INTERCONTINENTAL GOLD AND METALS LTD.
(FORMERLY GEODEX MINERALS LTD.)
CONSOLIDATED
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2018 AND 2017
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Intercontinental Gold and Metals Ltd. (formerly Geodex Minerals Ltd.)

We have audited the accompanying consolidated financial statements of Intercontinental Gold and Metals Ltd. (formerly Geodex Minerals Ltd.), which comprise the consolidated statements of financial position as at March 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Intercontinental Gold and Metals Ltd. (formerly Geodex Minerals Ltd.) as at March 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Intercontinental Gold and Metals Ltd. (formerly Geodex Minerals Ltd.)'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

October 3, 2018

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at March 31, 2018	As at March 31, 2017
ASSETS		
Current assets		
Cash (note 3)	$ **1,609,337**	$ 7,218
Receivables (note 4)	**63,944**	30,467
Marketable securities (note 5)	**200**	800
Inventory (note 6)	**1,431,115**	-
Prepaid expenses and advances	**133,496**	2,680
Total current assets	**3,238,092**	41,165
Non-current assets		
Equipment (note 7)	**386,844**	-
Goodwill (note 8)	**1,043,359**	-
Total assets	$ **4,668,295**	$ 41,165
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (notes 9 and 14)	$ **1,167,811**	$ 900,805
Due to related party (note 14)	**-**	44,275
Customer deposits	**1,212,897**	-
Income tax payable (note 13)	**56,000**	-
Total current liabilities	**2,436,708**	945,080
Non-current liabilities		
Promissory notes (note 10)	**2,350,613**	-
Contingent consideration (note 8)	**384,000**	-
Total liabilities	**5,171,321**	945,080
Shareholders' deficiency		
Share capital (note 11)	**32,943,911**	31,501,743
Reserves (note 12)	**4,631,609**	4,114,529
Accumulated other comprehensive income	**45,863**	-
Deficit	**(38,124,409)**	(36,520,187)
Total shareholders' deficiency	**(503,026)**	(903,915)
Total liabilities and shareholders' deficiency	$ **4,668,295**	$ 41,165

The accompanying notes are an integral part of these consolidated financial statements.
Nature of operations and going concern (note 1)
Subsequent events (note 18)

Approved on behalf of the Board:

"Gorden Glenn", Director

"John Anderson", Director

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	**$ 28,397,565**	$ -
Cost of sales	**28,433,887**	-
	(36,322)	-
Operating expenses		
Accounting and audit	**105,352**	45,849
Consulting fees (note 14(b))	**320,722**	240,000
Director fees (note 14(b))	**30,500**	28,000
Business development	**188,141**	-
Shareholder information and investor relations	**161,356**	13,462
Legal (note 14(a))	**112,613**	13,174
Office and miscellaneous	**219,698**	3,158
Depreciation (note 7)	**10,064**	-
Salaries and benefits (note 14)	**210,954**	-
Share-based compensation (note 12)	**249,876**	-
Transfer agent and regulatory fees	**11,733**	33,494
	(1,621,009)	(377,137)
Unrealized (loss) gain on marketable securities (note 5)	**(600)**	500
Loss (gain) on debt settlement (note 11(b)(ii))	**(38,606)**	32,083
Foreign exchange gain	**17,480**	-
Accretion on bonds (note 10)	**(59,234)**	-
Interest expense on bond (note 10)	**(251,246)**	-
Interest income	**441,315**	-
Loss before income taxes	**(1,548,222)**	(344,554)
Income tax expense	**(56,000)**	-
Net loss for the year	**(1,604,222)**	(344,554)
Other comprehensive income		
Foreign exchange translation adjustment	**45,863**	-
Total comprehensive loss for the year	**$ (1,558,359)**	$ (344,554)
Basic and diluted net loss per share	**$ (0.15)**	$ (0.12)
Weighted average number of common shares outstanding (basic and diluted)	**10,685,413**	2,779,827

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

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended March 31, 2018	Year ended March 31, 2017
Operating activities		
Net loss for the year	**$ (1,604,222)**	$ (344,554)
Adjustments for:		
Depreciation expense	**10,064**	-
Income tax expense	**56,000**	-
Share-based compensation	**249,876**	-
Unrealized (gain) loss on marketable securities	**600**	(500)
Loss (gain) on debt settlement	**38,606**	(32,083)
Accretion on bonds	**59,234**	-
Accrued interest expense	**178,506**	-
Foreign exchange	**970**	-
Changes in non-cash working capital items:		
Receivable	**(33,477)**	6,002
Prepaid expenses and advances	**(117,845)**	-
Inventory	**(1,425,041)**	-
Increase in accounts payable and accrued liabilities	**817,778**	341,839
Customer deposits	**1,212,897**	-
Due to related party	**(44,275)**	-
Net cash used in operating activities	**(600,329)**	(29,296)
Investing activities		
Cash paid for acquisition of Goldway	**(127,050)**	-
Cash acquired from acquisition of Goldway	**36**	-
Acquisition of equipment	**(374,018)**	-
Net cash used in investing activities	**(501,032)**	-
Financing activities		
Unit financing	**2,790,300**	-
Unit financing costs	**(132,268)**	-
Due to related party	**-**	34,275
Exercise of broker warrants	**554**	-
Net cash provided by financing activities	**2,658,586**	34,275
Impact of foreign exchange on cash balance	**44,894**	-
Net change in cash	**1,557,225**	4,979
Cash, beginning of year	**7,218**	2,239
Cash, end of year	**$ 1,609,337**	$ 7,218

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

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Share Capital		Reserves				
	Number of shares	Amount	Warrants	Share-based compensation reserve	Accumulated other comprehensive income	Deficit	Total
Balance, March 31, 2016	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**-**	**$ (36,175,633)**	**$ (559,361)**
Net loss and comprehensive loss for the year			-	-	-	(344,554)	(344,554)
Balance, March 31, 2017	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**-**	**$ (36,520,187)**	**$ (903,915)**
Shares and warrants issued in private placements (note 11)	4,053,000	505,230	257,404	-	-	-	762,634
Share issue costs (note 11)	-	(28,481)	-	-	-	-	(28,481)
Broker warrants issued in private placement (note 12)	-	(10,397)	10,397	-	-	-	-
Shares issued upon exercise of broker warrants	5,544	554	-	-	-	-	554
Reclassification of fair value of broker warrants exercised	-	597	(597)	-	-	-	-
Shares issued for acquisition of Goldway SRL ("Goldway") (note 8)	5,000,000	550,000	-	-	-	-	550,000
Shares issued for settlement of debt (note 11)	3,860,593	424,665	-	-	-	-	424,665
Stock based compensation	-	-	-	249,876	-	-	249,876
Foreign exchange translation adjustments	-	-	-	-	45,863	-	45,863
Net loss and comprehensive loss for the year	-	-	-	-	-	(1,604,222)	(1,604,222)
Balance, March 31, 2018	**15,698,964**	**$ 32,943,911**	**$ 267,204**	**$ 4,364,405**	**$ 45,863**	**$ (38,124,409)**	**$ (503,026)**

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

1. Nature of operations and going concern

Intercontinental Gold and Metals Ltd. (the "Company" or ICAU), formerly Geodex Minerals Ltd. ("Geodex") was incorporated under the British Columbia Business Corporations Act. The Company's head office is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1 and it is listed on the TSX-Venture ("TSXV") and Frankfurt exchanges under the symbol ICAU.

The Company has been in the business of acquiring exploration and evaluation assets and in June 2015, the Company initiated the strategy of becoming an integrated metal trading and resources company. On July 22, 2015, the Company signed a non-binding letter of intent ("LOI") with the shareholders of Goldway S.R.L. ("Goldway"), in order for the Company to acquire 100% of the capital stock of Goldway. On January 22, 2016, the Company revised the terms of the acquisition purchase price.

On August 10, 2017, the Company completed the acquisition (the "Acquisition") of all of the outstanding shares of Goldway in exchange for (i) the issuance by the Company to Goldway's shareholders of a total of 5,000,000 common shares; (ii) US$100,000, payable in cash and (iii) US$500,000 deferred contingent cash consideration pursuant to a share exchange agreement (the "Share Exchange Agreement") As a result of the Acquisition, Goldway has become a wholly-owned subsidiary of the Company, and will continue to be active in the gold and metals trading business in Bolivia. With the completion of the Acquisition, the Company restructured into a revenue generating, gold and metals trading business.

On November 6, 2017, the Company announced that it changed its name from "Geodex Minerals Ltd." to "Intercontinental Gold and Metals Ltd.". The Company also changed its ticker symbol from "GXM" to "ICAU".

As at March 31, 2018, the Company has a working capital of $801,384 (March 31, 2017 – deficiency of $903,915) and an accumulated deficit of $38,124,409 (March 31, 2017 – $36,520,187). The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.
These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements were authorized for issue by its directors on October 1, 2018.

Basis of preparation

These 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Consolidation

The consolidated financial statements include, on a consolidated basis, the assets, liabilities, revenues and expenses of the Company and its wholly-owned subsidiary, Goldway, which was incorporated in Bolivia. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances are eliminated on consolidation.

Foreign currency transactions

The individual financial records of each group entity are kept in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the parent company is determined to be the Canadian Dollar and the functional currency of Goldway is determined to be the US Dollar.

Transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates on the date of the initial transaction.

Exchange differences are recognized in profit and loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Goldway are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income in the consolidated statements of loss and comprehensive loss.

2. Significant accounting policies (continued)

Inventory

Raw materials represents gold purchased from licensed artisanal and small gold miners in the form of flakes, nuggets and small dore bars for further processing. Work in process represents gold dore bars and gold flakes that have not completed the refinery process and are not yet in saleable form. Finished goods inventory represents gold in saleable form of bullion bars or casting grain .

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing each product to its present location and condition. Net realizable value is determined with reference to the relevant market price less applicable variable selling expenses.

Equipment

Estimated useful lives of major asset categories:

Office equipment	5 years
Processing equipment	5 years
Refinery machines	5 years

Equipment is stated at cost, less accumulated amortization and any impairment in value. Cost includes the purchase price (after deducting trade discounts and rebates), 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 estimate of the present value of the costs of dismantling and removing the item and restoring the site. Subsequent costs are included in the assets carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of the day-to-day servicing of equipment is recognized in the statement of loss and comprehensive loss as incurred.

Impairment

At the end of each reporting period the carrying amounts of the Company's assets 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 profit or loss for the year. 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 subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and 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.

2. Significant accounting policies (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at the acquisition date at fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the appropriate share of the acquiree's identifiable net assets. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date. Acquisition costs are expensed in the period that they are incurred.

Goodwill

Under the acquisition method of accounting, the costs of business combinations are allocated to the assets acquired and liabilities assumed based on the estimated fair value at the date of acquisition. The excess of the fair value of consideration paid over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is not amortized; instead it is tested for impairment on an annual basis and also when there is an indicator of impairment. At the date of acquisition, goodwill is assigned to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. For the purposes of impairment testing, goodwill is allocated to the Company's operating segments, which are the geographical locations of the Company and corresponds to the level at which goodwill is internally monitored by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer.

The recoverable amount of a CGU is the higher of value in use and fair value less cost to sell. A goodwill impairment is recognized for any excess of the carrying amount of the operating segment over its recoverable amount. Goodwill impairment charges are not reversible.

Customer deposits

Customer deposits consist of funds received from customers in advance of products sold.

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company had no provisions as at March 31, 2018 and 2017.

Promissory note

The Company adopted the residual value method with respect to the unit financings whereby a unit is comprised of a promissory note, a common share and a warrant. The unit price is first allocated to the fair value of the debt component with the residual being allocated to the share component and the remaining to the warrant component.

Promissory note is recognized initially at fair value, net of financing costs incurred, and subsequently measured at amortized cost. Any difference between the amounts originally received and the redemption value of the promissory note is recognized in the consolidated statements of loss and comprehensive loss over the period to maturity using the effective interest method.

2. Significant accounting policies (continued)

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s cash and marketable securities are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. At March 31, 2018 and 2017, the Company has not classified any financial assets as available for sale.

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

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At March 31, 2018 and 2017, the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable and accrued liabilities, loan from related party and promissory notes are classified as other financial liabilities.

2. Significant accounting policies (continued)

Revenue recognition

Revenue arising from the sale of gold is recognized following the transfer of title and significant risk and rewards of ownership, provided that collection is reasonably assured, the price is reasonably determinable, the Company has no significant continuing involvement, and the costs incurred or to be incurred in respect of the transaction can be measured readily. The Company's gold is provisionally priced at the time of sale based on the prevailing market price. Sales of gold are net of refining and treatment charges.

Variations between the price recorded at the delivery date and the final price at settlement are caused by changes in market prices, and result in an embedded derivative in receivables or payables. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in sales in the consolidated statement of loss and comprehensive loss.

Earnings (Loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. Significant accounting policies (continued)

Significant accounting estimates and judgments

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include the fair value of financial instruments, deferred taxes and share-based compensation.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Functional currency

Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar and United States dollar are the functional currencies of the parent and its subsidiary respectively, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates.

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Useful lives of equipment

The Company's equipment is depreciated and amortized on a straight-line basis, taking into account the estimated useful lives of the assets and residual values. Changes to these estimates may affect the carrying value of these assets, inventories, net earnings, and comprehensive income (loss) in future periods.

Business acquisition

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Goldway was determined to constitute an acquisition of a business (Note 8).

Inventory valuation

The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices.

2. Significant accounting policies (continued)

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

Promissory notes

The separation of the component of promissory notes from the Units affects the initial recognition of the promissory notes at issuance and the subsequent recogniton of interest on the liability component. The determination of the fair value of the liability is based on a number of assumptions including discount rates.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

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, the common shares issued, based on fair value and then the residual value, if any, to the less easily measurable component. The balance, if any, is allocated to the attached warrants. Any residual value attributed to the warrants is recorded as reserves.

Share-based compensation

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

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based compensation to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services when received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services received cannot be reliably measured.

2. Significant accounting policies (continued)

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after April 1, 2017. The following have not yet been adopted by the Company and are not expected to have a significant impact on the financial statements.

IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.

IFRS 9: New standard that replaced IAS 39 for classification and measurement and outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRS 16: New standard introducing a single accounting model for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

(Expressed in Canadian Dollars)

3. Cash

	March 31, 2018	March 31, 2017
Cash	**$ 1,604,722**	$ 5,752
Cash held in trust account	**4,615**	1,466
	$ 1,609,337	$ 7,218

4. Receivables

	March 31, 2018	March 31, 2017
HST receivable	**$ 27,327**	$ 30,467
Other receivable	**36,617**	-
	$ 63,944	$ 30,467

5. Marketable securities

The Company holds 5,000 shares in Cache Exploration Inc.. The shares have been re-valued at March 31, 2018 to their fair market value of $200 (March 31, 2017 – $800).

6. Inventory

As at March 31, 2018, the Company's inventory consists of gold in saleable form of dore and bullion bars. During the year ended March 31, 2018, the Company recorded cost of sales totalling $28,433,887 (2017 - $nil).

(Expressed in Canadian Dollars)

7. Equipment

Cost	**Refinery Machines**	**Office Furniture & Equipment**	**Total**
Balance, March 31, 2017	$ -	$ -	$ -
Additions from acquisition of Goldway	32,843	8,967	41,810
Additions	350,536	14,687	365,223
Foreign exchange	9,113	778	9,891
Balance, March 31, 2018	$ 392,492	$ 24,432	$ 416,924

Accumulated depreciation	**Refinery Machines**	**Office Furniture & Equipment**	**Total**
Balance, March 31, 2017	$ -	$ -	$ -
Additions from acquisition of Goldway	15,250	3,670	18,920
Depreciation	8,012	2,052	10,064
Foreign exchange	1,584	(488)	1,096
Balance, March 31, 2018	$ 24,846	$ 5,234	$ 30,080

Carrying value	**Refinery Machines**	**Office Furniture & Equipment**	**Total**
Balance, March 31, 2017	$ -	$ -	$ -
Balance, March 31, 2018	$ 367,646	$ 19,198	$ 386,844

(Expressed in Canadian Dollars)

8. Acquisition of Goldway

On August 9, 2017, the Company completed the Acquisition of all of the outstanding shares of Goldway in exchange for (i) the issuance by the Company to Goldway's shareholders of a total of 5,000,000 common shares; (ii) US$100,000, payable in cash and (iii) US$500,000 deferred contingent cash consideration pursuant to the Share Exchange Agreement. As a result of the Acquisition, Goldway has become a wholly-owned subsidiary of the Company, and will continue to be active in the gold and metals trading business in Bolivia.

The Acquisition of Goldway was accounted for as a business combination in accordance with IFRS 3, Business Combination and was accounted for using the acquisition method. The Company was identified as the acquirer. Goldway's assets and liabilities were remeasured at their individual fair value estimated as at August 9, 2017 and Goldway's financial results have been consolidated commencing from August 10, 2017.

The following summarizes the consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date. Changes to such estimates could be material.

Purchase price		
Cash	$	127,050
Shares (5 million)		550,000
Contingent consideration payable (i)		384,000
	$	1,061,050

Fair value of net assets acquired		
Cash	$	36
Receivable		12,971
Inventory		6,074
Equipment		22,890
Accounts payable and accrued liabilities		(24,280)
	$	17,691
Goodwill	$	1,043,359

(i) The Company is committed to cash payments of up to US$500,000 based on the achievement of certain operating earnings.

The fair value of contingent consideration was estimated using an income approach based on unobservable cash flows and a probability-weighted average of the discounted future payments, and as a result is classified within Level 3 of the fair value hierarchy.

The Company's estimate of the fair value of contingent consideration on initial recognition is based on projected gold prices of US $1,200/oz. The other key assumptions used in our fair value estimate include:

- Annual ounces of gold sold of 37,131 to 48,000;
- EBITDA margin of 0.3%;
- Probabilities of achieving certain levels of production; and
- A normalized risk-free rate of 3.5%

(Expressed in Canadian Dollars)

8. Acquisition of Goldway (continued)

Goodwill arose from the acquisition comprised of assembled workforce, expected revenue growth, and future market development. These benefits were not recognized separately from goodwill as they do not meet the criteria for identifiable intangible assets. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

The Company has not yet completed a full valuation of the assets and liabilities as the process of estimating the value of inventory, equipment and certain other assets and liabilities is complex. Accordingly, the fair value of the assets and liabilities could change when the purchase price allocation is completed. Specifically, significant items that may change include inventory, equipment and accounts payable and accrued liabilities.

9. Accounts payable and accrued liabilities

	March 31, 2018	**March 31, 2017**
Accounts payables	**$ 812,476**	$ 581,164
Accrued liabilities	**355,335**	319,641
	$ 1,167,811	$ 900,805

10. Promissory notes

On August 9, 2017, the Company completed a non-brokered private placement (“Concurrent Offering”) through the issuance of 2,042 units (the “Units”) at a price of $900 per Unit for aggregate gross proceeds of $1,837,800. Each Unit is comprised of: (i) one promissory note in the principal amount of $1,000 subject to a coupon interest rate of 10% per annum over a five year term; (ii) 1,500 common shares; and (iii) 1,500 common share purchase warrants. The Company incurred a cash commission of $56,268 for the Concurrent Offering and issued 96,480 broker warrants with a value of $10,387.

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $1,463,076 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. Of the residual value, $336,930 was attributed to the shares, and $37,794 was allocated to the warrants. The Company incurred total transaction costs of $66,268 of which $54,730 was allocated to promissory note issuance costs and $11,538 as share issuance costs.

On January 5, 2018, the Company closed the first tranche ("First Tranche") of a unit financing. In connection with the First Tranche, the Company issued an aggregate of 1,320 units at a price of $1,000 per Unit for aggregate gross proceeds of $1,320,000. Each Unit is comprised of: (i) one promissory note in the principal amount of $1,000 bearing a coupon of 10.0%, payable semi-annually, with a five-year term (each, a "Note"); (ii) 750 common shares (the "Bonus Shares"); and (iii) 750 common share purchase warrants (the "Bonus Warrants"). Each Bonus Warrant is exercisable for one common share of the Company at a price of $0.20 per share until January 5, 2023. In connection with the First Tranche, the Company paid cash commissions equal to 6% of the gross proceeds of the Offering to certain eligible finders and issued an aggregate of 45,000 finder warrants with a value of $10 (the "Finder Warrants"). Each Finder Warrant entitles the holder to acquire one common share of the Company at a price of $0.20 per share until January 5, 2023. All securities issued pursuant to the First Tranche are subject to a hold period expiring four months and one day from the date hereof.

10. Promissory notes (continued)

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $932,090 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. The residual value of $168,300 was attributed to the shares and $219,610 was allocated to the warrants. The Company incurred transaction costs of $66,000 of which $49,057 was allocated to the liability component and remaining $16,943 was allocated to the share capital.

During the year ended March 31, 2018, the Company recorded $251,246 in interest expense and accretion on bonds of $59,234. As at March 31, 2018, accrued interest of $178,506 (2017 - $nil) was included in accounts payable and accrued liabilities.

11. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value and unlimited number of Class A preference shares without par value.

b) Common shares issued

As at March 31, 2018, the Company had 15,698,964 common shares outstanding.

(i) As outlined in Note 10, the Company issued a total of 4,053,000 common shares in connection with the Unit Offerings in August 2017 and January 2018.

(ii) On August 9, 2017, the Company issued an aggregate of 3,860,593 common shares in settlement of an aggregate of $386,059 of outstanding indebtedness at a price of $0.11 per common share with arm’s length and non-arm’s length parties. A loss of $38,606 upon settlement of debt was recorded in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2018.

(Expressed in Canadian Dollars)

12. Stock options and warrants

Stock options

The Company has a stock option plan under which it is authorized to grant up to a maximum of 2,940,684 options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price, of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years and vesting is determined by the Board of Directors.

	Number of options	Weighted average exercise price
Balance, March 31, 2016	169,000	$ 1.11
Options cancelled	(117,000)	1.11
Balance, March 31, 2017	52,000	1.10
Options cancelled	(20,000)	1.20
Options expired	(26,000)	1.00
Options granted	2,430,000	0.11
Balance, March 31, 2018	2,436,000	$ 0.11

The following table reflects the stock options issued and outstanding and exercisable as of March 31, 2018:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 16, 2019	1.00	0.80	6,000	6,000
August 10, 2022	0.11	4.36	2,138,000	2,138,000
August 10, 2019	0.11	1.36	292,000	292,000
		3.63	2,436,000	2,436,000

(Expressed in Canadian Dollars)

12. Stock options and warrants (continued)

Stock options (continued)

During the year ended March 31, 2018, the Company granted 2,430,000 stock options with a fair value, using the Black-Scholes Option Pricing Model, of $249,876. Share-based compensation expense for the year ended March 31, 2018 was $249,876 which was offset to the share-based compensation reserve.

The following weighted average assumptions were used to value the stock options granted during the year ended March 31, 2018:

Risk-free interest rate	1.37%
Expected life of options	4.64 years
Annualized volatility	177.91%
Dividend yield	0.00%

Warrants

Warrant transactions were as follows:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2016	365,000	$ 0.24
Expired	(30,000)	0.70
Balance, March 31, 2017	335,000	0.20
Expired	(335,000)	0.20
Issued	4,053,000	0.12
Balance, March 31, 2018	4,053,000	$ 0.12

As at March 31, 2018, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price ($)	Number of warrants outstanding	Weighted average remaining life (years)
August 8, 2022	0.10	3,063,000	4.36
January 5, 2023	0.20	990,000	4.77
		4,053,000	4.46

(Expressed in Canadian Dollars)

12. Stock options and warrants (continued)

Broker warrants

Broker warrants transactions were as follows:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2016 and March 31, 2017	-	$ -
Issued	141,480	0.10
Exercised	(5,544)	0.10
Balance, March 31, 2018	135,936	$ 0.10

As at March 31, 2018, the Company had outstanding broker warrants, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price ($)	Number of warrants outstanding	Weighted average remaining life (years)
August 8, 2022	0.10	90,936	4.36
January 5, 2023	0.20	45,000	4.77
		135,936	4.49

The following weighted average assumptions were used to value broker warrants during the year ended March 31, 2018:

Risk-free interest rate	1.46%
Expected life of warrants	2 years
Annualized volatility	203.12%
Dividend yield	0%

(Expressed in Canadian Dollars)

13. Income taxes

(a) A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss before income taxes	$ (1,548,222)	$ (344,554)
Combined statutory income tax rate	26%	26%
Expected income tax recovery:	(410,000)	(90,000)
Adjustments to benefit resulting from:		
Change in statutory, foreign tax, foreign exchange rates and other	(29,000)	3,000
Permanent differences	66,000	-
Share issue costs	(35,000)	(3,000)
Change in unrecognized deductible temporary differences	464,000	90,000
Income tax expense	$ 56,000	$ -

(b) The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	March 31, 2018	March 31, 2017
Deferred tax assets		
Exploration and evaluation assets	$ 1,078,000	$ 1,063,000
Share issue costs	29,000	3,000
Allowable capital losses	1,299,000	1,275,000
Non-capital losses available for future periods	829,000	430,000
	3,235,000	2,771,000
Unrecognized deferred tax assets	(3,235,000)	(2,771,000)
	$ -	$ -

(c) The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2018	Expiry Date Range	2017	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	$ 3,464,000	No expiry date	$ 3,466,000	No expiry date
Investment tax credits	218,000	2029 to 2034	218,000	2029 to 2034
Share issue costs	11,000	2019 to 2022	11,000	2018 to 2020
Allowable capital losses	4,904,000	No expiry date	4,903,000	No expiry date
Non-capital losses available for future periods	3,127,000	2032 to 2038	1,655,000	2032 to 2037

(Expressed in Canadian Dollars)

13. Income taxes (continued)

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. Related party transactions

(a) The Company entered into the following transactions with related parties recorded as legal fees and share issue costs:

	Year ended March 31, 2018	Year ended March 31, 2017
Irwin Lowy LLP (i)	**$ 56,062**	$ 13,174

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and these fees related to professional services provided by the firm ($40,062 was recorded as legal fees and $16,000 was recorded as share issuance costs). As at March 31, 2018, the Company owed $17,774 (March 31, 2017 - $26,883) to this firm and this amount was included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Compensation of key management personnel of the Company:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer and Interim Chief Financial Officer, VP Operations and the Country Managers.

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and benefits	**$ 210,954**	$ -
Consulting fees	**307,920**	240,000
Director's fees	**30,500**	28,000
Share-based compensation	**157,682**	-
	$ 707,056	$ 268,000

As at March 31, 2018, accounts payable and accrued liabilities included $639,599 (March 31, 2017 - $848,861 included in accounts payable and $44,275 included in due to related party) owing to former directors, former officers, directors, Country Manager, VP Operations and a company controlled by the Chief Executive Officer. The amounts bear no interest and has no fixed terms of repayment.

14. Related party transactions (continued)

During the year ended March 31, 2018, the Company issued 180 Units in the Concurrent Offering on August 9, 2017 and 320 Units in the First Tranche of the unit financing completed on January 5, 2018 to a director and companies owned by officers (note 10). During the year ended March 31, 2018, the Company issued a total of 3,051,411 common shares to settle $305,141 of accounts payable with related parties, resulting in a loss on settlement of accounts payable of $30,514.

During the year ended March 31, 2018, in connection with the acquisition of Goldway, the Company made cash payments totaling $105,423 and issued 4,115,000 common shares with a total value of $456,500 to the VP Operations and Country Manager who are considered to be related parties. Included in the contingent consideration payable, $323,720 was due to the VP Operations and Country Manager.

As at March 31, 2018, total Promissory Notes payable to Related Parties as of March 31, 2018 were $399,811.

15. Financial instruments and risk management

The fair value of cash and marketable securities are measured based on level 1 inputs of the fair value hierarchy. The fair values of receivables, accounts payable and accrued liabilities and loan from related party approximate their fair value because of the short-term nature of these instruments. The promissory notes are measured at carrying value at the effective interest rate which approximates fair value.

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. The Company's credit risk is primarily attributable to cash and receivables. The Company places its cash in major financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

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 of March 31, 2018, the Company had a cash balance of $1,609,337 to settle current liabilities of $2,436,708. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

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.

15. Financial instruments and risk management (continued)

Interest rate risk

The Company has cash balances and the promissory notes are subject to fixed interest rates. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is nominally exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars and Bolivianos.

Gold price risk

The Company is exposed to gold price risk given that its revenues are derived from the sale of gold through its gold dore and bullion products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's operations may be adversely affected by fluctuations in metal prices. For gold shipped and provisionally invoiced during the year ended March 31, 2018, a 1% change in gold prices would result in an immaterial increase/decrease in the Company's pre-tax income. As at March 31, 2018, the embedded derivative arising from the provisional pricing is deemed immaterial.

Sensitivity analysis

The Company holds marketable securities which would give rise to exposure to price risk. Sensitivity to a plus or minus 10% change in the market price of the marketable securities would affect the loss and comprehensive loss by approximately $20.

Fair value hierarchy

Receivables have been classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities, loan from related party and promissory notes are classified as other financial liabilities and are measured at amortized cost. Cash and marketable securities are classified as fair value through profit and loss ("FVTPL") and carried at fair value.

IFRS 7 - Financial Instruments: Disclosures requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
Level 3: Inputs for the asset or liability that are not based on observable market data.

15. Financial instruments and risk management (continued)

Fair value hierarchy (continued)

As at March 31, 2018 and March 31, 2017, none of the Company's financial instruments were held at fair value other than cash and marketable securities which were classified as level 1 inputs at the fair value hierarchy.

Trade receivable/payable from provisional sales of gold includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected gold prices and foreign exchange rates. The trade receivable/payable from sales of gold and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

Economic dependence

During the year ended March 31, 2018, two customers (2017 – nil) accounted for 100% of the Company's total revenue. The loss of the above customers could have a material adverse effect on the Company's financial position and results of operations.

16. Capital management

The Company defines capital that it manages as shareholders' deficiency, consisting of share capital, reserves and deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the metal trading operations. 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There was no change in management's approach to capital management during the year ended March 31, 2018.

(Expressed in Canadian Dollars)

17. Segmented information

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

The Company's reportable segments are based on the geographic region for the Company's operations and include Canada and Bolivia.

The segmental report is as follows:

As at March 31, 2018	Canada	Bolivia	Total
Current assets	$ 176,706	$ 3,061,386	$ 3,238,092
Equipment	-	386,844	386,844
Goodwill	1,043,359	-	1,043,359
Total assets	$ 1,220,065	$ 3,448,230	$ 4,668,295
Total liabilities	$ 3,706,544	$ 1,464,777	$ 5,171,321
Net (loss) income for the year ended March 31, 2018	$ (1,795,279)	$ 191,057	$ (1,604,222)

As at March 31, 2017	Canada	Bolivia	Total
Current assets and total assets	$ 41,165	$ -	$ 41,165
Total liabilities	$ 945,080	$ -	$ 945,080
Net loss for the year ended March 31, 2017	$ (344,554)	$ -	$ (344,554)

18. Subsequent events

On April 13, 2018, the Company completed the second and final tranche of its previously announced unit financing (the "Offering") and issued, as a loan bonus in accordance with Policy 5.1 of the TSX Venture Exchange (the "TSXV"), an additional 2,430 units (the "Units") at a price of $1,000 per Unit for additional gross proceeds of $2,430,000. The aggregate gross proceeds raised pursuant to the Offering was $3,750,000 through the issuance of 3,750 Units. Each Unit consists of: (i) one promissory note in the principal amount of $1,000 bearing a coupon of 10.0%, payable semi-annually, with a 5-year term (each, a "Note"); (ii) 750 common shares (the "Bonus Shares"); and (iii) 750 common share purchase warrants (the "Bonus Warrants"). Each Bonus Warrant is exercisable into one common share of the Company at a price of $0.20 per common share for a period of five years from the date of issuance.

In connection with the second tranche, certain eligible persons (the "Finders") were paid a cash commission equal to 6% of the proceeds raised from subscribers introduced to the Company by such Finders and also issued an aggregate of 99,000 broker warrants (the "Broker Warrants") to such Finders, with each Broker Warrant entitling the holder to acquire one common share at a price of $0.20 for a period of five years from the date of issuance.

On April 20, 2018, the Company announced that the Company granted an aggregate of 1,060,000 stock options to purchase common shares of the Company exercisable at a price of $0.45 per common share for two to five years, to certain directors, officers, employees and consultants, pursuant to the Company's stock option plan. The common shares issuable upon exercise of the options are subject to a four month hold period from the original date of grant.

On May 11, 2018, the Company announced that it intends to proceed with a normal course issuer bid to purchase up to 877,873 of its common shares (the "Bid"). The Company received acceptance from the TSX Venture Exchange to commence the Bid on May 14, 2018. The Bid will terminate on May 14, 2019, or an earlier date in the event that the number of common shares sought in the Bid has been repurchased. The Company reserves the right to terminate the Bid earlier if it feels appropriate to do so.

Subsequent to March 31, 2018, 40,536 broker warrants were exercised for proceeds of $4,054 and 168,000 warrants were exercised for proceeds of $16,800.