $743 in share issue costs included in accounts payable and accrued liabilities as at March 31, 2018; and
- The recording of $5,222 in capital stock and reserves related to the fair value of brokers warrants.

18. EVENT AFTER THE REPORTING DATE

Subsequent to the three months ended June 30, 2019, pursuant to the royalty sale agreement entered into during the year ended March 31, 2019 with BatteryOne Royalty Corp. ("BatteryOne"), and the termination of the Pinnacle Reef agreement with ML Gold (Note 8), the Company granted BatteryOne a 1.0% NSR royalty on all metals and minerals produced under the Pinnacle Reef project in exchange for 115,000 common shares of BatteryOne.