NORTHSTAR GOLD CORP.

FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Northstar Gold Corp.:

Opinion

We have audited the financial statements of Northstar Gold Corp. ("the Company"), which comprise the statements of financial position as at April 30, 2019, and April 30, 2018, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Company as at April 30, 2019 and April 30, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit 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 is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

Without qualifying our opinion, we draw your attention to Note 2 of these financial statements, which states that Northstar Gold Corp. incurred losses from operations, negative cash flows from operating activities, a working capital deficiency and an accumulated deficit. This, along with other matters described in Note 2, indicate the existence of a material uncertainty which may cast significant doubt on the ability of Northstar Gold Corp. to continue as a going concern.

Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

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. 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 International Financial Reporting Standards, 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 these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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 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 Jeremy Jagt.

/s/ Grant Thornton LLP

Mississauga, Ontario
August 29, 2019

Chartered Professional Accountants
Licensed Public Accountants

MANAGEMENT'S RESPONSIBILITY LETTER

Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and necessarily include amounts based on estimates and judgments of management.

Grant Thornton LLP, our independent auditors, is engaged to express a professional opinion on the financial statements. Their examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures which allow the auditors to report whether the financial statements prepared by management are presented fairly in accordance with IFRS.

The Board of Directors must ensure that management fulfills its responsibilities for financial reporting. In furtherance of the foregoing, the Board of Directors has appointed an Audit Committee composed of three directors, two of whom are independent. The Audit Committee meets with the independent auditors to discuss the results of their audit report prior to submitting the financial statements to the Board of Directors for its approval. On the recommendation of the Audit Committee, the Board of Directors has approved the Company's financial statements.

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

"Brian Fowler"	*"Robert D.B. Suttie"*
President and C.E.O.	Chief Financial Officer

Northstar Gold Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at April 30,		2019		2018
ASSETS				
Current Assets				
Cash	**$**	**90,965**	$	9,714
Prepaids and other assets		**111,847**		7,977
Sales tax receivable		**18,095**		4,286
Total Current Assets		**220,907**		21,977
Non-Current Assets				
Property and equipment (note 5)		**7,485**		7,164
Exploration and evaluation assets (note 6)		**4,421,653**		4,421,653
Total Assets	**$**	**4,650,045**	$	4,450,794
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (note 8)	**$**	**156,023**	$	118,239
Flow-through share premium liability		**36,452**		-
Total Liabilities		**192,475**		118,239
Equity				
Share capital (note 9(b))		**11,615,971**		11,187,919
Warrant reserves (note 9(c))		**186,312**		-
Contributed surplus		**367,399**		-
Units to be issued (note 9(b))		**60,928**		30,000
Deficit		**(7,773,040)**		(6,885,364)
Total Equity		**4,457,570**		4,332,555
Total Equity and Liabilities	**$**	**4,650,045**	$	4,450,794

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

Nature of Operations (note 1)
Going Concern (note 2)
Subsequent Event (note 14)

Approved on Behalf of the Board:

"Greg McKnight"
Director

"John Pollock"
Director

Northstar Gold Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the Year Ended April 30,		2019		2018
Expenses				
Professional fees	**$**	**113,055**	$	60,764
Salaries and related benefits		**101,284**		128,067
General and administration		**150,183**		109,595
Travel		**32,679**		30,706
Exploration expense, net of recoveries (note 6)		**85,267**		20,482
Depreciation		**1,672**		1,600
Stock based compensation (note 9(d))		**367,399**		-
Consulting		**36,092**		-
Loss Before Other (Expense) Income		**(887,631)**		(351,214)
Loss on foreign exchange		**(45)**		(245)
Total Loss and Comprehensive Loss for the Year	**$**	**(887,676)**	$	(351,459)
Basic and Diluted Net Loss per Share (notes 1 and 10)	**$**	**(0.04)**	$	(0.02)
Weighted Average Number of Common Shares Outstanding		**23,283,153**		21,571,420

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

Northstar Gold Corp.

Statements of Cash Flows
(Expressed in Canadian Dollars)

For the Year Ended April 30,	2019	2018
Operating Activities		
Net loss for the year	**$ (887,676)**	$ (351,459)
Adjustments for:		
Depreciation	**1,672**	1,600
Stock-based compensation	**367,399**	-
Accrued interest on notes payable	**-**	15,166
Changes in non-cash working capital items:		
Prepaid expenses and other assets	**(103,870)**	(7,334)
Sales tax receivable	**(13,809)**	25,687
Amounts payable and other liabilities	**37,785**	52,209
Net Cash Used In Operating Activities	**(598,499)**	(264,131)
Investing Activities		
Acquisition of property and equipment	**(1,994)**	-
Net Cash Used In Investing Activities	**(1,994)**	-
Financing Activities		
Shares issued in private placements, net	**681,744**	131,520
Proceeds from note payable	**-**	52,648
Units to be issued	**-**	30,000
Net Cash Provided by Financing Activities	**681,744**	214,168
Net Change in Cash	**81,251**	(49,963)
Cash, Beginning of Year	**9,714**	59,677
Cash, End of Year	**$ 90,965**	$ 9,714

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

Northstar Gold Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares	Amount	Contributed Surplus	Warrants Reserve	Shares and Units to be Issued	Deficit	Total
Balance, April 30, 2017	**20,876,936**	**$ 10,711,390**	**$ -**	**$ -**	**$ -**	**$ (6,533,905)**	**$ 4,177,485**
Private placements, net of issuance costs	562,500	131,520	-	-	-	-	131,520
Shares issued for note payable settlement	799,592	231,192	-	-	-	-	231,192
Units to be issued	-	-	-	-	30,000	-	30,000
Shares issued on settlement of accounts payable	379,392	113,817	-	-	-	-	113,817
Net loss for the year	-	-	-	-	-	(351,459)	(351,459)
Balance, April 30, 2018	**22,618,420**	**$ 11,187,919**	**$ -**	**$ -**	**$ 30,000**	**$ (6,885,364)**	**$ 4,332,555**
Private placements, net of issuance costs	2,395,612	464,504	-	186,312	30,928	-	681,744
Flow-through share premium	-	(36,452)	-	-	-	-	(36,452)
Stock-based compensation	-	-	367,399	-	-	-	367,399
Net loss for the year	-	-	-	-	-	(887,676)	(887,676)
Balance, April 30, 2019	**25,014,032**	**$ 11,615,971**	**$ 367,399**	**$ 186,312**	**$ 60,928**	**$ (7,773,040)**	**$ 4,457,570**

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

1. Nature of Business and Share Consolidation

Northstar Gold Corp. (the "Company") was incorporated on May 20, 2008 under the laws of Ontario, Canada and is an exploration stage junior mining company. The Company's registered office is located at 17 Wellington Street, New Liskeard, Ontario, Canada.

The Company is engaged in the identification, evaluation and exploration of mineral properties in Ontario, Canada. The Company has not yet determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

These financial statements were authorized for issuance by the Board of Directors of the Company on August 29, 2019.

Share Consolidation

On February 8, 2019, the Company completed a share consolidation whereby its outstanding shares were consolidated on a 6 to 1 basis. All share and per share amounts in these financial statements have been adjusted to reflect share capital (including warrants and options, as applicable) on a post-consolidation basis.

2. Going Concern

As at April 30, 2019, the Company had not yet commenced production and had accumulated losses of $7,773,040. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, and other constraints which may hinder the successful development of the assets. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its financial statements.

The accompanying financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations.

3. Basis of Preparation

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").

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

3. Basis of Preparation (Continued)

Use of Estimates and Judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

4. Summary of Significant Accounting Policies

Cash

Cash includes cash in major financial institutions that is available on demand by the Company for its programs.

Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and any provision for impairment in value. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable.
Depreciation on property and equipment is recognized in net loss and on a straight-line basis over the estimated useful life of the assets as follows:

Buildings	20 years
Furniture and equipment	5 years
Vehicles	3 years
Computer equipment	2 years

Impairment of Non-Financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"), which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one CGU for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in other comprehensive loss.

Mineral Properties and Exploration and Evaluation

Exploration and evaluation expenditures incurred to acquire the legal right to explore including licence and property acquisition costs are initially capitalized as exploration and evaluation assets. Exploration and evaluation assets are not depleted and are moved into property and equipment on a decision to proceed to development. Upon transfer to property and equipment the assets are considered available for use once commercial production commences and amortization begins to be recorded.

Exploration and evaluation expenditures incurred subsequent to the acquisition of the legal right to explore such as materials used, surveying costs, drilling costs and payments made to contractors are recognized as expenditures.

Management groups mineral claims that are contiguous and specific to an area encompassing the same prospective minerals into one area of interest and assigns a name to this mineral property or project. Each named mineral property is considered an area of interest and a CGU.

4. Summary of Significant Accounting Policies (Continued)

Mineral Properties and Exploration and Evaluation (Continued)

When a project is deemed to no longer have commercially viable prospects to the Company, capitalized exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

Assets are assessed for impairment when facts and circumstances suggest that the carrying amount of a project may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The Company estimates the recoverable amount of each project, on the basis of areas of interest.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific project should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Recoverable amount is the higher of fair value less disposal costs and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company expenses all advance royalty payments with exploration and evaluation expenses.

Financial Instruments

Financial Assets

Recognition and Initial Measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and Subsequent Measurement

On initial recognition, financial assets and liabilities are classified and subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

4. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Assets (Continued)

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of investments and accounts receivable.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does note have any financial assetsthat are mandatorily measured at fair value through profit or loss.
- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss. The entity does not hold any equity investments.

Business Model Assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and the way information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual Cash Flow Assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

4. Summary of Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial Assets (Continued)

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of Financial Assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial Liabilities

Recognition and Initial Measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and accrued liabilities and amount due to related parties do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

4. Summary of Significant Accounting Policies (Continued)

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Financial Instruments Recorded at Fair Value

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

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

As of April 30, 2019, and 2018, the fair values of accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

Fair Value Hierarchy and Liquidity Risk Disclosure

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy.

	Level 1	Level 2	Level 3
Cash	$ 90,965	$ -	$ -

4. Summary of Significant Accounting Policies (Continued)

Provisions and Contingencies

Provisions are recognized when a legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

When a contingency is substantiated by confirming events, can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the financial statements.

Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income or recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those amounts where it is probable that future taxable profit will be available against which the future tax asset can be utilized. At the end of each reporting period, the Company reassesses recognized and unrecognized deferred tax assets. The Company recognizes a previously unrecognized future tax asset to the extent that it has become probable that future taxable profit will allow the future tax asset to be recovered.

Equity

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

For unit offerings, the proceeds from the issue of units are allocated between common shares and warrants on a relative fair value basis. Upon expiration of warrants, the Company transfers amounts from share purchase warrants reserve to contributed surplus.

4. Summary of Significant Accounting Policies (Continued)

Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to the owners of the Company. The diluted loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options, if any, and share purchase warrants, in the weighted average number of common shares outstanding during the period if dilutive.

Stock-Based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled stock-based payments is expensed on a straight-line basis over the vesting period based on the Company's estimate of stock that will eventually vest. The number of forfeitures likely to occur is estimated on the grant date. Any consideration paid by the optionee on exercise of equity-settled stock-based payments is credited to share capital. Stock is issued from treasury upon the exercise of equity-settled stock-based instruments.

Compensation expense on stock options granted to non-employees is measured on the earlier of the date at which the counterparty performance is complete and the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Stock options are valued using the fair value method and are recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of an appropriate valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Critical Accounting Estimates and Judgments

In the application of the Company's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant Judgments

The most significant critical judgment that members of management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in the financial statements is the policy on exploration and evaluation assets and expenditures. The Company has elected to expense all exploration and evaluation activities subsequent to the acquisition of the right to explore as incurred. For exploration and evaluation expenditures incurred to acquire the legal right to explore including licence and property acquisition costs, these are capitalized to exploration and expenditure assets and as such management is required to assess mineral properties for impairment. Note 6 discloses the carrying values of such assets. As part of this assessment, management has carried out an assessment whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

4. Summary of Significant Accounting Policies (Continued)

Critical Accounting Estimates and Judgments (Continued)

Significant Judgments (Continued)

The recoverability of exploration and evaluation assets is dependent on a number of factors common to the natural resource sector. These include the extent to which the Company can continue to renew its exploration and future development licenses with local authorities, establish economically recoverable reserves on its properties, the availability of the Company to obtain necessary financing to complete the development of such reserves and future profitable production or proceeds from the disposition thereof. The Company will use the evaluation work of professional geologists, geophysicists and engineers for estimates in determining whether to commence or continue mining and processing. These estimates generally rely on scientific and economic assumptions, which in some instances may not be correct, and could result in the expenditure of substantial amounts of money on a deposit before it can be determined whether or not the deposit contains economically recoverable mineralization.

Management assesses the fair value of stock options granted and share purchase warrants issued using the Black-Scholes option pricing model. Measurement inputs include the Company’s share price on the measurement date, the exercise price of the option or warrant, the expected volatility of the Company’s shares, the expected life of the options or warrants, expected dividends and the risk-free rate of return. The Company estimates the volatility based on historical shares prices in the publicly-traded market. The expected life on the options or warrants, are based on the historical experience and the estimates of the holder’s behaviour. Dividends are not factored in as the Company does not expect to pay dividends in the foreseeable future. Management also makes an estimate of the number of options that will be forfeited and the rate is adjusted to reflect the actual number of options that actually vest.

Key Sources of Estimation Uncertainty

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

Estimates which could materially impact the financial statements include:

- discount rate used to determine the effective interest of notes payable;
- estimated useful lives of property and equipment and related depreciation; and
- fair value of shares issued in exchange for settlement of notes and accounts payable
- fair value of stock-based compensation and warrants

Recent Accounting Pronouncements Adopted

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers establishes a single model in accounting for revenue arising from contracts with customers. This supersedes current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. This standard was adopted on May 1, 2018, with no impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements Adopted (Continued)

IFRS 9 Financial Instruments

Financial instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurement that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value through profit or loss and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair value option is selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting. However, there is no impact to the Company from these amendments as it does not apply hedge accounting. On May 1, 2018, the Company adopted these amendments.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

Below is a summary showing the classification and measurement bases of the financial instruments as at May 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	**IAS 39**	**IFRS 9**
Cash	FVTPL	Amortized cost
Prepaids and other assets	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

There was no impact on the Company's financial statements as result of adopting IFRS 9.

New Standards, Interpretations and Amendments Not Yet Effective

The following new standards, and amendments to standards and interpretations, were not yet effective for the year ended April 30, 2019, and have not been applied in preparing these financial statements. Other new standards which are not yet effective for the year ended April 30, 2019 but are not discussed below, are not expected to have an impact on the Company.

IFRS 16 Leases

A finalized version of IFRS 16 Leases replaces IAS 17 Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods beginning on or after May 1, 2019. The Company is in the process of determining the impact of this standard and does not expect a significant impact upon its financial statements.

(Expressed in Canadian Dollars)

4. Summary of Significant Accounting Policies (Continued)

New Standards, Interpretations and Amendments Not Yet Effective (Continued)

IFRS 23 Uncertainty Over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Company is in the process of determining the impact of this standard and does not expect a significant impact upon its financial statements.

There are no other relevant IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

5. Property and Equipment

Cost	Building	Furniture and Equipment	Vehicles	Computer	Total
Balance, May 1, 2017 and May 1, 2018	$ 1,500	$ 6,968	$ 13,132	$ 2,833	$ 24,433
Balance, April 30, 2018	1,500	6,968	13,132	2,833	24,433
Additions	-	-	-	1,994	1,994
Balance, April 30, 2019	$ 1,500	$ 6,968	$ 13,132	$ 4,827	$ 26,427

Accumulated Depreciation	Building	Furniture and Equipment	Vehicles	Computer	Total
Balance, May 1, 2017	$ 246	$ 1,583	$ 11,256	$ 2,585	$ 15,670
Depreciation for the year	63	837	563	136	1,599
Balance, April 30, 2018	$ 309	$ 2,420	$ 11,819	$ 2,721	$ 17,269
Depreciation for the year	60	909	393	311	1,673
Balance, April 30, 2019	$ 369	$ 3,329	$ 12,212	$ 3,032	$ 18,942

Carrying value	Building	Furniture and Equipment	Vehicles	Computer	Total
Balance, April 30, 2018	$ 1,191	$ 4,548	$ 1,313	$ 112	$ 7,164
Balance, April 30, 2019	$ 1,131	$ 3,639	$ 920	$ 1,795	$ 7,485

(Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets

	Boston Creek-Miller	Bryce	Temagami-Milestone	Total
Balance, April 30, 2017	$ 169,831	$ 4,247,822	$ 4,000	$ 4,421,653
Balance, April 30, 2018	$ 169,831	$ 4,247,822	$ 4,000	$ 4,421,653
Balance, April 30, 2019	**$ 169,831**	**$ 4,247,822**	**$ 4,000**	**$ 4,421,653**

(a) Boston Creek - Miller Project, Ontario

The Boston Creek-Miller Project is the Company's flagship property located in the Catherine, Pacaud, Boston and McElroy Townships in the Larder Lake mining division of Northeastern Ontario. All claims are 100% owned by the Company. These claims were acquired in 2013 and 2014 by issuing 500,000 common shares at a price of $0.30 for a total of $150,000 and cash payments of $19,831.

The Boston Creek-Miller Project is subject to a 0.25% net smelter royalty (the "NSR"), with an option to buy out for $250,000 on 16 hectares of land in Pacaud township. There is a 3% NSR on 32 hectares of the Campbell portion of the property. There is a 2% NSR on 96 hectares in Catharine Township with a 1% buy back for $1,000,000 and a right of first refusal on the remaining 1% NSR. The remaining 240 hectares in Catharine Township also carries a 2% NSR, with a 1% buy back for $1,000,000 and a right of first refusal on the remaining 1% NSR. The 32 hectares of freehold patents hold a 3% NSR.

All exploration expenses during the periods, net of recoveries on sale of gold extracted from samples, relate to the above property.

(b) Bryce Project, Ontario

The Bryce Project is located in Bryce and Tudhope Township in the Larder Lake mining division of Northeastern Ontario. The Company owns 100% of the unpatented claims. The Company also has 100% ownership of the mining rights to patented ground contiguous with the rest of the Bryce Property. These claims were acquired in 2008, 2009 and 2010 by issuing 7,041,667 shares at a price of $0.60 for a total of $4,225,000 and cash payments of $22,822.

The Bryce Project is subject to a 3% NSR on 672 hectares in Bryce Township with a right of first refusal on a buy out of the NSR. There is also a 3% NSR on another 176 hectares in Bryce with an option to buyback $500,000 per 0.5% for a total of $1,500,000 and a right of first refusal on the remaining 1.5%. The 80 hectares of patented land is subject to a 3% NSR, with a right of first refusal option to buy back 2% at a rate of $100,000 per 0.5%, for a total of $400,000 and a right of first refusal on the remaining 1%.

(c) Temagami-Milestone, Ontario

The Temagami-Milestone Project is located in Strathcona Township in Northeastern Ontario and is currently in the early stages of exploration. All claims are 100% owned by the Company. No royalties exist on the Property. These claims were acquired in 2012 for staking costs of $4,000.

Title to Mineral Property Interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, noncompliance with regulatory requirements or aboriginal land claims, and title may be affected by undetected defects.

(Expressed in Canadian Dollars)

7. Notes Payable

	2019	2018
Balance, beginning of year	$ -	$ 163,378
Issuance of notes	-	52,648
Interest	-	15,166
Repayment of notes through issuance of shares (note 9(b))	-	(231,192)
Balance, end of year	$ -	$ -

During the year ended April 30, 2018, the Company issued notes payable in the amount of $32,648 to directors of the Company bearing interest at 11% per annum. The notes payable were converted to 108,827 common shares on April 27, 2018 (refer to note 9).

During the year ended April 30, 2018, the Company issued a non-interest bearing note payable in the amount of $20,000 to directors of the Company. The notes payable were converted to 66,667 common shares on April 27, 2018 (refer to note 9).

8. Related Party Transactions and Key Management Compensation

The Company has contracts for management and geological services plus costs incurred in providing these services with its key management, namely officers, administrators and directors and companies controlled by management. Transactions are recorded at their fair value, which is the agreed upon amount between the parties to provide the services.

- During the year ended April 30, 2019, the Company paid compensation in the amount of $99,485 (2018 - $109,613) to key management personnel.
- Interest paid on note payable amounts to directors of the Company totaled $nil (2018 - $15,166).
- During the year, the Company expensed $317,300, representing the fair value of stock options granted to officers and directors of the Company.

During the year ended April 30, 2019, the Company expensed $21,988 (2018 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

(i) Robert D.B. Suttie to act as Chief Financial Officer ("CFO") of the Company;
(ii) Bookkeeping and office support services;
(iii) Corporate filing services
(iv) Corporate secretarial services

The Marrelli Group is also reimbursed for out of pocket expenses.

Both Marrelli Support and DSA are private companies. Robert Suttie is the President of Marrelli Support.

As of April 30, 2019 the Marrelli Group was owed $20,965 (2018 - $nil) and these amounts were included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

9. Share Capital

(a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares.

(b) Common Shares Issued

The following is a summary of common shares issued during years ended April 30, 2019 and 2018:

	Number of Common Shares	Amount
Balance, April 30, 2017	20,876,936	$ 10,711,390
Shares issued for settlement of notes payable (i)(ii)	799,592	231,192
Private placement, net of share issuance costs (iii)	562,500	131,520
Shares issued in exchange for services (v)	379,392	113,817
Balance, April 30, 2018	22,618,420	$ 11,187,919
Private placements, net of share issuance costs (vi)(vii)(viii)	2,395,612	650,816
Proceeds allocated to warrants (iv)	-	(186,312)
Flow-through share premium	-	(36,452)
Balance, April 30, 2019	**25,014,032**	**$ 11,615,971**

(i) On May 1, 2017, the Company issued 92,717 shares at a price of $0.24 per common share on conversion of notes payable by the Company with a fair value of $20,000 plus accrued interest of $2,252 (see note 7).

(ii) On May 2, 2017, the Company issued 46,358 shares at a price of $0.24 per common share on conversion of notes payable by the Company with a fair value of $10,000 plus accrued interest of $1,126 (see note 7).

(iii) On July 26, 2017, the Company completed a private placement consisting of 562,500 common shares for gross proceeds of $135,000 at a price of $0.24 per share. Cash issuance costs totaled $3,480.

(iv) On April 27, 2018, the Company issued 660,517 shares at a price of $0.30 per common share on conversion of notes payable to the Company with a fair value of $182,648 plus accrued interest of $15,166 (see note 7).

(v) On April 27, 2018, the Company issued 379,392 common shares at a price of $0.30 per common share on conversion of accounts payable by the Company with a fair value of $113,817.

(vi) On July 4, 2018, the Company completed a private placement for 266,667 common shares for total proceeds of $80,000, each common share consisting of one common share priced at $0.30 per share and one common share purchase warrant, each whole warrant is exercisable into one common share at $0.54 per share for a period of 24 months. The fair value of the 266,667 warrants was estimated at $15,606 using the Black-Scholes option pricing model at $0.06 per warrant, based on the following assumptions: underlying share price of $0.30 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 2.02%; expected dividend yield of 0%; and expected life of 2 years. Cash issuance costs totaled $980.

9. Share Capital (Continued)

(b) Common Shares Issued (Continued)

(vii) On January 28, 2019, the Company completed a private placement ("January 2019 Offering") for 1,450,667 units at $0.30 per unit ("January 2019 Unit") for total proceeds of $435,200. Each January 2019 Unit consists of one common share and one share purchase warrant ("January 2019 Warrant"). Each whole January 2019 Warrant is exercisable into one common share at $0.54 per share for a period of 24 months. The grant date fair value of the 1,450,667 warrants was estimated at $128,038 using the Black-Scholes option pricing model at $0.09 per warrant, based on the following assumptions: underlying share price of $0.21 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 1.87%; expected dividend yield of 0%; and expected life of 2 years. Cash issuance costs totaled $5,208.

In connection with the completion of the January 2019 Offering, the Company issued an aggregate of 10,693 broker warrants ("January 2019 Broker Warrant") exercisable at $0.30 per share for a period of 24 months. The grant date fair value of the 10,693 warrants was estimated at $1,211 using the Black-Scholes option pricing model at $0.11 per warrant, based on the following assumptions: underlying share price of $0.30 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 2.02%; expected dividend yield of 0%; and expected life of 2 years.

Under the terms of the underlying subscription agreements, the Company is committed to issue an aggregate of 290,133 penalty shares to subscribers in the event that the Company's initial public offering did not close before February 28, 2019. Accordingly, a fair value of $60,928 has been charged against share capital as costs of issue and has been recorded as shares to be issued.

(viii) On March 18, 2019, the Company closed a private placement ("March 2019 Offering"), consisting of the issuance of 678,278 common shares, of which 246,111 common shares were issued at $0.36 on a flow-through basis under the Income Tax Act (Canada), and 432,167 hard dollar units consisting of one common share and one warrant were issued at $0.30, for aggregate proceeds of $218,250. Each warrant entitles the holder to acquire one common share for $0.54 and are exercisable until March 18, 2021. In connection with the private placements, the Company issued 12,320 broker warrants exercisable at $0.30 until March 18, 2021, and 18,889 broker warrants exercisable at $0.36 until March 18, 2021.

The grant date fair value of the 432,167 warrants was estimated at $38,079 using the Black-Scholes option pricing model under the relative value method at $0.09 per warrant, based on the following assumptions: underlying share price of $0.21 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 1.63%; expected dividend yield of 0%; and expected life of 2 years. Cash issuance costs totaled $10,718.

In connection with the completion of the March 2019 Offering, the Company issued an aggregate of 18,889 broker warrants ("March 2019 Broker Warrant") exercisable at $0.36 per share for a period of 24 months. The grant date fair value of these Broker Warrants was estimated at $1,985 using the Black-Scholes option pricing model under the relative value method at $0.11 per warrant, based on the following assumptions: underlying share price of $0.21 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 1.63%; expected dividend yield of 0%; and expected life of 2 years.

(Expressed in Canadian Dollars)

9. Share Capital (Continued)

(b) Common Shares Issued (Continued)

(viii) Continued

In connection with the completion of the March 2019 Offering, the Company issued an aggregate of 12,320 finders warrants ("March 2019 Finders Warrant") exercisable at $0.30 per share for a period of 24 months. The grant date fair value of these Broker Warrants was estimated at $1,393 using the Black-Scholes option pricing model under the relative value method at $0.11 per warrant, based on the following assumptions: underlying share price of $0.21 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 1.63%; expected dividend yield of 0%; and expected life of 2 years.

The Flow-Through Common Shares issued in this private placement were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $36,452.

As at April 30, 2019, the Company was committed to spend $88,600 in eligible flow-through expenditures by December 31, 2020.

(c) Warrants

	Number of Warrants	Amount
Balance, April 30, 2017, April 30, 2018	-	$ -
Issued (note 9(vi)(vii)(viii))	2,191,400	186,312
Balance, April 30, 2019	2,191,400	$ 186,312

The following table reflects the warrants outstanding and exercisable as of April 30, 2019:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (Years)	Number of Warrants Outstanding
July 4, 2020	0.54	1.18	266,667
January 28, 2021	0.54	1.75	1,450,667
January 28, 2021	0.30	1.75	10,693
March 18, 2021	0.54	1.88	432,164
March 18, 2021	0.30	1.88	12,320
March 18, 2021	0.36	1.88	18,889
	0.54	1.71	2,191,400

(Expressed in Canadian Dollars)

9. Share Capital (Continued)

(d) Stock Options

The following table reflects the continuity of stock options for the years ended April 30, 2019 and 2018:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, April 30, 2017 and 2018	-	-
Granted	2,200,000	0.30
Balance, April 30, 2019	**2,200,000**	**0.30**

As at April 30, 2019, 2,200,000 (April 30, 2018 -nil) all issued and outstanding options were exercisable.

(i) On February 9, 2019, the Company granted 2,200,000 stock options to officers, directors and consultants of the Company. The options are exercisable at $0.30 per share, have a five year term, and vest immediately upon grant. The resulting fair value of $367,399 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 120%; a risk-free interest rate of 1.79% an expected life of 5 years, and a forfeiture rate of nil.

The following table reflects the stock options issued and outstanding as of April 30, 2019:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding
February 9, 2024	0.30	4.78	2,200,000

(e) Units to be Issued

On April 28, 2018, the Company received gross proceeds of $30,000 for 600,000 units to be issued, which were issued subsequently on July 4, 2018. Each unit containing one common share and one common share purchase warrant with an exercise price of $0.09 per common share for a period of twenty four months from the date of issuance.

10. Loss per Share

The calculation of basic and diluted loss per share for the years ended April 30, 2019 and 2018 were based on the loss attributable to common shareholders of $887,676 (year ended April 30, 2018 - $351,459) and the weighted average number of common shares outstanding of 23,283,153 (year ended April 30, 2018 - 21,571,420). Diluted loss per share did not include the effect of warrants and stock options as they are anti-dilutive.

(Expressed in Canadian Dollars)

11. Income Taxes

A reconciliation of income taxes at the rates expected to apply when the asset is realized of approximately 12.5% (2018 - 14.5%) with reported taxes is as follows:

		2019		2018
Earnings (loss) before income taxes	$	(887,676)	$	(351,459)
Expected income tax recovery		(110,960)		(50,962)
Non-deductible and permanent differences		46,356		764
Impact of rate differences		8,103		25,857
Change in unrecognized portion of deferred tax assets		56,501		24,341
Income tax benefit recorded	$	-		-

Unrecognized Deferred Tax Assets

Recognition of deferred tax assets for unused tax losses and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. The balance of the deferred tax asset has not been recgnized in the financial statements.

		2019		2018
Non-capital losses carried forward	$	561,268	$	515,090
Benefit of tax assets not recognized		-		-
Tax value in excess of carrying value of capital assets		51,020		40,696
Total unrecognized deferred tax assets	$	612,288	$	555,786

The Company has non-capital losses of approximately $4,490,144 (2018 - $4,055,830) which expire through 2039. The benefit of these losses has not been recognized in these financial statements.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

12. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended April 30, 2019 or 2018. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at April 30, 2019 totaled $4,457,570 (April 30, 2018 - $4,332,555). The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to sustain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification and development of precious metal and base metal deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

13. Financial Instruments and Risk Management

The Company has determined the fair value of its financial instruments as follows:

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments and their market rates of interest.

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the majority of the Company's cash is held with a highly rated Canadian financial institution in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due.

The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 12. At April 30, 2019, the Company's current liabilities, which comprise accounts payable and accrued liabilities total $156,023. The Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. The Company is not exposed to any significant interest rate risk volatility or exchange rate volatility.

14. Subsequent Event

On June 28, 2019, the Company filed a final prospectus and application for a public listing on the Canadian Stock Exchange. Pursuant to the terms of the submission for the final prospectus, the Company is required to complete the initial public offering no later than 90 days from the date of filing, raising a minimum of $3,000,000 to a maximum of $4,000,000 at $0.30 per common share.