FAR RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

MARCH 31, 2019

Crowe MacKay LLP
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Independent Auditor's Report

To the Shareholders of Far Resources Ltd.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019 and March 31, 2018, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
July 29, 2019

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT

	Note		March 31, 2019		March 31, 2018
ASSETS					
Current assets					
Cash		$	137,952	$	3,213,505
GST receivable			75,289		137,749
Prepaid expenses and deposits			46,063		164,307
Total current assets			259,304		3,515,561
Non-current assets					
Deposits			48,000		-
Long-term investment	4		11,000		26,000
Exploration and evaluation assets	5		6,123,278		3,955,682
Total assets		$	6,441,582	$	7,497,243
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	6	$	690,748	$	824,546
Short-term loans payable	7		5,500		105,500
Total liabilities			696,248		930,046
Equity					
Capital stock	8, 9		16,452,029		15,708,768
Shares to be issued			-		210,000
Subscription received in advance			-		14,500
Reserves	8		1,115,972		4,222,522
Deficit			(11,822,667)		(13,588,593)
Total equity			5,745,334		6,567,197
Total liabilities and equity		$	6,441,582	$	7,497,243

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized on behalf of the Board on July 29, 2019:

"Leon F. Anderson"	Director	***"Toby Mayo"***	Director
Leon F. Anderson		*Toby Mayo*	

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

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
FOR THE YEAR ENDED MARCH 31,

	Note		2019		2018
EXPENSES					
Consulting	9	$	306,333	$	941,077
Investor relations			368,251		658,681
Management fees	9		125,950		145,000
Office			75,917		60,429
Professional fees	9		189,094		253,150
Share-based payments	8, 9		1,397,308		8,433,216
Transfer agent and filing fees			169,792		94,714
Travel			97,979		54,607
Loss before other items			(2,730,624)		(10,640,874)
OTHER ITEMS					
Foreign exchange gain (loss)	8, 9		4,036		(4,458)
Gain (loss) on shares for debt	8		19,995		17,701
Write-off of exploration and evaluation assets			-		(84,975)
Gain on write-off of accounts payable			-		40,898
Unrealized (loss) gain on long-term investment	4		(15,000)		16,000
Loss and comprehensive loss for the year		$	(2,721,593)	$	(10,655,708)
Basic and diluted loss per common share		$	(0.03)	$	(0.12)
Weighted average number of common shares outstanding			103,914,330		86,352,504

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

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
FOR THE YEAR ENDED MARCH 31,

	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		$ (2,721,593)	$ (10,655,708)
Items not involving cash:			
Foreign exchange loss		-	4,458
Unrealized loss/ (gain) on long-term investment		15,000	(16,000)
Share-based payments		1,397,308	8,433,216
Loss (gain) on shares for debt		19,995	(17,701)
Shares for services		-	202,242
Gain on write-off of accounts payable		-	(40,898)
Write-off of exploration and evaluation assets		-	84,975
Changes in non-cash working capital items:			
GST receivable		62,460	(100,783)
Prepaid		70,244	(125,671)
Accounts payable and accrued liabilities		(91,950)	278,335
Net cash used in operating activities		(1,248,536)	(1,953,535)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation acquisition costs		(185,426)	(338,391)
Exploration and evaluation expenditures		(2,014,154)	(750,049)
Government grant received		124,146	113,590
Net cash used in investing activities		(2,075,434)	(974,850)
CASH FLOWS FROM FINANCING ACTIVITIES			
Private placements		100,000	713,000
Subscriptions received in advance		-	14,500
Short-term loan repayment		(100,000)	(1,000)
Exercise of warrants		235,667	1,256,433
Exercise of options		12,750	3,846,590
Net cash provided by financing activities		248,417	5,829,523
Change in cash for the year		(3,075,553)	2,901,138
Cash, beginning of the year		3,213,505	312,367
Cash, end of year		$ 137,952	$ 3,213,505
Cash paid during the year for interest		$ -	$ -
Cash paid during the year for taxes		$ -	$ -

Supplemental disclosures with respect to cash flow (Note 10)

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

FAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Capital stock						
	Shares	Amount	Shares to be issued	Subscriptions advance (receivable)	Reserves	Deficit	Total equity
Balance, April 1, 2017	**60,813,622**	**$ 3,642,500**	**$ -**	**$ (2,000)**	**$ 600,340**	**$ (3,048,516)**	**$ 1,192,324**
Private placements	4,391,003	711,000	-	2,000	-	-	713,000
Subscriptions received in advance	-	-	-	14,500	-	-	14,500
Acquisition of exploration and evaluation assets	9,430,755	1,115,000	-	-	-	-	1,115,000
Shares for exploration expenditures	1,663,615	185,301	210,000	-	-	-	395,301
Shares for services	1,046,962	202,242	-	-	-	-	202,242
Shares for debt	542,985	54,299	-	-	-	-	54,299
Shares for bonus management compensation	1,000,000	860,000	-	-	-	-	860,000
Exercise of options	10,420,000	7,526,173	-	-	(3,679,583)	-	3,846,590
Exercise of warrants	11,986,556	1,412,253	-	-	(155,820)	-	1,256,433
Transfer fair value of cancelled options	-	-	-	-	(115,631)	115,631	-
Share-based payments	-	-	-	-	7,573,216	-	7,573,216
Loss for the year	-	-	-	-	-	(10,655,708)	(10,655,708)
Balance, March 31, 2018	**101,295,498**	**$ 15,708,768**	**$ 210,000**	**$ 14,500**	**$ 4,222,522**	**$ (13,588,593)**	**$ 6,567,197**
Balance, April 1, 2018	**101,295,498**	**$ 15,708,768**	**$ 210,000**	**$ 14,500**	**$ 4,222,522**	**$ (13,588,593)**	**$ 6,567,197**
Acquisition of exploration and evaluation assets	732,143	125,000	-	-	-	-	125,000
Shares for exploration expenditures	234,000	210,000	(210,000)	-	-	-	-
Shares for debt	139,453	29,005	-	-	-	-	29,005
Private placements	1,333,333	100,000	-	-	-	-	100,000
Exercise of options	300,000	43,589	-	(14,500)	(16,339)	-	12,750
Exercise of warrants	1,759,445	235,667	-	-	-	-	235,667
Transfer fair value of cancelled options	-	-	-	-	(4,487,519)	4,487,519	-
Share-based payments	-	-	-	-	1,397,308	-	1,397,308
Loss for the year	-	-	-	-	-	(2,721,593)	(2,721,593)
Balance, March 31, 2019	**105,793,872**	**$ 16,452,029**	**$ -**	**$ -**	**$ 1,115,972**	**$ (11,822,667)**	**$ 5,745,334**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Far Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia. The Company's head office is located at 550 – 800 West Pender Street, BC, V6C 2V6. The Company's registered and records office is located at Suite 650 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2.

The Company is an exploration company focused on the identification and development of high potential mineral opportunities in stable jurisdictions.

<u>Going concern of operations</u>

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2019, the Company has had significant losses. In addition, the Company has not generated revenues from operations. The Company has financed its operations primarily through the issuance of common shares and short-term loans. The Company continues to seek capital through various means including the issuance of equity and/or debt. These circumstances cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

The consolidated financial statements include the financial statements of Far Resources Ltd. and its subsidiary, Sierra Gold & Silver Ltd. and Sequoia Gold & Silver Ltd.

Name of Subsidiary	Country of Incorporation	Principal Activity	Proportion of Ownership Interest	
			2019	2018
Sierra Gold & Silver Ltd.	USA	Not active	100%	100%
Sequoia Gold & Silver Ltd.	Canada	Not active	100%	100%

2. BASIS OF PREPARATION (cont'd...)

All intercompany balances and transactions have been eliminated.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and judgments

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

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

i) Determination of categories of financial assets and financial liabilities;

ii) Assessment of any indicators of impairment of the carrying value of the Company's exploration and evaluation assets; and

iii) The ability of the Company to continue as a going concern.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the time of initial grant.

Income taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Use of estimates and judgments (cont'd…)

Income taxes (cont'd…)

Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax assets and liabilities, and tax planning initiatives.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and cash equivalents. Cash equivalents are short-term, highly liquid holdings that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Foreign currency translation

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the period end date exchange rates.

The functional currency of the parent entity is the Canadian dollar, which is also the presentation currency of our consolidated financial statements. The functional currency of the Company's foreign subsidiary is the United States dollar.

Foreign operations are translated from their functional currencies into Canadian dollars on consolidation as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;

(ii) Income and expenses for each statement of comprehensive income (loss) are translated at the average exchange rate for the period; and

(iii) All resulting exchange differences are recognized in other comprehensive income (loss) as cumulative translation adjustments.

Exchange differences that arise relating to long-term intercompany balances that form part of the net investment in a foreign operation are also recognized in a separate component of equity through other comprehensive income (loss).

On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange differences recorded in this separate component of equity is recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Mineral properties – exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of the property are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, 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 profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation assets are classified as intangible assets.

The Company enters into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

The Company accounts for mining tax credits on a cash basis and are applied as a reduction to capitalized exploration costs.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Provision for environmental rehabilitation (cont'd...)

Decommissioning obligations:

The Company's activities may give rise to dismantling, decommissioning and site disturbance re-mediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

IFRS 9 Financial Instruments

The Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 - Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The effect of initially applying these standards did not have a material impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

IFRS 9 Financial Instruments (cont'd...)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial instruments. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The following table shows the original classification under IAS 39 and under the new classification of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Original classification (measurement) IAS39	New classification and measurement IFRS 9
Cash	Loans and receivables (amortized cost)	at amortized cost
Investments	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	at amortized cost
Short-term loans payable	Other financial liabilities (amortized cost)	at amortized cost

This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. However, most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

IFRS 9 Financial Instruments (cont'd...)

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

Derecognition of financial assets and financial liabilities

A financial asset is derecognized when the contractual right to the asset's cash flows expire; or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the current and prior fiscal year this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted average number of common shares outstanding during the year.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments (cont'd...)

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in share-based payment reserve over the vesting period. Consideration paid for the shares along with the fair value recorded in share-based payment reserve on the exercise of stock options is credited to capital stock. When vested options are cancelled, forfeited, or are not exercised by the expiry date, the amount previously recognized in share-based payment reserve is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Share issue costs

Share issue costs are deferred and charged directly to capital stock on completion of the related financing. If the financing is not completed, share issue costs are charged to operations. Costs directly identifiable with the raising of capital will be charged against the related capital stock.

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.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Standards, Amendments and Interpretations Not Yet Effective

The following new standards and interpretations have been issued by the IASB, but are not yet effective:

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 *Leases* which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 *Leases*. IFRS 16 is effective for the annual period beginning January 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 *Revenue from Contracts with Customers*, has been applied, or is applied at the same date as IFRS 16. Management does not anticipate this standard to have a material impact on the financial statements, as the Company does not have any lease contracts.

IFRIC 23, Uncertainty over Income Tax Treatments

New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. Management does not anticipate this standard to have a material impact on the financial statements.

(Expressed in Canadian dollars)

4. LONG-TERM INVESTMENT

	March 31, 2019			March 31, 2018		
	Number of shares	Cost	Fair value	Number of shares	Cost	Fair Value
Alchemist Mining Inc.	200,000	$ 9,500	$ 11,000	200,000	$ 9,500	$ 26,000

On August 20, 2014, the Company received 100,000 common shares of Alchemist Mining Inc. ("Alchemist"), a corporation of which the CEO is a family member of the Company's former CEO, at a fair value of $5,500 related to the Tchentlo Lake property (Note 5). Alchemist shares were initially valued at the trading price of $0.055 per share.

On August 20, 2016, the Company received 100,000 common shares of Alchemist related to the amended Tchentlo Lake property (Note 5). These shares were initially valued at the trading price of $0.04 per share.

The Company classified the Alchemist shares as an investment at fair value through profit or loss.

During the year ended March 31, 2019, the Company recorded an unrealized loss on long-term investment of $15,000 (2018 – gain of $16,000) based on the market price of Alchemist shares at March 31, 2019 of $0.055 (2018 - $0.13) per share.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

During the year ended March 31, 2019, the following exploration expenditures were incurred on the exploration and evaluation assets:

	Zoro I Property	Winston Property	Zoro North Property	Manitoba Lithium Property	Hidden Lake Property	Total
Acquisition costs						
Balance, March 31, 2018	$ 920,000	$ 679,891	$ 50,000	$ 194,444	$ 275,000	$ 2,119,335
Additions – cash	-	60,426	50,000	75,000	-	185,426
Additions – shares	-	-	50,000	75,000	-	125,000
Balance, March 31, 2019	920,000	740,317	150,000	344,444	275,000	2,429,761
Exploration costs						
Balance, March 31, 2018	1,802,703	16,476	-	-	17,168	1,836,347
Assay	6,514	-	19,542	-	36,618	62,674
Geological and consulting	110,618	-	331,853	-	189,152	631,623
Drilling	233,841	-	701,525	-	351,653	1,287,019
Cost recovery	(124,146)	-	-	-	-	(124,146)
Balance, March 31, 2019	2,029,530	16,476	1,052,920	-	594,591	3,693,517
Total balance, March 31, 2019	$ 2,949,530	$ 756,793	$ 1,202,920	$ 344,444	$ 869,591	$ 6,123,278

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

During the year ended March 31, 2018, the following exploration expenditures were incurred on the exploration and evaluation assets:

	Zoro I Property	Winston Property	Zoro North Property	Tchentlo Lake Property	Manitoba Lithium Property	Hidden Lake Property	Total
Acquisition costs							
Balance, March 31, 2017	$ 280,000	$ 291,500	$ -	$ 19,260	$ 94,444	$ -	$ 685,204
Additions – cash	100,000	113,391	25,000	-	50,000	50,000	338,391
Additions – shares	540,000	275,000	25,000	-	50,000	225,000	1,115,000
Balance, March 31, 2018	920,000	679,891	50,000	19,260	194,444	275,000	2,138,595
Exploration costs							
Balance, March 31, 2017	439,111	-	-	64,131	-	-	503,242
Assay	61,215	2,926	-	-	-	-	64,141
Geological and consulting	438,592	13,550	-	4,209	-	17,168	473,519
Drilling	977,375	-	-	-	-	-	977,375
Mining tax credit	(113,590)	-	-	-	-	-	(113,590)
Cost recovery	-	-	-	(2,625)	-	-	(2,625)
Balance, March 31, 2018	1,802,703	16,476	-	65,715	-	17,168	1,902,062
Write-off	-	-	-	(84,975)	-	-	(84,975)
Total balance, March 31, 2018	$ 2,722,703	$ 696,367	$ 50,000	$ -	$ 194,444	$ 292,168	$ 3,955,682

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Zoro I

In April 2016, the Company entered into an agreement to option the Zoro I claim located in the Snow Lake area in Manitoba. During the year ended March 31, 2018, the Company earned a 100% interest in and to the Zoro I Claim upon meeting the following requirements:

a) paid $50,000 and issued 1,000,000 common shares (valued at $95,000) in 2017, and
b) issued 6,000,000 common shares (issued and valued at $540,000) and $100,000 in non-interest bearing promissory notes that are repayable on May 10, 2018 (issued and repaid during the year ended March 31, 2019).

In addition, during the year ended March 31, 2017, the Company issued 1,000,000 common shares to an arm's length party at a fair value of $135,000 as finder's fee on the Zoro I option agreement.

Winston Property

During the year ended March 31, 2015, the Company entered into an option agreement with Redline Minerals Inc., Redline Mining Corporation and Southwest Land & Exploration Inc. (collectively, the "Optionors") to acquire up to an 80% interest in the Winston Property consisting of the Little Granite claims and the Ivanhoe/Emporia claims located in Sierra County, New Mexico, U.S.A.

During the years ended March 31, 2016 and 2017, the Company amended the option agreement with the Optionors to acquire an initial 50% interest upon completion of the following:

a) Cash payment of non-refundable deposits of $35,000 (paid);
b) Cash payments of $81,250 (paid);
c) Cash payment of $13,750 on or before November 15, 2014 (paid);
d) Share issuance of 300,000 common shares of the Company on January 15, 2015 (issued);
e) Cash payments of $120,000 as follows;
    i) Cash payment of $40,000 on or before February 28, 2016 (paid);
    ii) Cash payment of $40,000 on or before June 1, 2016 (paid);
    iii) Cash payment of $40,000 on or before June 1, 2017 (see below);
f) Issuance of 2,500,000 common shares (1,500,000 shares issued) of the Company as follows;
    i) Issue 500,000 common shares on or before October 17, 2014 (issued);
    ii) Issue 500,000 common shares on or before October 17, 2015 (issued);
    iii) Issue 500,000 common shares on or before October 17, 2016; (issued)
    iv) Issue 500,000 common shares on or before October 17, 2017 (see below);
    v) Issue 500,000 common shares on or before October 17, 2018 (see below); and
g) Incurring exploration expenditures totaling $300,000 due on or before October 17, 2017.

The agreement was also amended to include a further option to acquire up to an additional 30% (80% in total interest).

In exchange for the amendment of the option agreement, the Company issued 100,000 common shares at a fair value of $3,000 on February 26, 2016.

During the year ended March 31, 2017, the Company made a $25,000 cash payment to the original vendors of the Winston Property.

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Winston Property (cont'd...)

During the year ended March 31, 2018, the Company's wholly owned subsidiary offered to acquire a 100% interest to the claims from the Optionors by completing the following:

a) Cash payment of $35,000 (paid);
b) Issuance of 2,500,000 common shares of the Company (issued and valued at $275,000); and
c) Issuance of a $50,000 non-interest bearing promissory note which is repayable on August 24, 2017 (issued and repaid).

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Little Granite claims, the Company is required to make the following payments:

a) Cash payments of US $12,000 on or before July 15, 2017 (paid)
b) Cash payments of US $6,000 on or before March 31, 2018 (paid);
c) Cash payments of US $12,000 on or before July 15, 2018 (paid);
d) Cash payments of US $12,000 on or before July 15, 2019 (US$6,000 paid);
e) Cash payments of US $12,000 on or before July 15, 2020;
f) Cash payments of US $380,000 on or before October 15, 2020.

In accordance with the terms and condition of the underlying purchase agreement in order to complete the acquisition of the Ivanhoe/Emporia claims, the Company is required to pay the original owner of the claims the remaining purchase price of US$361,375 (US$28,000 paid). Before the remaining purchase price is paid in full, the Company is subject to a minimum monthly royalty payment based on monthly average silver price. The accrued minimum monthly royalty payments outstanding as of March 31, 2019 totals US$178,625. The agreement also entitles the owner to a permanent production royalty of 2% of NSR.

Zoro North

In September 2017, the Company entered into an option agreement with Strider Resources Limited ("Strider") to acquire up to a 100% interest in the highly prospective ground contiguous with its Zoro 1 near Snow Lake, Manitoba (the "Option Agreement"). The Option Agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the "First Option") and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the "Second Option").

The Company may exercise the First Option by making the following cash payments, common share issuances to Strider and incurring exploration expenditures:

a) upon signing the Option Agreement, the Company will pay to Strider $25,000 in cash (paid) and $25,000 in shares (81,082 shares issued) of the Company based on average price;

b) on or before September 20, 2018 the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (357,143 shares issued) of the Company based on average price, and incur cumulative exploration expenditure of $50,000 (incurred);

c) on or before September 20, 2019 the Company will pay to Strider $50,000 in cash and $50,000 in shares of the Company based on average price, and incur cumulative exploration expenditure of $100,000 (incurred);

d) on or before September 20, 2020 the Company will pay to Strider $50,000 in cash and $50,000 in shares of the Company based on average price, and incur cumulative exploration expenditure of $150,000 (incurred);

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Zoro North (cont'd...)

e) on or before September 20, 2021 the Company will pay to Strider $75,000 in cash and $75,000 in shares of the Company based on average price, and incur cumulative exploration expenditure of $200,000 (incurred); and

f) on or before September 20, 2024, incur cumulative exploration expenditures of $500,000 (incurred)

All shares issued under the Option Agreement will be subject to a four month and one day statutory hold period from the date of issuance.

Provided the Company has exercised the First Option, the Company may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company will be solely responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the property in good standing.

Manitoba Lithium

In August 2016, the Company entered into an option agreement with Strider to acquire a 100% interest in and to all lithium-bearing pegmatite dykes on three contiguous claims in Manitoba (the "Property"). The Option agreement sets the terms which the Company can acquire a 100% interest in the property subject to a 2% NSR (the "First Option") and further sets out how the Company can acquire an undivided fifty percent interest in the NSR, being one-half of the NSR or a 1% Net Smelter Return from Strider (the "Second Option").

The Company may exercise the First Option by making the following cash payments and common share issuances to Strider:

a) upon signing the Option Agreement the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (555,556 shares issued) of the Company;

b) on or before August 4, 2017, the Company will pay to Strider $50,000 in cash (paid) and $50,000 in shares (294,118 shares issued) of the Company based on average price;

c) on or before August 4, 2018, the Company will pay to Strider $75,000 in cash (paid) and $75,000 in shares of the Company based on average price (375,000 shares issued); and

d) on or before August 4, 2019, the Company will pay to Strider $75,000 in cash and $75,000 in shares of the Company based on average price.

All shares issued under the Option Agreement will be subject to a four month and one day statutory hold period from the date of issuance.

Provided the Company has exercised the First Option, the Company may exercise the Second Option by making a $1,000,000 cash payment to Strider, together with all accrued but unpaid NSR at the time, prior to the commencement of commercial production.

During the option period, the Company will be solely responsible for carrying out and administering exploration, development and mining work on the property and for maintaining the Property in good standing.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Hidden Lake

In January 2018, the Company entered into a binding letter agreement with 92 Resources Corp ("92 Resources") to acquire up to 90% interest in the Hidden Lake Lithium Property, Northwest Territories.

Under the terms of the agreement, the Company can earn up to 90% interest in the property as follows:

a) the consideration for the initial 60% interest:
   i) cash payment of $50,000 upon execution of the agreement (paid).
   ii) issuance of 555,555 common shares (issued and valued at $225,000) upon execution of the agreement.
   iii) exploration expenditures of $500,000 to be incurred by January 22, 2019 (incurred).

b) the consideration for an additional 10% interest (70% total):
   i) issuance of common shares with a fair market value of $250,000 based on the average market price to a maximum of $1.5 per share by January 22, 2019 (not issued as the Company decided not to add to its 60% interest as at December 31, 2018).
   ii) additional exploration expenditures of $500,000 to be incurred by January 22, 2020.

c) the consideration for an additional 10% interest (80% total):
   i) issuance of common shares with a fair market value of $300,000 based on the average market price to a maximum of $1.5 per share by January 22, 2020.
   ii) ii) additional exploration expenditures of $600,000 to be incurred by January 22, 2021.

d) the consideration for an additional 10% interest (90% total):
   i) issuance of common shares with a fair market value of $400,000 based on the average market price to a maximum of $1.5 per share by January 22, 2021.
   ii) additional exploration expenditures of $700,000 to be incurred by January 22, 2022.

The Company has chosen not to accelerate the exercise of the option beyond the initial 60% interest. The Company may now opt to form a joint venture with 92 Resources on a 60:40 basis, the Company will be responsible for funding the initial $1,000,000 in joint venture expenditures, after which costs are shares on a 60:40 basis.

Tchentlo Lake

The Company staked various claims in the Tchentlo Lake Property located in British Columbia. During the year ended March 31, 2018, the Company decided to abandon the property and wrote off exploration and evaluation assets of $84,975.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables and accrued liabilities for the Company are broken down as follows:

	Note		March 31, 2019		March 31, 2018
Trade payables		$	380,671	$	527,175
Accrued liabilities			40,088		29,059
Due to related parties	9		269,989		268,312
Total		$	690,748	$	824,546

(Expressed in Canadian dollars)

7. SHORT-TERM LOANS PAYABLE

	Note		March 31, 2019		March 31, 2018
Loans payable on demand, with no interest and no fixed term		$	500	$	500
Loans payable on demand, with 10% interest per annum and no fixed term			5,000		5,000
Promissory note, with no interest and payable on May 10, 2018	5		-		100,000
		$	5,500	$	105,500

8. CAPITAL STOCK AND RESERVES

a) Authorized capital stock:

As at March 31, 2019, the authorized capital stock of the Company was:

i) Unlimited number of common shares without par value.
ii) All issued shares are fully paid.

b) Issued capital stock:

During the year ended March 31, 2019, the Company:

- Issued 139,453 shares valued at $29,005 to settle $49,000 of debt with related parties and non-related parties, recognizing a gain on shares for debt of $19,995;

- issued 732,143 common shares with a fair value of $125,000 for the acquisition of the Manitoba Lithium property and Zoro North property (Note 5);

- issued 234,000 common shares with a fair value of $210,000 for exploration expenditures;

- issued 1,333,333 common shares with a fair value of $100,000 as a result of the completion of a private placement;

- issued 300,000 common shares valued at $43,589 for options exercised; The weighted average trading price of the Company’s shares on the date of the exercise was $0.17.

- issued 1,759,445 common shares valued at $235,667 for warrants exercised.

During the year ended March 31, 2018, the Company:

- issued 542,985 shares valued at $54,299 to settle $72,000 of debt with related parties, recognizing a gain on shares for debt of $17,701;

- issued 1,663,615 shares for exploration and evaluation expenditures valued at $185,301 and 1,046,962 shares for other services valued at $202,242;

- issued 8,500,000 common shares with a fair value of $815,000 for the acquisition of Zoro I and Winston properties (Note 5);

8. CAPITAL STOCK AND RESERVES (cont'd...)

b) Issued capital stock: (cont'd…)

- completed a financing on May 29, 2017 of 3,500,000 units at a price of $0.09 per unit for gross proceeds of $315,000. Each unit in the private placement consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.15 for a period of one year;

- issued 294,118 common shares with a fair value of $50,000 pursuant to the acquisition of Manitoba Lithium Property (Note 5);

- issued 10,420,000 common shares upon the exercise of options for gross proceeds of $3,846,590, and accordingly, the Company relocated $3,679,583 of share-based payment reserve to share capital; The weighted average trading price of the Company's shares on the date of the exercise was $0.51.

- issued 10,615,556 common shares upon the exercise of warrants for gross proceeds of $1,119,333;

- issued 1,371,000 common shares upon the exercise of agents' warrants for gross proceeds of $137,100, and accordingly, the Company relocated $155,820 of warrant reserve to share capital;

- issued 81,082 common shares with a fair value of $25,000 pursuant to the acquisition of Zoro North property (Note 5);

- completed a financing on October 18, 2017 of 338,983 units at a price of $0.295 per unit for gross proceeds of $100,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.40 for a period of one year;

- completed a financing on November 20, 2017 of 202,020 units at a price of $0.495 per unit for gross proceeds of $100,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.60 for a period of one year;

- issued 1,000,000 common shares (valued at $860,000) as bonus for services provided by the former CEO of the Company (Note 9);

- completed a financing on February 20, 2018 of 350,000 units at a price of $0.56 per unit for gross proceeds of $196,000. Each unit in the private placement consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of $0.70 for a period of one year; and

- issued 555,555 common shares with a fair value of $225,000 pursuant to the acquisition of Hidden Lake Lithium property (Note 5);

(Expressed in Canadian dollars)

8. CAPITAL STOCK AND RESERVES (cont'd…)

c) Stock options:

The Company follows the policies of the Canadian Securities Exchange under which it is authorized to grant options to executive officers and directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the day before the date of grant. The options can be granted for a maximum term of ten years.

The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing "investor relation activities" must vest in stages over 12 months with no more than ¼ of the options granted vesting in any six month period.

During the year ended March 31, 2019, the Company:

- granted 1,300,000 (2018, 13,950,000) stock options to officers, directors and consultants of the Company with an estimated fair market value of $418,900 (2018, $7,573,216).
- Cancelled 7,468,000 stock options, which resulted in reversal of $4,487,519 to deficit.
- Granted 9,000,000 stock options to officers, directors and consultants of the Company with an estimated fair market value of $978,408.

Stock option transactions for the period ended March 31, 2019 are summarized as follows:

Expiry Date	Exercise Price	March 31, 2018	Granted	Exercised	Expired / Cancelled	March 31, 2019	Exercisable
November 16, 2020	$0.05	350,000	-	(250,000)	-	100,000	100,000
May 18, 2021	$0.13	250,000	-	-	-	250,000	250,000
June 27, 2021	$0.10	250,000	-	-	-	250,000	250,000
October 17, 2021	$0.05	250,000	-	-	-	250,000	250,000
February 6, 2022	$0.11	500,000	-	-	-	500,000	500,000
October 10, 2022	$0.295	1,798,000	-	-	(1,798,000)	-	-
October 18, 2022	$0.295	120,000	-	(50,000)	(70,000)	-	-
November 16, 2022	$0.540	100,000	-	-	(100,000)	-	-
November 17, 2022	$0.540	100,000	-	-	(100,000)	-	-
November 22, 2022	$0.550	100,000	-	-	(100,000)	-	-
November 28, 2022	$0.990	1,500,000	-	-	(1,500,000)	-	-
January 3, 2023	$0.790	250,000	-	-	(250,000)	-	-
January 12, 2023	$0.900	1,750,000	-	-	(1,750,000)	-	-
February 7, 2023	$0.590	250,000	-	-	(250,000)	-	-
February 16, 2023	$0.560	250,000	-	-	(250,000)	-	-
May 7, 2023	$0.325	-	1,300,000	-	(1,300,000)	-	-
January 17, 2024	$0.120	-	9,000,000	-	-	9,000,000	9,000,000
Total		7,818,000	10,300,000	(300,000)	(7,468,000)	10,350,000	10,350,000
Weighted average exercise price						$0.12	
Weighted average remaining contractual life						4.50 years	

(Expressed in Canadian dollars)

8. CAPITAL STOCK AND RESERVES (cont'd…)

c) Stock options: (cont'd…)

Stock option transactions for the year ended March 31, 2018 are summarized as follows:

Expiry Date	Exercise Price	March 31, 2017	Granted	Exercised	Expired / Cancelled	March 31, 2018	Exercisable
May 22, 2019	$0.05	188,000	-	(188,000)	-	-	-
November 16, 2020	$0.05	600,000	-	(250,000)	-	350,000	350,000
March 2, 2020	$0.13	1,000,000	-	-	(1,000,000)	-	-
June 22, 2020	$0.095	-	1,000,000	(1,000,000)	-	-	-
July 24, 2020	$0.210	-	1,000,000	(1,000,000)	-	-	-
September 8, 2020	$0.335	-	1,000,000	(1,000,000)	-	-	-
May 18, 2021	$0.13	250,000	-	-	-	250,000	250,000
June 27, 2021	$0.10	500,000	-	(250,000)	-	250,000	250,000
September 7, 2021	$0.08	2,000,000	-	(2,000,000)	-	-	-
October 17, 2021	$0.05	250,000	-	-	-	250,000	250,000
February 6, 2022	$0.11	500,000	-	-	-	500,000	500,000
October 10, 2022	$0.295	-	2,100,000	(302,000)	-	1,798,000	1,798,000
October 18, 2022	$0.295	-	300,000	(180,000)	-	120,000	120,000
November 1, 2022	$0.475	-	1,000,000	(1,000,000)	-	-	-
November 16, 2022	$0.540	-	100,000	-	-	100,000	100,000
November 17, 2022	$0.540	-	100,000	-	-	100,000	100,000
November 22, 2022	$0.550	-	1,600,000	(1,500,000)	-	100,000	100,000
November 29, 2022	$0.990	-	1,500,000	-	-	1,500,000	1,500,000
November 30, 2022	$0.890	-	1,750,000	(1,750,000)	-	-	-
January 3, 2023	$0.790	-	250,000	-	-	250,000	250,000
January 12, 2023	$0.900	-	1,750,000	-	-	1,750,000	1,750,000
February 7, 2023	$0.590	-	250,000	-	-	250,000	250,000
February 16, 2023	$0.560	-	250,000	-	-	250,000	250,000
Total		5,288,000	13,950,000	(10,420,000)	(1,000,000)	7,818,000	7,818,000
Weighted average exercise price						$0.56	
Weighted average remaining contractual life						4.40 years	

The fair value of stock options was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value per option	$0.14	$0.54
Exercise price	$0.15	$0.57
Expected life (years)	5	4.71
Interest rate	1.92%	1.64%
Annualized volatility (based on historical volatility)	172%	224.34%
Dividend yield	0.00%	0.00%

(Expressed in Canadian dollars)

8. CAPITAL STOCK AND RESERVES (cont'd…)

d) Unit warrants:

During the year ended March 31, 2019, the Company issued 666,667 (2018 – 2,195,501) unit warrants in connection with private placement financings. Based on the residual method, no value was allocated to the unit warrants issued. A continuity of the unit warrants granted is as follows:

Expiry Date	Exercise Price	March 31, 2018	Granted	Exercised	Expired / Cancelled	March 31, 2019
May 18, 2018	$0.10	625,000	-	(550,000)	(75,000)	-
May 29, 2018	$0.15	1,194,444	-	(1,194,444)	-	-
October 18, 2018	$0.40	69,491	-	-	(69,491)	-
November 18, 2018	$0.10	495,000	-	(15,000)	(480,000)	-
November 20, 2018	$0.60	101,010	-	-	(101,000)	-
February 20, 2019	$0.70	175,000	-	-	(175,000)	-
February 15, 2020	$0.10	-	666,667	-	-	666,667
Total		2,659,945	666,667	(1,759,444)	(900,491)	666,667
Weighted average exercise price						$0.10
Weighted average remaining contractual life						0.88 years

Unit warrants transactions for the year ended March 31, 2018 are summarized as follows:

Expiry Date	Exercise Price	March 31, 2017	Granted	Exercised	Expired / Cancelled	March 31, 2018
August 14, 2017	$0.10	1,520,000	-	(1,520,000)	-	-
May 18, 2018	$0.10	7,400,000	-	(6,775,000)	-	625,000
November 18, 2018	$0.10	2,160,000	-	(1,665,000)	-	495,000
May 29, 2018	$0.15	-	1,750,000	(555,556)	-	1,194,444
October 18, 2018	$0.40	-	169,491	(100,000)	-	69,491
November 20, 2018	$0.60	-	101,010	-	-	101,010
February 20, 2029	$0.70	-	175,000	-	-	175,000
Total		11,080,000	2,195,501	(10,615,556)	-	2,659,945
Weighted average exercise price						$0.19
Weighted average remaining contractual life						0.32 years

(Expressed in Canadian dollars)

8. CAPITAL STOCK AND RESERVES (cont'd…)

e) Agent warrants:

During the year ended March 31, 2019, the Company did not grant any agent warrants. A continuity of the agent warrants granted is as follows:

Expiry Date	Exercise Price	March 31, 2018	Granted	Exercised	Expired / Cancelled	March 31, 2019
November 18, 2018	$0.10	30,000	-	-	(30,000)	-
Total		30,000	-	-	(30,000)	-
Weighted average exercise price						-
Weighted average remaining contractual life						-

Agent warrants transactions for the year ended March 31, 2018 are summarized as follows:

Expiry Date	Exercise Price	March 31, 2017	Granted	Exercised	Expired / Cancelled	March 31, 2018
May 18, 2018	$0.10	1,301,000	-	(1,301,000)	-	-
November 18, 2018	$0.10	100,000	-	(70,000)	-	30,000
Total		1,401,000	-	(1,371,000)	-	30,000
Weighted average exercise price						$0.10
Weighted average remaining contractual life						0.64 years

f) Reserves:

Reserves comprise of share-based payment and warrant reserves.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

Paid or accrued to:	Nature of transaction		For the year ended March 31, 2019		For the year ended March 31, 2018
Key management personnel:					
Former Directors	Management, consulting, share-based payments	$	124,282	$	245,447
Former CEO	Management, consulting, share-based payments		-		1,553,893
Directors	Management, investor relations, share-based payments		215,197		12,000
CEO	Management, consulting, share-based payments		326,140		251,817
		$	665,619	$	2,063,157
Related party:					
A company owned by the former CFO	Professional fees and share-based payments		109,028		141,400
Former VP, Investor Relations	Consulting and share-based payments		132,534		-
		$	241,562	$	141,400

The amounts due to related parties included in accounts payable and accrued liabilities are as follows:

		As at March 31, 2019		As at March 31, 2018
Due to the CEO	$	13,527	$	5,000
Due to former CEO		15,200		39,200
Due to a company owned by the former CFO		134,122		166,612
Due to former VP, Investor Relations		2,750		-
Due to former director		17,095		17,000
Due to directors of the Company		50,000		40,500
	$	232,694	$	268,312

During the year ended March 31, 2019, the Company:

- Issued 18,840 shares valued at $416 for settlement of debt with a related party of $6,000, recognizing a gain on share for debt of $5,584 (Note 8).

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended March 31, 2019, significant non-cash investing and financing transactions included:

a) reallocated $14,500 from subscription receivable to share capital;

b) reallocated fair value of $16,339 from reserves to share capital pursuant to the exercise of options;

c) reallocated $210,000 from shares to be issued to share capital related to exploration and evaluation expenditures;

(Expressed in Canadian dollars)

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (cont'd…)

d) included in accounts payable and accrued liabilities is $285,289 related to exploration and evaluation assets

e) issued 732,143 common shares with a fair value of $125,000 for the acquisition of exploration and evaluation assets;

f) Issued 139,453 common shares with a fair value of $29,005 to settle debt of $49,000; and

g) reallocated $4,487,519 from reserves to deficit as a result of cancelled options.

During the year ended March 31, 2018, significant non-cash investing and financing transactions included:

a) issued 9,430,755 common shares with a fair value of $1,115,000 for the acquisition of exploration and evaluation assets;

b) issued 1,663,615 common shares with a fair value of $185,301 for exploration and evaluation expenditures;

c) issued 1,046,962 common shares with a fair value of $202,242 for services;

d) issued 1,000,000 common shares with a fair value of $860,000 for bonus management compensation;

e) issued 542,985 common shares with fair value of $54,299 to settle debt of $72,000;

f) issued a promissory note of $100,000 for the acquisition of Zoro I Property;

g) reallocated $3,835,403 from reserves to share capital as a result of option and warrant exercise; and

h) included in accounts payable and accrued liabilities is $318,127 related to exploration and evaluation assets.

11. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

	March 31, 2019	March 31, 2018
Exploration and evaluation assets		
Canada	5,366,485	3,259,315
United States	756,793	696,367
	6,123,278	3,955,682

12. FINANCIAL RISK MANAGEMENT

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e. capital stock, reserves and deficit).

12. FINANCIAL RISK MANAGEMENT (cont'd…)

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from fiscal year 2018.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's long-term investment constitutes a Level 1 fair value measurement.

The carrying value of cash, accounts payable and accrued liabilities, and short-term loans payable approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major Canadian financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had a cash balance of $137,952 (March 31, 2018 – $3,213,505) to settle current liabilities of $696,248 (March 31, 2018 - $930,046). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company plans to raise money from the equity market to settle its liabilities.

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 and equity prices.

(Expressed in Canadian dollars)

12. FINANCIAL RISK MANAGEMENT (cont'd…)

Financial risk factors (cont'd…)

Market risk (cont'd…)

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's cash does not have significant exposure to interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and option agreement payments that are denominated in a foreign currency. There is a risk in the exchange rate of the Canadian dollar relative to the US dollar and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. INCOME TAXES

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

		2019		2018
Loss before taxes for the year	$	(2,721,593)	$	(10,655,708)
Canadian federal and provincial income tax rate		27%		26.25%
Expected income tax recovery based on the above rates	$	(734,830)	$	(2,797,123)
Non-deductible items		379,897		1,989,927
Effect of tax rate change		-		(47,400)
True up		229,132		-
Tax benefit not realized		125,801		854,596
Deferred income tax recovery	$	-	$	-

The significant components of the Company's deferred income tax assets and liabilities, using a Canadian basic statutory rate of 27% (2018 – 27%) are as follows:

(Expressed in Canadian dollars)

13. INCOME TAXES (cont'd…)

	March 31, 2019	March 31, 2018
Non-capital losses	$ 1,569,000	$ 1,445,000
Cumulative exploration and development expenses	39,000	36,000
Share issuance costs and others	6,000	6,000
	1,614,000	1,487,000
Unrecognized deferred tax assets	(1,614,000)	(1,487,000)
Net deferred tax asset	$ -	$ -

At March 31, 2019, the Company has accumulated non-capital losses of approximately $5,810,000 (2018 - $5,353,000) which may be available to offset future income for income tax purposes which expire over the next twenty years. These losses, if not utilized, will expire through to 2039. In addition, there are resource-related expenditures of approximately $6,267,000 (2018 - $4,088,000) which may be used to offset future taxable income indefinitely, subject to annual rates prescribed by the Canadian Income Tax Act. Deferred tax benefits, which may arise as a result of these losses, have not been recognized in these financial statements as it is not probable that the Company will generate future taxable income against which to utilize the temporary differences.

14. SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2019, the Company:

- On April 8, 2019, the Company issued 65,763 common shares to settle $7,778 in outstanding directors' fees and management wages.
- On April 26, 2019, the Company completed a non-brokered private placement by issuing 2,000,000 common shares at a price of CAD$0.10 per share for gross proceeds of $200,000. The private placement was approved by the CSE and the securities are subject to a four-month hold period under securities laws.
- On May 14, the Company received a $50,400 non-interest bearing, short term loan from an investor.
- On June 25, 2019, the Company completed a second financing with Alumina Partners of New York for total proceeds of $100,000, less legal costs. The Company issued to Alumina Partners 1,904,761 Units at a price of $0.0525 per Unit, each Unit consisting of one Share and one-half of one Warrant, with each whole Warrant entitling the holder to acquire one additional Share for a period of 36 months at the price of $0.105 per Share (expiring June 25, 2022).
- On July 23, 2019, the Company announced that it has signed a binding Letter of Intent ("LOI") with BattMat to form a Joint Venture ("JV"). An initial payment of US$20,000 has been made by the Company to trigger the binding LOI, which includes the funding of two provisional patent applications with the US Patent Office by BattMat partner Electric Blue Power. A definitive agreement will be finalized in the coming weeks. Through this agreement, the Company will have the opportunity to participate in early stage ownership of patentable battery related technologies, to advance relationships with battery manufacturers, and to gain access to a wider, alternative base of stakeholders.