PACIFIC EMPIRE
MINERALS CORP.

FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Pacific Empire Minerals Corp.

Opinion

We have audited the accompanying financial statements of Pacific Empire Minerals Corp. (the "Company"), which comprise the statements of financial position as at March 31, 2019 and 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the 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 Glenn Parchomchuk.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

July 24, 2019

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

ASSETS		**March 31, 2019**		**March 31, 2018**
Current				
Cash	$	204,491	$	1,493,234
Receivables (Note 3)		113,429		62,174
Prepaid expenditures		23,386		14,531
Field Supplies		80,019		-
Marketable securities (Note 4)		91,694		1,711
Total current assets		513,019		1,571,650
Non-current				
Restricted cash (Note 5)		23,000		23,000
Equipment (Note 6)		324,848		166,558
Reclamation deposits (Note 7)		53,500		40,000
Exploration and evaluation assets (Note 8)		68,050		61,136
Total non-current assets		469,398		290,694
TOTAL ASSETS	$	982,417	$	1,862,344
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	34,358	$	119,175
Due to related parties (Note 12)		9,650		22,236
Total current liabilities		44,008		141,411
SHAREHOLDERS' EQUITY				
Share Capital (Note 10)		3,458,407		3,276,122
Reserves		358,890		292,440
Deficit		(2,878,888)		(1,847,629)
TOTAL SHAREHOLDERS' EQUITY		938,409		1,720,933
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	982,417	$	1,862,344

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

Approved on behalf of the Board of Directors on July 24, 2019

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

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of common shares		Share capital		Reserves		Deficit		Total
Balance as at March 31, 2017	19,028,850	$	1,750,366	$	20,126	$	(1,193,550)	$	576,942
Shares issued for cash	10,765,000		2,076,500		-		-		2,076,500
Share issuance costs - cash	-		(463,300)		-		-		(463,300)
Share - based compensation	-		-		184,870		-		184,870
Broker's options - IPO	-		(87,444)		87,444		-		-
Loss for the year	-		-		-		(654,079)		(654,079)
Balance as at March 31, 2018	29,793,850	$	3,276,122	$	292,440	$	(1,847,629)	$	1,720,933
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		170,000		30,000		-		200,000
Share issue costs - cash			(14,493)		-		-		(14,493)
Share issue costs - warrants	-		(5,222)		5,222		-		-
Share - based compensation	-		-		31,228		-		31,228
Loss for the year	-		-		-		(1,031,259)		(1,031,259)
Balance as at March 31, 2019	30,993,850	$	3,458,407	$	358,890	$	(2,878,888)	$	938,409

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended March 31, 2019	Year Ended March 31, 2018
EXPLORATION EXPENDITURES (Note 9)	$ 477,338	$ 246,041
Less: Recoveries (Note 9)	(115,375)	(60,245)
Net exploration expenditures	361,963	185,796
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative and office	62,536	46,620
Amortization (Note 6)	10,273	3,153
Investor relations and shareholder communication	269,429	47,002
Management fees (Note 12)	120,000	41,900
Professional fees	61,124	31,658
Consulting fees (Note 12)	134,200	102,595
Share - based compensation (Note 10 & 12)	31,228	184,870
Travel	1,472	6,890
Total general and administrative expenses	690,262	464,688
Loss from operations	(1,052,225)	(650,484)
Option income and sale of royalty interests (Note 8)	82,509	-
Impairment of exploration and evaluation assets (Note 8)	(33,560)	(2,766)
Foreign exchange loss	(1,268)	(602)
Interest income	552	395
Fair value adjustments on marketable securities	(27,267)	(622)
Loss and comprehensive loss for the year	$ (1,031,259)	$ (654,079)
Basic and diluted loss per common share	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding	30,922,617	20,373,941

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from operating activities		
Loss for the year	$ (1,031,259)	$ (654,079)
Item not affecting operating activities:		
Interest income received	(552)	(395)
Items not affecting cash:		
Amortization	59,488	3,153
Fair value adjustments on marketable securities	27,267	622
Option income and sale of royalty interests	(72,509)	-
Share - based compensation	31,228	184,870
Impairment of exploration and evaluation assets	33,560	2,766
Accrual for exploration tax credits	(102,640)	(39,350)
Changes in non-cash working capital items:		
Receivables	51,385	5,923
Prepaid expenses	(8,855)	(14,531)
Accounts payable and accrued liabilities	(85,560)	23,804
Due to related parties	(12,586)	-
Field Supplies	(80,019)	-
Total cash used in operating activities	(1,191,052)	(487,217)
Cash flows from investing activities		
Option payments received	-	10,000
Acquisition of exploration and evaluation assets	(53,215)	-
Interest received on cash	552	395
Purchase of equipment	(217,778)	(130,081)
Purchase of reclamation deposits	(13,500)	(13,000)
Total cash used in investing activities	(283,941)	(132,686)
Cash flows from financing activities		
Proceeds from the sale of common shares	200,000	2,076,500
Share issuance costs	(13,750)	(388,841)
Total cash provided by financing activities	186,250	1,687,659
Change in cash	(1,288,743)	1,067,756
Cash, beginning of the year	1,493,234	425,478
Cash, end of the year	$ 204,491	$ 1,493,234

Supplemental disclosure with respect to cash flows (Note 17)

The accompanying notes are an integral part of these 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 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 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 March 31, 2019, the Company has not achieved profitable operations and has accumulated losses since inception.

Subsequent to the year ended March 31, 2019, the Company closed a private placement for aggregate proceeds of $846,100 (Note 18). Including funds from the subsequently closed private placement, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements have been prepared in accordance 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 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.

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates.*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in loss and comprehensive loss.

Equipment

Equipment is recorded at cost and amortized over its estimated useful life using the following method:

Field equipment	20% straight - line method
Computer equipment and software	20% straight - line method
Vehicles and related equipment	20% straight - line method

Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset.

Deposits paid towards the purchase of equipment are classified as non-current prepaid expenditures and will be moved to equipment upon completion of the purchase of the related asset.

Field Supplies

Supplies are measured at the lower of cost and net realizable value and consist of materials and supplies to be consumed in exploration activities. The cost of inventories is based on a weighted average cost formula, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Exploration and Evaluation Assets

Upon acquiring legal title to explore, the acquisition costs of mineral property interests are capitalized and initially measured at cost. 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.

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 capitalised until the property to which they relate is placed into production, sold or allowed to lapse. These costs will be amortized over the estimated life of the mineral 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.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Re-imbursements of current period exploration and evaluation costs are recognized as a recovery. Re-imbursements of previously expensed exploration and evaluation costs are recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

Impairment of Long-lived Assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset, or a cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of long-lived assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Restoration, Rehabilitation and Environmental Obligations

Restoration, rehabilitation and environmental obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A restoration, rehabilitation or environmental obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding cost recognized by increasing the carrying amount of the related long-lived asset.

The restoration, rehabilitation or environmental cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. For the years presented, the Company has no known restoration, rehabilitation or environmental obligations.

Share Capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity.

Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value of the common shares issued in a private placement is determined to be the more easily measurable component and are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares, calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted EPS is calculated by adjusting the profit or loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted EPS assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. Diluted EPS does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share-based Payments

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payment expense originally recorded as reserves are transferred to share capital. When an option is cancelled/forfeit or expired, the originally recorded value is transferred and charged to deficit.

Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the President of the Company.

Significant Accounting Estimates and Critical Judgements

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant Accounting Estimates

Significant accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Estimated useful lives of equipment</u>

The estimated useful lives of equipment, which is included in the statements of financial position, will impact the amount and timing of the related amortization included in profit or loss.

<u>Share-based compensation</u>

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and option life, changes in subjective input assumptions can materially affect the fair value estimate.

<u>Recovery of deferred tax assets</u>

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

<u>Accrual of refundable tax credits</u>

The provincial government of British Columbia, Canada provides for a refundable tax on net qualified mining exploration expenditures incurred in British Columbia. The credit is calculated as a percentage of qualified mining exploration expenses. Management has estimated and accrued the likely refundable amount arising from expenditures incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and Future Accounting Standards

Accounting standards adopted during the year

Financial instruments

Effective April 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 9 did not result in any changes to the classification, measurement or carrying amounts of the Company's existing financial instruments on the transition date.

IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale.

Under IFRS 9, on initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL.

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated, and instead the hybrid financial instrument as a whole is assessed for classification. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (loss). This election is made on an investment-by-investment basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to initial recognition and how changes in value are recorded. The following accounting policies apply to the subsequent measurement of financial assets.

a) Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
b) Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
c) Financial assets at FVOCI - These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Gains or losses recognized on the sale of the equity investment are recognized in other comprehensive income (loss) and are never reclassified to profit or loss.

Financial liabilities are designated as either fair value through profit or loss, or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

The Company completed an assessment of its financial instruments as at April 1, 2018. The following table shows the new classification under IFRS 9 and the original classification under IAS 39:

	NEW (IFRS 9)	Original (IAS 39)
Financial Assets		
Cash	Amortized cost	FVTPL
Restricted Cash	Amortized cost	FVTPL
Receivables	Amortized cost	Loans and receivables
Marketable securities	FVTPL	FVTPL
Reclamation Deposits	Amortized cost	Loans and receivables
Financial Liabilities		
Accounts payable and accrued liabilities	Amortized cost	Other financial liabilites
Due to related parties	Amortized cost	Other financial liabilites

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk. There was no adjustment relating to the implementation of the expected credit loss model for the Company's trade receivables.

(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Accounting Pronouncements not yet Effective

IFRS 16 Leases was issued by the IASB in January 2016 (effective January 1, 2019) and has not yet been adopted by the Company. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Company is currently evaluating the impact the new and amended standard is expected to have on its financial statements. The Company does lease office space and expects to recognize right-to-use assets of $44,596 and a related lease obligation upon adoption of IFRS 16. Rent expense will be removed and replaced by amortization and finance expense related to the leased office space and respective lease liability.

3. RECEIVABLES

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

As at March 31, 2019 and 2018, receivables consist of the following:

	March 31, 2019	March 31, 2018
Goods and services tax receivable	$ 10,789	$ 22,824
Mineral exploration tax credits	102,640	39,350
	$ 113,429	$ 62,174

During the year ended March 31, 2019, the Company received $52,085 related to the mineral exploration tax credit including any refund interest, and $70,052 from GST refunds.

4. MARKETABLE SECURITIES

As at March 31, 2019 and 2018, the Company had the following investments:

	March 31, 2019	March 31, 2018
Fair value through profit or loss		
Cost	$ 135,450	$ 18,200
Accumulated unrealized loss	(43,756)	(16,489)
Fair value	$ 91,694	$ 1,711

(Expressed in Canadian Dollars)

5. RESTRICED CASH

At March 31, 2019, the Company classified $23,000 (March 31, 2018 - $23,000) as restricted cash. This amount is comprised of a GIC held as a deposit for its corporate credit cards.

6. EQUIPMENT

During the year ended March 31, 2019, amortization of $49,215 (2018 - $Nil) has been included in exploration expenditures.

	Computer equipment and software	Field equipment	Vehicles and related equipment	Total
Cost				
As at March 31, 2017	$ 15,408	$ -	$ -	$ 15,408
Additions	1,454	132,918	26,959	161,331
As at March 31, 2018	16,862	132,918	26,959	176,739
Additions	3,609	210,049	4,120	217,778
As at March 31, 2019	20,471	342,967	31,079	394,517
Accumulated amortization				
As at March 31, 2017	$ 7,028	$ -	$ -	$ 7,028
Additions	3,153	-	-	3,153
As at March 31, 2018	10,181	-	-	10,181
Additions	2,277	51,235	5,976	59,488
As at March 31, 2019	12,458	51,235	5,976	69,669
Net book value				
As at March 31, 2018	$ 6,681	$ 132,918	$ 26,959	$ 166,558
As at March 31, 2019	$ 8,013	$ 291,732	$ 25,103	$ 324,848

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 March 31, 2019, $53,500 (March 31, 2018 - $40,000) is being held as security on the Company's claims.

As at March 31, 2019, the Company has no material reclamation obligations.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

Properties	March 31, 2019	Impairment	Option payments received	Sale of royalty interests	Mineral titles and Option payments	March 31, 2018
Bull's Eye	$ 1,438	$ -	$ -	$ -	$ 1,438	$ -
Bulkley	4,192	-	-	-	4,192	-
Moffat	7,157	-	-	-	7,157	-
Paragon	21,821	-	-	-	21,821	-
NWT	-	-	-	(8,776)	8,776	-
Sat	6,366	-	-	-	6,366	-
Plateau	3,465	-	-	-	3,465	-
Wildcat	-	(33,560)	-	-	32,000	1,560
Hogem	1,635	-	-	-	-	1,635
Tak	1,914	-	-	-	-	1,914
Red	2,300	-	-	-	-	2,300
Nub East	-	-	-	(2,492)	-	2,492
Stars	-	-	(5,000)	-	-	5,000
Copper King	-	-	-	(6,473)	-	6,473
Kitimat	8,339	-	-	-	-	8,339
Pinnacle Reef	9,423	-	(22,000)	-	-	31,423
	$ 68,050	$ (33,560)	$ (27,000)	$ (17,741)	$ 85,215	$ 61,136

STARS

During the year ended March 31, 2017, the Company purchased a 50% interest in certain tenures forming the Stars Project for $15,000. The other 50% is held by Divitiae Resources Ltd.("Divitiae").

On November 20, 2017 the Company signed an option agreement with ML Gold for the Stars Project. ML Gold can earn up to a 30% interest in the 50% interest held by the Company. As consideration for the option, ML Gold will make aggregate cash payments in the amount of $80,000 and issue a total of 60,000 common shares to the Company over a two-year period and will incur a minimum of $4,500,000 in exploration expenditures on the Project over a three-year period as follows:

- Making an initial cash payment of $10,000 (received) upon signing of the agreement and issuing to the Company 10,000 (received) common shares of ML Gold within 10 days of receiving TSX-V approval (June 5, 2018) valued at $9,000, of which $4,000 was included in option income;
- Making a cash payment of $20,000 (received subsequently), incurring $500,000 in expenditures (completed), and issuing to the Company 20,000 common shares by June 5, 2019 (received subsequent to the year ended March 31, 2019);
- Making a cash payment of $50,000, incurring $1,000,000 in expenditures ($1,500,000 cumulative), and issuing to the Company 30,000 common shares by June 5, 2020; and
- Incurring $3,000,000 in expenditures ($4,500,000 cumulative) by June 5, 2021.

The Company will have a carried interest in the Stars project until completion of a Pre-Feasibility Study, after which point a joint venture will commence.

On February 27, 2019, ML Gold consolidated its outstanding share capital on a ten-for-one basis, all shares issuances related to the STARS agreement have been adjusted to reflect the ten-for-one consolidation.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

PINNACLE REEF

During the year ended March 31, 2017, the Company entered into an agreement with ML Gold, whereby the Company granted ML Gold the option to acquire up to a 70% interest in the Pinnacle Reef property. Pursuant to the agreement, ML Gold can earn an initial 51% interest in the property over a 4-year option term from the TSX-V approval date (July 28, 2016) by completing $2,000,000 in exploration expenditures on the property and issuing to the Company 100,000 common shares of ML Gold as follows:

- Incurring $150,000 (incurred) in expenditures by July 28, 2017;
- Incurring $250,000 (incurred) in expenditures and issuing to the Company 20,000 common shares (received) by July 28, 2018 and valued at $22,000;
- Incurring $600,000 in expenditures and issuing to the Company 30,000 common shares by July 28, 2019; and
- Incurring $1,000,000 in expenditures and issuing to the Company 50,000 common shares by July 28, 2020.

Upon completion of the 51% earn-in, ML Gold can earn an additional 19% interest in the property by issuing an additional 50,000 common shares to the Company and incurring a further $3,000,000 in property expenditures within 2 years of the exercise of the option.

On February 27, 2019, ML Gold consolidated its outstanding share capital on a ten-for-one basis, all shares issuances related to the Pinnacle Reef agreement have been adjusted to reflect the ten-for-one consolidation.

Subsequent to March 31, 2019, ML Gold terminated the Pinnacle Reef agreement and the Company retains 100% interest in the property.

WILDCAT

The Company entered into an option agreement dated February 27, 2017 ("effective date") with a private title holder (the "Wildcat Optionor") to acquire a 100% interest in the Wildcat property. To earn its 100% interest, the Company must carry out certain exploration and issue 2,000,000 common shares to the Wildcat Optionor on or before the fourth anniversary of the effective date as follows:

- Issue 200,000 common shares (issued during the year ended March 31, 2019) valued at $32,000 and carry out a minimum 10 km-line induced polarization survey (completed) on or before February 27, 2018;
- Issue 400,000 common shares and drill 1 reverse circulation or diamond drill hole on or before February 27, 2019;
- Issue 600,000 common shares on or before February 27, 2020; and
- Issue 800,000 common shares on or before February 27, 2021.

Effective February 26th, 2019, the Company terminated the Wildcat option agreement and has written-off $33,560 in costs related to the project as at March 31, 2019.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

RED

The Company acquired by staking a 100% interest in certain mineral tenures in the Clinton Mining Division of British Columbia comprising part of the Red Property.

The Company entered into a joint venture agreement dated July 5, 2016 with EnGold Mines Ltd. Both parties hold certain adjacent claims and agreed to combine them into a single property (the “Red Property”) and form an unincorporated joint venture for the purpose of exploring and developing the Red Property. The participating interests of both parties at the time of formation of the joint venture was 50% with each party responsible for payment of its proportionate share of operating and capital costs, including reclamation and remediation obligations.

Upon formation of the joint venture, a Management Committee consisting of two representatives of each party and holding voting rights in accordance with each party’s participating interest was established. The management committee shall make all decisions required to be made by the joint venture participants. The Management Committee shall be responsible for the exploration and development of the Red Property and for the negotiation of any option or sale of the Property.

In accordance with the “Discretionary Program” clause of the joint venture agreement, PEMC completed and solely funded two RC drilling programs during the year with no resulting dilution to Engold.

BULL’S EYE, AND BULKLEY

During the year ended March 31, 2019, the Company acquired a 100% interest by staking the Bull’s Eye and Bulkley, claims in the Skeena Mining Division of British Columbia.

MOFFAT AND PLATEAU

During the year ended March 31, 2019, the Company acquired a 100% interest by staking the Moffat and Plateau claims in the Cariboo Mining Division of British Columbia.

NWT

During the year ended March 31, 2019, the Company acquired a 100% interest by staking the NWT claims in the Omineca Mining Division of British Columbia. Subject to a royalty sale agreement noted below, the Company granted to BatteryOne Royalty Corp. (“BatteryOne”) a 1.0% NSR royalty on all metals and minerals produced under the NWT project.

HOGEM

Acquired by staking, the Company holds a 100% interest in certain mineral claims comprising part of the Hogem Property.

During the year ended March 31, 2016, the Company entered into a joint venture agreement dated April 24, 2015 with Divitiae. Both parties hold certain adjacent claims and agreed to combine them into a single property (the “Hogem Property”) and form an unincorporated joint venture for the purpose of exploring and developing the Hogem Property. The participating interests of both parties at the time of formation of the joint venture was 50% with each party responsible for payment of its proportionate share of operating and capital costs, including reclamation and remediation obligations.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

Upon formation of the joint venture, a Management Committee consisting of two representatives of each party and holding voting rights in accordance with each party's participating interest was established. The Management Committee shall make all decisions required to be made by the joint venture participants. The Management Committee shall be responsible for the exploration and development of the Hogem Property and for the negotiation of any option or sale of the Property. No exploration work has been performed under the agreement.

SAT

The Company entered into an option agreement dated December 13, 2018 with two private title holders (the "Sat Optionor") to acquire a 100% interest in the Sat property. To earn its 100% interest, the Company must make aggregate cash payments totaling $65,000 and issue 500,000 common shares to the Sat Optionor on or before the fourth anniversary of the TSX approval date (December 27, 2018) as follows:

- Pay $5,000 cash upon signing of the agreement (paid);
- Pay $5,000 cash and issue 50,000 common shares of the Company on or before December 27, 2019;
- Pay $10,000 cash and issue 100,000 common shares of the Company on or before December 27, 2020;
- Pay $20,000 cash and issue 150,000 common shares of the Company on or before December 27, 2021; and
- Pay $25,000 cash and issue 200,000 common shares of the Company on or before December 27, 2022.

Upon exercise of the option, the Company shall grant the Sat Optionor a 1% net smelter returns royalty ("NSR") royalty which the Company may purchase one half (0.5%) of the NSR royalty at any time from the vendors for $500,000.

KITIMAT, COPPER KING, NUB EAST, TAK

Acquired by staking, the Company holds a 100% undivided interest in each of the Kitimat, Copper King, Nub East, and Tak claims. Subject to a royalty sale agreement noted below, the Company granted to BatteryOne a 1.0% NSR royalty on all metals and minerals produced under the Copper King and Nub East projects.

PARAGON (NILKITKWA OPTION)

The Company entered into an option agreement dated December 17, 2018 with three private title holders (the "Nilkitkwa Optionor") to acquire a 100% interest in the Nilkitkwa property. To earn its 100% interest, the Company must make aggregate cash payments totaling $65,000 and issue 500,000 common shares to the Nilkitkwa Optionor on or before the fourth anniversary of the TSX Approval date (December 27, 2018) as follows:

- Pay $5,000 cash upon signing of the agreement (paid);
- Pay $5,000 cash and issue 50,000 common shares of the Company on or before December 27, 2019;
- Pay $10,000 cash and issue 100,000 common shares of the Company on or before December 27, 2020;
- Pay $20,000 cash and issue 150,000 common shares of the Company on or before December 27, 2021; and
- Pay $25,000 cash and issue 200,000 common shares of the Company on or before December 27, 2022.

Upon exercise of the option, the Company shall grant the Nilkitkwa Optionor a 2% NSR royalty which the Company may purchase one half (1%) of the NSR royalty at any time from the vendors for $1,500,000.

The Company has combined the Nilkitkwa and newly acquired additional contiguous claims to comprise the Paragon project.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

BatteryOne Royalty Corp.

In March 2019 the Company entered into a royalty purchase agreement with BatteryOne to grant a 1.0% NSR royalty on all metals and minerals produced under Copper King, NUB East and NWT projects (the "Projects"), in exchange the Company received 345,000 common shares of BatteryOne valued at $86,250 or $0.25 per share, and a cash payment of $10,000 of which $17,741 was recorded as a reduction of exploration and evaluation assets and $78,509 was recorded as option income and sale of royalty interests.

The Company also agreed to grant to BatteryOne for additional consideration a right to acquire a 1.0% NSR royalty in the future, on all metals and minerals produced from the Company's Pinnacle Reef project in the event the existing option agreement on Pinnacle Reef is terminated or expires. The Company has also agreed to grant BatteryOne a right of first refusal on any future royalty or streaming transactions on the Projects.

9. EXPLORATION EXPENDITURES

During the year ended March 31, 2019, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Kitimat	Copper King	Moffat	Wildcat	Other*	Total
Administration Cost	$ 462	$ 83	$ -	$ 890	$ 8,758	$ 10,193
Amortization	12,384	9,418	5,083	11,541	10,789	49,215
Geophysics	5,872	5,873	9,100	-	341	21,186
Drilling and related field costs	29,075	36,437	9,311	31,627	31,600	138,050
Personnel	43,756	27,416	22,400	53,051	55,720	202,343
Travel	17,881	7,286	8,445	8,830	13,909	56,351
Total Expenditures	109,430	86,513	54,339	105,939	121,117	477,338
Exploration tax credits**	(19,686)	(24,576)	(13,501)	(41,330)	(16,282)	(115,375)
Total Recoveries	(19,686)	(24,576)	(13,501)	(41,330)	(16,282)	(115,375)
Net Expenditures	89,744	61,937	40,838	64,609	104,835	361,963

* Components of "Other" exploration expenditures for the twelve months ended March 31, 2019 were Bulkley - $7,729; Bull's Eye - $2,313; Nub East - $1,486; Pinnacle Reef - $901; Red property - $45,604; Stars - $1,607; Paragon - $6,995; Sat - $7,494; NWT - $207; and Target Generation - $46,781.

(Expressed in Canadian Dollars)

9. EXPLORATION EXPENDITURES (Continued)

During the year ended March 31, 2018, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Wildcat	Red	Hogem	Stars	Other*	Total
Administration Cost	$ 28	$ 330	$ -	$ -	$ 2,626	$ 2,984
Assays	495	-	-	-	429	924
Geophysics	115,095	-	7,266	-	19,073	141,434
Drilling and related field costs	-	4,303	3,603	178	2,579	10,663
Personnel	9,513	21,264	6,200	9,350	16,899	63,226
Travel	3,797	3,966	2,287	8,008	8,752	26,810
Total Expenditures	128,928	29,863	19,356	17,536	50,358	246,041
Expense recoveries	-	-	-	-	(5,840)	(5,840)
Exploration tax credits**	(24,384)	(5,281)	(3,051)	(1,190)	(20,499)	(54,405)
Total Recoveries	(24,384)	(5,281)	(3,051)	(1,190)	(26,339)	(60,245)
Net Expenditures	$ 104,544	$ 24,582	$ 16,305	$ 16,346	$ 24,019	$ 185,796

* Components of "Other" exploration expenditures for the year ended March 31, 2018 were Copper King - $14,312; Pinnacle Reef - $9,039; Majazz - $8,435; Kitimat - $8,070; Tak - $2,760; and Target Generation - $7,742.

** 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. 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 March 31, 2019.

During the year ended March 31, 2019:

The Company 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. 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.

This resulted in $170,000 recorded as share capital and $30,000 being allocated to reserves.

10. EQUITY (Continued)

In consideration for arranging the private placement, the Company paid finder's fees of $12,000 cash and issued 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 available market price on the issuance day (Note 8).

During the year ended March 31, 2018:

The Company completed their IPO and issued 10,000,000 units of the Company at a purchase price of $0.20 per unit for gross proceeds of $2,000,000. Each unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable for one common share at a price of $0.30 until March 20, 2021.

Haywood Securities Inc. ("Haywood") acted as an agent in connection with the offering. For its services the Agent received a corporate finance fee, a cash commission equal to 7% of the gross proceeds of the offering in addition to compensation options to purchase up to 700,000 units at an exercise price of $0.20 exercisable until March 20, 2021.

Total share issue costs paid as part of the IPO was $462,887 including the cash commission of $140,000 to Haywood, a corporate finance fee of $25,000, and other costs totalling $297,887.

The 700,000 broker's options granted to Haywood were valued $87,444 or a weighted average fair value of $0.12 per brokers option. The fair value of the broker's options granted was estimated using the Black-Scholes option pricing model with assumptions as follows: risk-free interest rate of 1.93%, dividend yield of 0%, volatility of 100%, forfeiture rate of 0% and an expected life of 3 years.

Pursuant to the definition of "principal" of an emerging issuer under NP 46-201, certain shareholders holding 6,376,500 common shares were classified as principals' and entered into an escrow agreement dated October 23, 2017. Pursuant to the terms of the escrow agreement, each of the escrow holders has agreed that, for a period of three years from the date which the shares became listed for trading on the TSX-V, it will not transfer or otherwise dispose of securities of the Company that are subject to the escrow agreement unless expressly permitted by the escrow agreement. The escrow agreement allows for an automatic timed release of a set amount of escrowed securities every 6 months from the listing date. 4,251,000 shares remain in escrow as of March 31, 2019.

The Company issued 765,000 common shares to two directors of the Company and one employee of Seabord Services Corp., a consultant to the Company, for proceeds of $76,500. The Company paid $413 in share issue costs for filing fees and legal expenses in connection with this financing.

(Expressed in Canadian Dollars)

10. EQUITY (Continued)

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 March 31, 2019, 700,000 brokers options remain outstanding and expire March 20, 2021.

Stock Option Plan

As at March 31, 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.

During the year ended March 31, 2019, the Company granted 225,000 incentive stock options to consultants of the Company pursuant to the Company's stock option plan. These options are exercisable at $0.20 per share for a period of 3 years expiring on July 24, 2021.

The changes in stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2017	405,000	$ 0.15
Granted	1,250,000	0.20
Balance, March 31, 2018	1,655,000	0.20
Granted	225,000	0.20
Expired	(10,000)	(0.20)
Balance, March 31, 2019	1,870,000	0.20
Number of options exercisable as at March 31, 2019	1,631,250	$ 0.20

The following table summarizes the stock options outstanding and exercisable at March 31, 2019:

Date Granted	Number of Options	Exercisable	Exercise Price	Expiry Date
May 27, 2015*	65,000	48,750	$ 0.15	May 27, 2020
May 27, 2015*	240,000	180,000	0.20	May 27, 2020
June 7, 2016*	100,000	50,000	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	112,500	0.20	July 24, 2021
	1,870,000	1,631,250		

* 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 2.73 years (2018 – 3.60 years).

(Expressed in Canadian Dollars)

10. EQUITY (Continued)

Share-based Payments

During the year ended March 31, 2019, the Company recorded share-based payment expense of $31,228 (2018 - $184,870), which represents the fair value of options vested during the year with the offsetting amount credited to reserves.

The weighted average fair value of the stock options granted during the year ended March 31, 2019 was $0.06 per stock option (2018 - $0.14 per stock option). The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows: risk-free interest rate of 2.13% (2018 - 1.44%), dividend yield of 0% (2018 – 0%), volatility of 100% (2018 - 100%), forfeiture rate of 0% (2018 – 0%) and an expected life of 3 years (2018 – 4.14 years).

Warrants

The changes in warrants outstanding are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2017	-	$ -
Granted - IPO Warrants	1,000,000	0.30
Balance, March 31, 2018	10,000,000	0.30
Granted	1,060,000	0.30
Balance, March 31, 2019	11,060,000	$ 0.30

The following table summarizes the warrants outstanding and exercisable at March 31, 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

11. 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 equipment and exploration and evaluation assets are located in Canada.

(Expressed in Canadian Dollars)

12. 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:

	Year ended March 31, 2019	Year ended March 31, 2018
Exploration expenditures		
President*	$ 2,400	$ 5,100
Vice President, Exploration*	84,600	38,450
Management and consulting fees		
President*	109,200	70,900
Vice President, Exploration*	25,000	29,350
Seabord Services Corp.**	120,000	41,900
Share - based compensation		
Management and directors	12,848	114,418
Seabord Services Corp.**	2,569	22,884
	$ 356,617	$ 323,002

Amounts due to related parties as of March 31, 2019 and March 31, 2018 are as follows:

Related party liabilities	Items or services	March 31, 2019	March 31, 2018
President	Management fees and reimbursable expenses	$ 9,650	$ 9,240
Vice President, Exploration	Management fees and reimbursable expenses	-	12,996
		$ 9,650	$ 22,236

*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 year ended March 31, 2019.

13. 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.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

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 March 31, 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 March 31, 2019, included $34,358 of accounts payable and accrued liabilities, and $9,650 in amounts due to related parties. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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 March 31, 2019 and March 31, 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 March 31, 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 year

(Expressed in Canadian Dollars)

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

ended March 31, 2019 and including funds received from the subsequently closed private placement (Note 18), 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.

14. FINANCIAL INSTRUMENTS BY CATEGORY

The Company classified its financial instruments as follows:

	March 31, 2019	March 31, 2018
Financial assets		
Amortized cost:		
Cash	$ 204,491	$ 1,493,234
Restricted Cash	23,000	23,000
Receivables	113,429	62,174
Reclamation Deposits	53,500	40,000
Fair value through profit or loss:		
Marketable securities	91,694	1,711
	$ 486,114	$ 1,620,119
Financial liabilities		
Amortized cost:		
Accounts payable and accrued liabilities	34,358	119,175
Due to related parties	9,650	22,236
	$ 44,008	$ 141,411

Fair Values

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 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.

(Expressed in Canadian Dollars)

15. 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).

16. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27.00% (2017 – 26%) as follows:

	2019	2018
Loss for the year before income taxes	$ (1,031,259)	$ (654,079)
Expected income tax recovery	(278,000)	(172,000)
Change in statutory, foreign tax, foreign exchange rates and other	(17,000)	(22,000)
Permanent differences	12,000	49,000
Share issue costs	(4,000)	(122,000)
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses	-	17,000
Changes in unrecognized deductible temporary difference	287,000	250,000
	$ -	$ -

Significant components of the Company's unrecognized deferred tax assets are as follows:

	2019	2018
Deferred tax assets:		
Exploration and evaluation assets	$ 296,000	$ 209,000
Property and equipment	21,000	5,000
Share issue costs and other	80,000	103,000
Marketable securities	6,000	2,000
Non-capital losses available for future periods	433,000	230,000
	836,000	549,000
Unrecognized deferred tax assets	(836,000)	(549,000)
Net deferred tax assets	$ -	$ -

The significant components of the Company's unrecognized temporary differences are as follows:

	Expiry date	2019	2018
Temporary differences:			
Exploration and evaluation assets	no expiry	$ 1,075,000	$ 752,000
Investment tax credit	2032-2033	7,000	7,000
Property and equipment	no expiry	77,000	17,000
Share issue costs and other	2038 to 2042	296,000	381,000
Marketable securities	no expiry	44,000	16,000
Non - capital losses available for future periods	2032 to 2039	1,062,000	853,000

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions during the year ended March 31, 2019 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 (Note 8);
- Reduced mineral properties by $22,000 related to 200,000 common shares of ML Gold received pursuant to the Pinnacle Reef property agreement (Note 8);
- Reduced mineral properties by $17,741 related to 345,000 common shares of BatteryOne received pursuant to a royalty purchase agreement (Note 8);
- Recorded the issuance of 200,000 common shares valued at $32,000 pursuant to the Wildcat property agreement (Note 8);
- Reclass of $743 in share issue costs included in accounts payable and accrued liabilities; and
- The recording of $5,222 in share capital and reserves related to the fair value of finders warrants (Note 10).

Significant non-cash investing and financing transactions during the year ended March 31, 2018 included recording through share issue costs and reserves, $87,444 for the fair value of brokers options granted and the accrual of $54,459 of accounts payable and accrued liabilities through share issue costs related to the Company's IPO.

18. EVENTS AFTER THE REPORTING DATE

Subsequent to the year ended March 31, 2019:

a) The Company completed a private placement raising an aggregate of $846,100, of which $747,100 was raised through the issuance of 10,672,857 units and $99,000 was raised through the issuance of 1,100,000 flow-through shares. Each unit was issued at a price per unit of $0.07 and is comprised of one common share of the Company and one common share purchase warrant entitling the holder to acquire one common share for a period of 36 months at an exercise price of $0.14. Each flow-through share was issued at a price per share of $0.09.

   In consideration for arranging the private placement, the Company paid $23,385 in cash commissions and through the issuance of 349,500 finder's warrants. Each finder's warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.14 per share until May 22, 2022.

b) The Company has 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 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 four years starting with $30,000 cash and 200,000 shares on the first anniversary date.

   The vendors of the property were granted a 3% NSR Royalty and the Company may purchase the full 3% with each 1% purchasable for $1,000,000 at any time.

18. EVENTS AFTER THE REPORTING DATE (Continued)

c) 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 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 four years starting with $10,000 cash and 50,000 shares on the first anniversary date.

   The vendors of the property were granted a 2% NSR Royalty and the Company may purchase 1% with each for $1,000,000 at any time.