TUDOR GOLD CORP.
(An Exploration Stage Company)

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Tudor Gold Corp.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Company incurred a net loss of $3,498,015 during the year ended March 31, 2019 and, as of that date, the Company's total deficit was $9,026,985. As stated in Note 2, these events and conditions indicate that a material uncertainty exists 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 obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

July 26, 2019

TUDOR GOLD CORP.
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

		March 31, 2019		March 31, 2018
ASSETS				
Current				
Cash	$	265,712	$	302,362
Amounts receivable		217,849		334,861
Investment (Note 5)		125,000		156,250
Prepaids and deposits		12,573		20,788
		621,134		814,261
Reclamation deposits (Note 4)		145,600		145,600
Exploration and evaluation assets (Note 4)		19,841,898		16,247,301
Property and equipment (Note 6)		194,389		187,421
Total assets	$	20,803,021	$	17,394,583
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 8)	$	1,575,274	$	2,680,522
Current portion of lease obligations (Note 9)		18,808		19,573
Loan payable (Note 8)		-		240,000
		1,594,082		2,940,095
Lease obligations (Note 9)		21,013		39,820
Credit facility (Note 8)		716,033		664,888
Total liabilities		2,331,128		3,644,803
Shareholders' equity				
Share capital (Note 7)		25,073,362		17,839,637
Share subscriptions received in advance (Note 7)		-		628,000
Equity reserves (Note 7)		2,456,766		811,113
Accumulated other comprehensive loss		(31,250)		-
Deficit		(9,026,985)		(5,528,970)
Total shareholders' equity		18,471,893		13,749,780
Total liabilities and shareholders' equity	$	20,803,021	$	17,394,583

Nature of operations (Note 1)
Basis of presentation (Note 2)
Subsequent events (Note 15)

On behalf of the Board:

"Walter Storm"	***"Sean Pownall"***
Director	Director

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

TUDOR GOLD CORP.
(An Exploration Stage Company)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	2019	2018
EXPENSES		
Accretion	$ 1,035	$ 255
Automobile	14,633	10,297
Consulting fees (Note 8)	316,281	281,932
Depreciation (Note 6)	40,265	22,501
General exploration costs	-	9,360
Management fees (Note 8)	100,000	144,000
Office and miscellaneous	88,201	101,002
Professional fees	125,669	92,316
Salaries and wages (Note 8)	246,597	119,665
Shareholder information and promotion	216,663	120,521
Share-based compensation (Note 7)	1,398,586	397,337
Transfer agent, listing and filing fees	30,766	38,932
Travel	34,170	35,382
Loss from operations	(2,612,866)	(1,373,500)
Foreign exchange gain (loss)	(23)	2,346
Interest expense	(287,575)	(248,216)
Loss on disposal of property and equipment	(4,719)	-
Loss on impairment of investment (Note 5)	-	(93,750)
Other income on settlement of flow-through liability (Note 10)	-	114,752
Write-down of exploration and evaluation assets (Note 4)	(604,487)	(2,090,900)
Write-off of accounts payable	11,655	-
Net loss for the year	$ (3,498,015)	$ (3,689,268)
Other comprehensive loss		
Unrealized loss on investments (Note 5)	(31,250)	(31,250)
Reclass adjustment for impairment included in net loss	-	93,750
Comprehensive loss for the year	(3,529,265)	(3,626,768)
Basic and diluted loss per common share	$ (0.04)	$ (0.05)
Weighted average number of common shares outstanding (basic and diluted)	93,171,982	79,390,604

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

TUDOR GOLD CORP.
(An Exploration Stage Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Capital						
	Number of Shares	Amount	Share Subscriptions Received in Advance	Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total
Balance, March 31, 2017	**65,625,000**	**$13,793,704**	**$ -**	**$ 334,968**	**$ (62,500)**	**$ (1,839,702)**	**$ 12,226,470**
Private placements	4,455,291	3,093,640	-	45,100	-	-	3,138,740
Exercise of options	50,000	5,000	-	-	-	-	5,000
Exercise of warrants	11,000,000	1,100,000	-	-	-	-	1,100,000
Shares for exploration and evaluation assets	300,000	183,000	-	-	-	-	183,000
Share issue costs	95,147	(225,427)	-	38,180	-	-	(187,247)
Share subscriptions received in advance	-	-	628,000	-	-	-	628,000
Flow-through share premium liability	-	(114,752)	-	-	-	-	(114,752)
Share-based compensation	-	-	-	397,337	-	-	397,337
Fair value reversal on exercise of options	-	4,472	-	(4,472)	-	-	-
Fair value adjustment on available-for-sale investments	-	-	-	-	(31,250)	-	(31,250)
Reclass adjustment for impairment included in net loss	-	-	-	-	93,750	-	93,750
Loss for the year	-	-	-	-	-	(3,689,268)	(3,689,268)
Balance, March 31, 2018	**81,525,438**	**17,839,637**	**628,000**	**811,113**	**-**	**(5,528,970)**	**13,749,780**
Private placements	23,982,823	6,957,560	(628,000)	237,690	-	-	6,567,250
Exercise of warrants	2,000,000	200,000	-	-	-	-	200,000
Shares for exploration and evaluation assets	1,250,000	289,000	-	-	-	-	289,000
Share issue costs	-	(212,835)	-	9,377	-	-	(203,458)
Share-based compensation	-	-	-	1,398,586	-	-	1,398,586
Fair value adjustment on investment	-	-	-	-	(31,250)	-	(31,250)
Loss for the year	-	-	-	-	-	(3,498,015)	(3,498,015)
Balance, March 31, 2019	**108,758,261**	**$25,073,362**	**$ -**	**$ 2,456,766**	**$ (31,250)**	**$ (9,026,985)**	**$ 18,471,893**

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

TUDOR GOLD CORP.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (3,498,015)	$ (3,689,268)
Accretion on lease obligations	1,035	255
Accrued interest expense	287,575	248,216
Depreciation	40,265	22,501
Share-based compensation	1,398,586	397,337
Other income on settlement of flow-through liability	-	(114,752)
Loss on disposal of property and equipment	4,719	-
Loss on impairment of investment	-	93,750
Write-down of exploration and evaluation assets	604,487	2,090,900
Write-off of accounts payable	(11,655)	-
Changes in non-cash working capital items:		
Amounts receivable	117,012	(182,293)
Prepaids and deposits	8,215	(14,076)
Accounts payable and accrued liabilities	(465,273)	149,785
Net cash used in operating activities	(1,513,049)	(997,645)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets - option payments	(50,000)	(256,542)
Exploration and evaluation assets - exploration expenses	(4,724,834)	(4,132,162)
Reclamation deposits	-	(14,000)
Proceeds from disposition of property and equipment	7,500	-
Purchase of property and equipment	(59,452)	(6,864)
Net cash used in investing activities	(4,826,786)	(4,409,568)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance lease payments	(20,607)	(26,158)
Proceeds from private placements, net	6,363,792	3,018,430
Proceeds from exercise of options	-	5,000
Proceeds from exercise of warrants	200,000	1,100,000
Proceeds from credit facility	-	650,000
Share subscriptions received in advance	-	628,000
Loans received from a related party	-	240,000
Repayment of loans	(240,000)	-
Net cash provided by financing activities	6,303,185	5,615,272
Change in cash during the year	(36,650)	208,059
Cash, beginning of year	302,362	94,303
Cash, end of year	$ 265,712	$ 302,362

Supplemental disclosures with respect to cash flows (Note 13)

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

1. NATURE OF OPERATIONS

Tudor Gold Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on January 20, 2010. On April 28, 2016, the Company was continued from the Province of Alberta to the Province of British Columbia. The Company changed its name to Tudor Gold Corp. on May 11, 2016. On April 6, 2016, the Company completed its Qualifying Transactions by entering into a definitive acquisition agreement with Tudor Holdings Ltd. ("Tudor Holdings") involving the issuance of 30,000,000 common shares of the Company at a deemed price of $0.10 per share in exchange for rights to the Mackie property located in the Skeena Mining Division of northwestern British Columbia (Notes 4 and 7). The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "TUD". The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties in Canada.

The head office and principal business address of the Company is Suite 205 – 837 West Hastings St., Vancouver, BC, V6C 3N6.

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were authorized for issue by the Audit Committee and Board of Directors on July 26, 2019.

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments as described in Note 11, 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.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Certain comparative financial information has been reclassified to conform with this year's presentation.

Going Concern

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. During the year ended March 31, 2019, the Company incurred a net loss of $3,498,015 (2018 - $3,689,268) and as at March 31, 2019 had an accumulated deficit of $9,026,985 (March 31, 2018 - $5,528,970). The Company will require additional capital to finance future operations and growth and if the Company is unable to obtain additional financing, it may be unable to continue as a going concern. There can be no assurance that management's plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company's exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. As at March 31, 2019 and 2018, the Company did not have any cash equivalents.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item.

Depreciation is provided at rates calculated to write off the cost of property and equipment, less their estimated residual value, using the straight-line method over the following expected useful lives:

• Building	20 years
• Website development	4 years
• Vehicles	8 years
• Equipment	4 years
• Land	Not subject to depreciation

Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instrument depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of loss and comprehensive loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of loss and comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's receivables the Company has no material loss allowance as at March 31, 2019 and 2018.

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Exploration and evaluation assets

The Company accounts for its mineral properties as exploration and evaluation assets in accordance with IFRS 6. The Company capitalizes mineral property interest acquisition costs, which include the cash consideration, option payment under an earn-in arrangement and, the fair value of common shares issued for mineral property interests. The acquisition costs are deferred until the property is placed into development (when commercial viability and technical feasibility are established), sold or abandoned or determined to be impaired. Before moving acquisition costs into property, plant and equipment upon commencement of development stage, the property is first tested for impairment. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company also capitalizes all exploration and evaluation costs incurred prior to the determination of economically recoverable reserves. Exploration and evaluation expenditure relates to costs incurred for investigation and evaluation of potential mineral reserves and resources, including trenching, exploratory drilling, sampling, mapping and other activities in searching for ore bodies under the properties, and evaluate the technical and commercial viability of developing mineral properties identified through exploration. Exploration and evaluation expenditures, net of any recoveries, are recorded on a property-by-property basis.

Provision and contingent liabilities

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Decommissioning liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax risk-free interest rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company had no material restoration, rehabilitation and environmental obligations as at March 31, 2019 and 2018.

Foreign exchange

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in the Canadian dollar, which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

Flow-through shares

The issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Upon renunciation of the flow through expenditures, the liability component is derecognized in the statement of loss and a deferred income tax liability is recognized for the taxable temporary difference created at the Company's applicable tax rate which is expected to apply in the year the deferred income tax liability will be settled. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of loss and comprehensive loss.

Leases

Contracts which contain the legal form of a lease are classified as either finance or operating leases. Finance leases represent leases that transfer substantially all of the risks and rewards of ownership of the leased asset. They are capitalized at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments and these capitalized costs are depreciated over the shorter of the period of expected use and the lease term. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are included in the Company's Statements of Loss and Comprehensive Loss on a straight-line basis over the period of the lease. In addition to contracts which take the legal form of a lease, other significant contracts are assessed to determine whether, in substance, they are or contain a lease, if the contractual arrangement contains the use of a specific asset and the right to use that asset.

Share-based compensation

The Company may grant 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.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

Share purchase warrants

Warrants with the right to acquire common shares in the Company are typically issued through the Company's equity financing activities. Where warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to equity reserves and as a share issue cost.

The Company uses the residual value method of accounting for warrants included in a share unit offering. When warrants are attached to common shares issued by the Company as part of a share unit offering, the proceeds from the unit sale are bifurcated first to the common shares at their fair market value on the date of issuance. Any excess in the purchase price of the unit as a whole and the fair market value of the common shares issued on the date of unit sales is attributed to the value of warrants. This fair value is recorded as an increase to equity reserves.

When share purchase warrants are exercised, the cash proceeds along with the amount previously recorded in equity reserves are recorded as share capital.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow.

Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, basic per share amounts are the same as on a diluted basis as the result would be anti-dilutive.

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

<u>Valuation of stock options and share purchase warrants</u>

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

<u>Income taxes</u>

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, or deferred income tax assets and liabilities.

<u>Economic recoverability of exploration and evaluation assets</u>

Management has determined that exploration and evaluation costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Changes in accounting policies

IFRS 9 – Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning April 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and lost ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not impact the carrying amounts of any of the Company's financial assets on the transition date. The Company designated its equity securities as FVTOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income.

IFRS 15 – Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The adoption of IFRS 15 did not have any impact on the financial statements as the Company has had no revenue since inception.

Future changes in accounting policies

IFRS 16 – Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company's only lease obligation is detailed in Note 9 and, as a result, the Company does not expect any material impact on the financial statements upon adoption of IFRS 16.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Mackie East	Mackie West	Treaty Creek	Electrum	Other	Total
ACQUISITION						
Balance, March 31, 2018	**$ 1,050,000**	**$ 1,000,000**	**$ 1,877,400**	**$ 2,377,400**	**$ 1,094,670**	**$ 7,399,470**
Share option payments	-	-	-	-	289,000	289,000
Cash option payments	-	-	-	50,000	-	50,000
Impairment write-down	-	-	-	-	(511,500)	(511,500)
Balance, March 31, 2019	**$ 1,050,000**	**$ 1,000,000**	**$ 1,877,400**	**$ 2,427,400**	**$ 872,170**	**$ 7,226,970**
EXPLORATION						
Balance, March 31, 2018	**$ 49,506**	**$ 13,519**	**$ 7,926,953**	**$ 776,642**	**$ 81,211**	**$ 8,847,831**
Air transportation	-	-	960,191	-	10,125	970,316
Assaying	-	-	142,309	8,349	-	150,658
Consulting fees	-	-	237,871	129,619	5,594	373,084
Drilling	-	-	1,124,155	-	-	1,124,155
Environmental studies	-	-	-	66,704	-	66,704
Field costs	-	-	680,472	12,464	1,600	694,536
Geophysics	-	-	-	104,425	-	104,425
Geology	-	-	55,806	3,828	251	59,885
Road access	-	-	-	5,158	-	5,158
Travel	-	-	309,496	-	1,667	311,163
Impairment write-down	-	-	-	-	(92,987)	(92,987)
Balance, March 31, 2019	**$ 49,506**	**$ 13,519**	**$ 11,437,253**	**$ 1,107,189**	**$ 7,461**	**$ 12,614,928**
CARRYING VALUE						
March 31, 2018	$ 1,099,506	$ 1,013,519	$ 9,804,353	$ 3,154,042	$ 1,175,881	$ 16,247,301
March 31, 2019	**$ 1,099,506**	**$ 1,013,519**	**$ 13,314,653**	**$ 3,534,589**	**$ 879,631**	**$ 19,841,898**

(Expressed in Canadian dollars)

	Mackie East	Mackie West	Doc	Treaty Creek	Electrum	Other	Total
ACQUISITION							
Balance, March 31, 2017	**$ 1,050,000**	**$ 1,000,000**	**$ 1,038,500**	**$ 1,877,400**	**$ 2,377,400**	**$ 1,623,709**	**$ 8,967,009**
Share option payments	-	-	-	-	-	183,000	183,000
Cash option payments	-	-	-	-	-	256,542	256,542
Impairment write-down	-	-	(1,038,500)	-	-	(968,581)	(2,007,081)
Balance, March 31, 2018	**$ 1,050,000**	**$ 1,000,000**	**$ -**	**$ 1,877,400**	**$ 2,377,400**	**$ 1,094,670**	**$ 7,399,470**
EXPLORATION							
Balance, March 31, 2017	**$ 49,006**	**$ 13,519**	**$ 75,238**	**$ 2,063,688**	**$ 441,299**	**$ 89,792**	**$ 2,732,542**
Air transportation	-	-	-	1,663,953	3,409	-	1,667,362
Assaying	-	-	-	423,681	16,496	-	440,177
Consulting fees	500	-	-	224,180	98,868	-	323,548
Drilling	-	-	-	3,015,880	7,394	-	3,023,274
Field costs	-	-	-	486,655	15,514	-	502,169
Geology	-	-	-	43,568	-	-	43,568
Road access	-	-	-	-	193,662	-	193,662
Travel	-	-	-	5,348	-	-	5,348
Impairment write-down	-	-	(75,238)	-	-	(8,581)	(83,819)
Balance, March 31, 2018	**$ 49,506**	**$ 13,519**	**$ -**	**$ 7,926,953**	**$ 776,642**	**$ 81,211**	**$ 8,847,831**
CARRYING VALUE							
March 31, 2017	$ 1,099,006	$ 1,013,519	$ 1,113,738	$ 3,941,088	$ 2,818,699	$ 1,713,501	$ 11,699,551
March 31, 2018	**$ 1,099,506**	**$ 1,013,519**	**$ -**	**$ 9,804,353**	**$ 3,154,042**	**$ 1,175,881**	**$ 16,247,301**

Mackie East, Mackie West and Doc claims

On April 6, 2016, the Company completed a definitive acquisition agreement with Tudor Holdings involving the issuance of 30,000,000 common shares of the Company at a value of $0.10 per share (issued) (Note 7) in exchange for rights to the Mackie Property located in the Skeena Mining Division of northwestern British Columbia. The 30,000,000 common shares will be subject to an escrow agreement, under which the shares will be released over the next three years. The Mackie Property consists of three main claim groups: Mackie East, Mackie West and the Doc claims.

The Mackie East claims are subject to an option agreement, whereby the Company can acquire a 100% interest in the claims by making property payments totaling $250,000 over the next three years ($50,000 paid). The Mackie East claims are subject to a 2.5% net smelter return ("NSR") royalty.

The Mackie West claims are not subject to an underlying option agreement and will be wholly owned on completion of the acquisition agreement. There are no NSR royalties in respect of these claims.

The Doc claims were subject to an option agreement, whereby the Company would acquire a 100% interest in the claims by making property payments totaling $2,000,000 over the next three years. The option agreement was amended in November 2016, such that the $50,000 cash payment due in November 2016 was replaced by the issuance of 70,000 common shares of the Company to the optionor (issued with a value of $38,500). The Doc claims are subject to a 2.5% NSR royalty. During the year ended March 31, 2018, the Company recorded a provision for write-down of $1,113,738 to a carrying value of $Nil related to the Doc claims.

In September 2018, the Company entered into an agreement (the "Amending Agreement") with John Bot (the "Optionor") amending certain payment terms of the original option agreement to acquire a 100% interest in the Doc claims. The Amending Agreement provides for the issuance of 150,000 common shares (issued with a value of $36,000) (Note 7) of the Company in lieu of a cash payment of $50,000 due on September 15, 2018 as well as an extension of the remaining scheduled payments. Payment schedule per the Amending Agreement is as follows:

- $50,000 due on or before November 20, 2018 has been extended to August 29, 2019; and
- $1,825,000 due on or before November 20, 2019 has been extended to August 29, 2020.

As at March 31, 2019, the Company recorded a provision for write-down of $47,776 related to the Doc property.

Treaty Creek Property

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Treaty Creek Property located in northwestern British Columbia by acquiring a 31% interest from American Creek Resources Ltd. ("American Creek"), which held a 51% stake, and a 29% interest from Teuton Resources Corp. ("Teuton"), which held a 49% interest. The Company acquired the combined 60% interest by issuing 500,000 common shares to each of American Creek and Teuton with a combined value of $1,260,000 (issued). As part of the agreement, the Company agreed to complete a minimum of $1,000,000 in exploration expenditures on the Treaty Creek Property during 2016 (completed).

Pursuant to the agreement, the Company holds a 60% interest and each of American Creek and Teuton hold a 20% interest. Both American Creek's and Teuton's 20% interests are carried during the exploration period until a production notice is given, at which time they will each be responsible for 20% of the costs under and subject to the terms of the joint venture agreement. The Property is subject to 3% NSR royalties under the terms of the agreement and the Company is designated as operator of the joint venture.

Electrum Property

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Electrum Property located in northwestern British Columbia from American Creek, by issuing 1,000,000 common shares with a value of $1,260,000 (issued) and paying $500,000 (paid). As part of the agreement, the Company also acquired 3,125,000 shares of American Creek by investing $250,000 pursuant to a private placement, at a price of $0.08 per American Creek share (Note 5). Under the terms of the agreement, the Company is designated as operator of the joint venture.

The Electrum Property comprises eight claims, of which six claims are subject to a 2% NSR royalty which can be purchased at any time for $1,000,000.

On June 19, 2018 the Company entered into an option agreement to acquire the remaining 40% interest in the Electrum property from American Creek by making option payments of $50,000 (paid) on signing of the agreement and $2,650,000 on or before August 15, 2018. During the year ended March 31, 2019 the Company let the option to acquire the remaining 40% interest lapse.

Eskay North Property

On May 10, 2016, the Company acquired a 100% interest in a single mining claim in the Skeena Mining Division of northwestern British Columbia, known as the Eskay North Property. As consideration for the claim, the Company issued 750,000 common shares over a twelve-month period (issued with a combined value of $605,000) (Note 7). The Eskay North Property is subject to a 2.5% NSR royalty payable to the vendor.

Orion Property

On June 1, 2016, the Company entered into an option agreement to acquire a 100% interest in the Orion Property located in the Skeena Mining Division of northwestern British Columbia by making option payments totaling $700,000 ($200,000 paid) and the issuance of 700,000 common shares over a five-year period (300,000 common shares issued with a value of $375,000). The Property is subject to a 2.5% NSR royalty. During the year ended March 31, 2019, the Company failed to make the required payments under the option agreement and wrote off its $556,711 investment in the property.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Orion property in which certain payment terms have been amended. Pursuant to the amended payment terms, in order to maintain its option, the Company issued 216,667 common shares valued at $49,833 on September 28, 2018 (Note 7) and must pay $50,000 and issue 50,000 common shares on or before June 1, 2019; must pay $50,000 and issue 50,000 common shares on or before June 1, 2020 and must pay $450,000 and issue 250,000 common shares on or before June 1, 2021.

Fairweather, Delta and High North Property Option Agreements

On May 24, 2016, the Company entered into agreements with Tudor Holdings to assume option agreements on three properties in the Skeena Mining Division of northwestern British Columbia. The Company was granted the right to acquire a 100% interest in the three properties pursuant to the terms of assignment and assumption agreements. The properties are known as the Fairweather Property, the Delta Property, and the High North Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of $568,743 to a carrying value of $Nil related to the Fairweather Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of $205,951 to a carrying value of $Nil related to the Delta Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of $202,468 to a carrying value of $Nil related to the High North Property.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Fairweather property, the Delta property and the High North property in which certain payment terms have been amended. The amended payment terms are as follows:

- Fairweather property: in order to maintain the option, the Company issued 216,667 common shares valued at $49,833 on September 28, 2018 (Note 7); and in order to maintain the option, must pay $60,000 and issue 50,000 common shares on or before December 15, 2018 (not paid); must pay $70,000 and issue 50,000 common shares on or before December 15, 2019 and must pay $120,000 and issue 250,000 common shares on or before December 15, 2020.
- Delta property: the Company issued 333,333 common shares valued at $76,667 on September 28, 2018 (Note 7); and in order to maintain the option, must pay $100,000 on March 1, 2019 (not paid) and $600,000 on March 1, 2020.
- High North property: the Company issued 333,333 common shares valued at $76,667 on September 28, 2018 (Note 7); and in order to maintain the option, must pay $100,000 on March 1, 2019 (not paid) and $600,000 on March 1, 2020.

Reclamation Bonds

During the year ended March 31, 2018, the Company paid $145,600 for reclamation bonds to the Minister of Finance. The bonds are recoverable, subject to the Company meeting the B.C. Ministry of Energy and Mines reclamation requirements.

(Expressed in Canadian dollars)

5. INVESTMENTS

Pursuant to the Company's joint venture agreement with American Creek related to the Electrum Property, the Company acquired 3,125,000 shares of American Creek by investing $250,000 at a price of $0.08 per American Creek share (Note 4).

	March 31, 2019		March 31, 2018	
	Cost	**Fair Value**	**Cost**	**Fair Value**
American Creek:				
3,125,000 common shares	$ 250,000	$ 125,000	$ 250,000	$ 156,250
	$ 250,000	$ 125,000	$ 250,000	$ 156,250

During the year ended March 31, 2019, the Company recognized a fair value adjustment on the investment in the amount of $31,250 (2018 - $31,250). During the year ended March 31, 2018 the Company determined its investment in American Creek was permanently impaired and recognized an impairment charge of $93,750.

6. PROPERTY AND EQUIPMENT

	Building	**Land**	**Equipment**	**Vehicle**	**Website**	**Total**
COSTS						
Balance, March 31, 2017	$ 38,750	$ 33,750	$ -	$ 27,000	$ 23,424	$ 122,924
Additions (Dispositions)	-	-	90,481	3,000	(1,321)	92,160
Balance, March 31, 2018	**38,750**	**33,750**	**90,481**	**30,000**	**22,103**	**215,084**
Additions (Dispositions)	-	-	21,590	(16,000)	37,862	43,452
Balance, March 31, 2019	**$ 38,750**	**$ 33,750**	**$ 112,071**	**$ 14,000**	**$ 59,965**	**$ 258,536**
ACCUMULATED DEPRECIATION						
Balance, March 31, 2017	$ 937	$ -	$ -	$ 1,297	$ 2,928	$ 5,162
Depreciation	1,938	-	11,310	3,562	5,691	22,501
Balance, March 31, 2018	**2,875**	**-**	**11,310**	**4,859**	**8,619**	**27,663**
Depreciation	1,937	-	25,319	2,750	10,259	40,265
Disposition	-	-	-	(3,781)	-	(3,781)
Balance, March 31, 2019	**$ 4,812**	**$ -**	**$ 36,629**	**$ 3,828**	**$ 18,878**	**$ 64,147**
NET BOOK VALUE						
March 31, 2018	$ 35,875	$ 33,750	$ 79,171	$ 25,141	$ 13,484	$ 187,421
March 31, 2019	**$ 33,938**	**$ 33,750**	**$ 75,442**	**$ 10,172**	**$ 41,087**	**$ 194,389**

7. SHAREHOLDERS' EQUITY

Authorized share capital

Unlimited common shares, without par value.
Unlimited preferred shares issuable in series.

Share issuances

On April 10, 2017, an aggregate of 11,000,000 share purchase warrants of the Company were exercised at a price of $0.10 each, resulting in the issuance of 11,000,000 shares of the Company for proceeds of $1,100,000.

On May 31, 2017, the Company issued 250,000 common shares valued at $152,500 related to the Eskay North Property, and issued 50,000 common shares valued at $30,500 related to the Orion Property (Note 4).

On June 6, 2017, an aggregate of 50,000 stock options of the Company were exercised at a price of $0.10 each, resulting in the issuance of 50,000 common shares of the Company for proceeds of $5,000.

On August 21, 2017, the Company closed the first tranche of a non-brokered private placement consisting of 717,200 flow-through common shares ("FT Shares") at a price of $0.80 per FT Share, 1,139,452 non-flow-through common shares ("Non-FT Shares") at a price of $0.64 per Non-FT Share, and 1,263,639 units at a price of $0.64 per unit for gross proceeds of $2,111,740. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $1.00 per share for a period of two years.

On August 30, 2017, the Company closed the second tranche of a non-brokered private placement consisting of 925,000 FT Shares at a price of $0.80 per FT Share for gross proceeds of $740,000. In connection with both the first and second tranches of this private placement, the Company paid finders' fees totaling $83,726, issued 98,802 finders' warrants valued at $38,180, issued 95,147 finders' common shares valued at $75,166, and incurred other share issuance costs totaling $103,521. The finders' warrants were valued using the Black-Scholes option pricing model using the following weighted average assumptions: term of 2 years; expected volatility of 93.60%; risk-free rate of 1.31%; and expected dividends of Nil.

On October 30, 2017, the Company closed a non-brokered private placement consisting of 410,000 units at a price of $0.70 per unit for gross proceeds of $287,000. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $1.00 for a period of two years. A value of $45,100 was attributed to the warrant component of the units.

On April 16, 2018, the Company closed a non-brokered private placement, consisting of 2,080,000 shares at a price of $0.40 per share and 2,920,000 units at a price of $0.40 per unit, for aggregate gross proceeds of $2,000,000. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.65 per share for a period of two years from the closing. In connection with the offering, the Company paid a cash finder's fee of $9,115.

On June 11, 2018, the Company issued 2,000,000 common shares, pursuant to the exercise of 2,000,000 warrants for proceeds of $200,000.

On July 5, 2018, the Company closed a non-brokered private placement, consisting of 1,000,000 units at a price of $0.35 per unit for aggregate gross proceeds of $350,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.55 per share for a period of two years from the closing. In connection with the offering, the Company paid a cash finder's fee of $21,000 and issued 60,000 non-transferable finder's warrants valued at $9,377, with each finder's warrant exercisable for a common share of the Company at an exercise price of $0.45 per share for a period of two years. The finders' warrants were valued using the Black-Scholes option pricing model using the following weighted average assumptions: term of 2 years; expected volatility of 86.48%; risk-free rate of 1.26% and expected dividends of Nil.

On July 26, 2018, the Company closed a non-brokered private placement, consisting of 2,857,142 units at a price of $0.35 per unit for aggregate gross proceeds of $1,000,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.55 per share for a period of two years from the closing. A value of $14,286 was attributed to the warrant component of the units.

On September 25, 2018, the Company closed a non-brokered private placement, consisting of 3,191,481 units at a price of $0.27 per unit for aggregate gross proceeds of $861,700. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.40 per share for a period of one year from the closing. A value of $223,404 was attributed to the warrant component of the units.

On September 28, 2018, the Company issued 333,333 common shares valued at $76,667 related to the High North property; 216,667 common shares valued at $49,833 related to the Fairweather property; 333,333 common shares valued at $76,667 related to the Delta property; and 216,667 common shares valued at $49,833 related to the Orion property (Note 4).

On October 4, 2018, the Company issued 150,000 common shares valued at $36,000 related to the Doc claims (Note 4).

On March 19, 2019, the Company closed a non-brokered private placement, consisting of 11,934,200 units at a price of $0.25 per unit for aggregate gross proceeds of $2,983,550. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.40 per share for a year from the closing. In connection with the offering, the Company paid cash finder's fees of $103,395.

In connection with the offerings, the Company incurred other share issuance costs of $69,948.

Escrow shares

As at March 31, 2019, 4,586,250 (2018 – 13,758,750) common shares are held in escrow and released over 36 months following the April 6, 2016 completion of the Company's Qualifying Transaction.

Stock options

The Company adopted an incentive stock option plan (the "Option Plan") which allows the Company's Board of Directors, at its discretion and in accordance with TSX-V requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees and technical consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

On October 2, 2017, the Company granted 600,000 stock options with an exercise price of $1.00 per share expiring October 2, 2019. The fair value of the stock options was estimated to be $173,772 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 94.51%; risk-free rate of 1.53%; and expected dividends of Nil.

On March 15, 2018, the Company granted 1,200,000 stock options with an exercise price of $0.55 per share expiring March 15, 2020. The fair value of the stock options was estimated to be $218,016 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 90.45%; risk-free rate of 1.77%; and expected dividends of Nil.

On March 15, 2018, the Company granted 300,000 stock options with an exercise price of $0.45 per share expiring March 15, 2020, with 25% of the options vesting every three months from the date of grant. In connection with the options granted, the Company recognized share-based compensation expense of $61,260 during the year ended March 31, 2019 (2018 - $5,549) using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 90.45%; risk-free rate of 1.77%; and expected dividends of Nil.

On March 20, 2019, the Company granted 5,450,000 stock options with an exercise price of $0.30 per share expiring March 20, 2024, with 4,850,000 options vesting immediately, 400,000 options vesting on each of the next four anniversary dates of the grant date and 200,000 options vesting each of the next two anniversary dates of the grant date. The fair value of the stock options was estimated to be $1,470,301, of which $1,311,292 was recognized during the year using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 85.01%; risk-free rate of 1.58%; and expected dividends of Nil.

On March 20, 2019, the Company granted 100,000 stock options with an exercise price of $0.35 per share expiring March 20, 2024. The fair value of the stock options was estimated to be $26,034 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 85.01%; risk-free rate of 1.58%; and expected dividends of Nil.

(Expressed in Canadian dollars)

Changes in stock options for the years ended March 31, 2019 and 2018 are as follows:

	March 31, 2019			March 31, 2018		
	Number of stock options		**Exercise price**	Number of stock options		Exercise price
Outstanding, beginning	**4,800,000**	**$**	**0.38**	2,750,000	$	0.15
Granted	**5,550,000**	**$**	**0.35**	2,100,000	$	0.66
Exercised	**-**	**$**	**-**	(50,000)	$	0.10
Expired	**(300,000)**	**$**	**0.10**	-	$	-
Expired	**(300,000)**	**$**	**0.55**	-	$	-
Outstanding, ending	**9,750,000**	**$**	**0.34**	4,800,000	$	0.38
Exercisable, ending	**9,150,000**	**$**	**0.34**	4,500,000	$	0.37

Stock options outstanding as at March 31, 2019 are as follows:

Grant Date	**Number of stock options**	**Exercise Price**	**Expiry Date**
April 19, 2016	2,100,000	$0.10	April 19, 2026
October 2, 2017	600,000	$1.00	March 15, 2022*
March 15, 2018	1,200,000	$0.55	March 15, 2022*
March 15, 2018	300,000	$0.45	March 15, 2020
March 20, 2019	5,450,000	$0.30	March 20, 2024
March 20, 2019	100,000	$0.35	March 20, 2024
	9,750,000		

* Extended subsequent to year end (Note 15).

Warrants

Changes in share purchase warrants for the year ended March 31, 2019 and 2018 are as follows:

	March 31, 2019			March 31, 2018		
	Number of warrants		**Exercise price**	Number of warrants		Exercise price
Outstanding, beginning	3,567,441	$	0.49	13,000,000	$	0.10
Issued	20,502,823	$	0.45	1,567,441	$	0.99
Exercised	(2,000,000)	$	0.10	(11,000,000)	$	0.10
Outstanding, ending	**22,070,264**	**$**	**0.48**	3,567,441	$	0.49

(Expressed in Canadian dollars)

Share purchase warrants outstanding as at March 31, 2019 are as follows:

Issue Date	Number of warrants	Exercise Price	Expiry Date
August 22, 2017	1,263,639	$1.00	August 21, 2019
August 22, 2017	43,302	$0.85	August 21, 2019
August 30, 2017	55,500	$0.85	August 31, 2019
October 30, 2017	205,000	$1.00	October 30, 2019
April 16, 2018	1,460,000	$0.65	April 16, 2020
July 5, 2018	1,000,000	$0.55	July 5, 2020
July 5, 2018	60,000	$0.45	July 5, 2020
July 26, 2018	2,857,142	$0.55	July 26, 2020
September 25, 2018	3,191,481	$0.40	September 25, 2019
March 19, 2019	11,934,200	$0.40	March 19, 2020
	22,070,264		

8. RELATED PARTY TRANSACTIONS

As at March 31, 2019, a total of $74,258 (2018 - $96,566) was owing to officers, directors and former directors of the Company and is included in accounts payable and accrued liabilities.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the year ended March 31, 2019 the Company paid salaries and wages of $40,000 (2018 - $Nil) to Aris Morfopoulos, the Chief Financial Officer of the Company and paid and/or accrued management fees of $56,000 (2018 - $96,000) to Morfopoulos Consulting Associates Ltd, a company controlled by the Chief Financial Officer of the Company, for management, accounting and administrative services.

The Company paid and/or accrued consulting fees of $97,500 (2018 - $180,000) to Ray Marks, the Executive VP and former director of the Company, for management and supervision of field operations. The Company also paid and/or accrued a total of $32,881 (2018 - $145,890) to Ray Marks for exploration-related expenditures (labour, logistics, third party costs) incurred on behalf of the Company during the period. As at March 31, 2019, $Nil (March 31, 2018 - $31,500) is owing to Ray Marks and included in accounts payable.

The Company paid or accrued consulting fees of $980 (2018 - $Nil) for geological consulting work to Burton Consulting Inc., a company owned by Alexander Burton, a director of the Company. As at March 31, 2019, $2,053 (March 31, 2018 - $Nil) is owing to Alexander Burton and included in accounts payable.

During the year ended March 31, 2019, the Company accrued salaries and wages of $120,000 (2018 - $88,807) to Walter Storm, the Chief Executive Officer of the Company. As at March 31, 2019, $72,205 (March 31, 2018 - $30,000) is owing to Walter Storm and included in accounts payable.

During the year ended March 31, 2019, the Company paid and/or accrued management fees of $44,000 (2018 - $48,000) to Tudor Holdings, a company controlled by an officer and director of the Company. As at March 31, 2019, $Nil (March 31, 2018 - $4,200) is owing to this company and included in accounts payable.

On May 10, 2016, the Company entered into a credit facility agreement with Tudor Holdings for up to $650,000 for the purpose of funding the acquisition, exploration and development of the Company's mineral properties. The credit facility is due to be repaid on May 10, 2020, is unsecured and non-convertible, with an interest rate of 8% per annum. As at March 31, 2019, the amount of $650,000 (March 31, 2018 - $650,000) in principal and $66,033 (March 31, 2018 - $14,888) in interest is owing on this credit facility.

The Company paid and/or accrued consulting fees of $Nil (2018 - $20,000) to Robert Quinn, a former director of the Company. As at March 31, 2019, $Nil (March 31, 2018 - $34,643) is owing to Robert Quinn and included in accounts payable.

During the year ended March 31, 2018, the Company received a short-term loan of $240,000 from Walter Storm, the Chief Executive Officer of the Company. The loan was unsecured, non-interest bearing and due on demand. In April 2018, the Company repaid the loan in full.

During the year ended March 31, 2019, the Company granted stock options to various officers and directors of the Company and recognized share-based compensation expense of $1,092,609 (2018 - $Nil).

9. LEASE OBLIGATION

On June 16, 2017, the Company entered into a four year finance lease for field equipment. The Company paid $10,000 plus taxes on signing as its first lease payment and is required to pay $1,605 per month plus taxes until May 2021. The present value of the total lease obligation was $85,295 using the financing rate of 3.99%. As at March 31, 2019, $18,808 (2018 - $19,573) of the lease obligation is due within one year and $21,013 (2018 - $39,820) is due to be repaid over the remaining term of the lease. During the year ended March 31, 2019, the Company recorded a total accretion expense of $1,035 (2018 - $255) related to this lease obligation.

10. FLOW-THROUGH LIABILITY

On August 30, 2017, the Company closed a non-brokered private placement and issued a total of 1,642,200 FT Shares at a price of $0.80 per FT Share for gross proceeds of $1,313,760. The FT Shares premium liability was calculated to be $114,752. The Company is required to incur eligible Canadian Exploration Expenditures by August 2019. Upon renunciation of the expenses to the investors, the FT Shares premium liability will be reversed as a recovery of deferred income tax assets previously not recognized. During the year ended March 31, 2018 the Company recognized a gain on settlement of flow-through liability of $114,752.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2019, the Company's financial instruments are comprised of cash, investment, reclamation deposits, accounts payable and accrued liabilities, lease obligations and credit facility. The fair values of these financial instruments approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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

As at March 31, 2019, the fair value of cash and investments (Note 5) held by the Company was based on level 1 of the fair value hierarchy. The fair value of the Company's lease obligations and credit facility approximate the carrying values as the contractual interest rates are comparable to current market interest rates.

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 an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2019, the Company had cash of $265,712 to settle current liabilities of $1,594,082. All of the Company's current financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company requires additional cash to meet the payment obligations.

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 equity prices.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's current exposure to interest rate risk is limited to its cash and cash equivalents yielding interest income at varying rates. The Company's interest obligations on its credit facility, loan payable and certain accounts payable balances, are fixed. The Company's current exposure to interest rate risk is insignificant.

Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has nominal expenses denominated in a foreign currency, so it is not exposed to any significant foreign currency risk.

Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

12. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2019, the Company's shareholders' equity was $18,471,893 and it had current liabilities of $1,594,082. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares as well as a loan and a credit facility from related parties. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses. Additional funds may be required to finance the Company's future business opportunities.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year ended March 31, 2019.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the year ended March 31, 2019

The Company issued a total 1,250,000 common shares valued at $289,000 for the acquisition of exploration and evaluation assets (Notes 4 and 7).

In connection with the July 5, 2018 private placement, the Company issued 60,000 finders' warrants valued at $9,377 (Note 7).

Included in accounts payable and accrued liabilities as at March 31, 2019 is $1,226,293 related to exploration and evaluations assets and $236,430 in accrued interest expense.

During the year ended March 31, 2018

The Company issued a total of 300,000 common shares valued at $183,000 for the acquisitions of exploration and evaluation assets (Notes 4 and 7).

In connection with the August 2017 private placement, the Company issued 98,802 finders' warrants valued at $38,180 and issued 95,147 finders' common shares valued at $75,166 (Note 7).

In August 2017, the Company issued a total of 1,642,200 FT Shares at $0.80 per FT Share for gross proceeds of $1,313,760, resulting in a flow-through share premium liability of $114,752.

The Company recorded a reversal in the amount of $4,472 between reserves and share capital in connection with stock options exercised.

Included in accounts payable and accrued liabilities as at March 31, 2018 is $2,091,043 related to exploration and evaluation assets, $66,937 related to share issuance costs and $233,328 in accrued interest expense.

The Company entered into a four year finance lease for field equipment and recognized additions of $85,295 (Note 7).

(Expressed in Canadian dollars)

14. INCOME TAXES

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

Years ended March 31,	**2019**	2018
Loss for the year	**$ (3,498,015)**	$ (3,689,268)
Expected income tax recovery	**(944,000)**	(969,000)
Permanent differences and other	**359,000**	107,000
Impact of flow-through shares	**-**	345,000
Share issue costs	**(55,000)**	(69,000)
Change in unrecognized deductible temporaray differences	**640,000**	586,000
Total income tax recovery	$ -	$ -

The significant components of the Company's unrecorded deferred tax assets and liabilities are as follows:

	March 31, 2019	March 31, 2018
Deferred tax assets		
Non-capital losses available for future periods	**$ 1,177,000**	$ 720,000
Share issue costs	**120,000**	107,000
Exploration and evaluation assets	**377,000**	211,000
Investments	**17,000**	13,000
Unrecognized deferred tax assets	**$ 1,691,000**	$ 1,051,000

The Company's non-capital losses expire as follows:

	2019	Expiry Date Range	2018	Expiry Date Range
Temporaray Differences				
Exploration and evaluation assets	**$ 1,397,000**	No expiry date	$ 783,000	No expiry date
Property and equipment	**$ (30,000)**	No expiry date	$ (113,000)	No expiry date
Share issue costs	**$ 444,000**	20340 to 2043	$ 396,000	2039 to 2042
Investments	**$ 125,000**	No expiry date	$ 94,000	No expiry date
Non-capital losses available for future periods	**$ 4,390,000**	2030 to 2039	$ 2,783,000	2030 to 2038

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balance have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

15. SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2019, the Company closed a non-brokered private placement, consisting of 5,625,000 flow-through units at a price of $0.32 per unit, for gross proceeds of $1,800,000 and 1,673,784 non-flow-through units at a price of $0.30 per unit for gross proceeds of $502,135. Each flow-through unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.50 per share for a period of one year from the closing. Each non-flow-through unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.50 per share for a period of one year from the closing. In connection with the offering, the Company paid a cash finder's fee of $132,800 and issued 222,500 non-transferable finders' warrants. Each finders' warrant entitles the holder to purchase one common share at a price of $0.32 for a period of two years from closing.

Subsequent to the year ended March 31, 2019, the Company issued 3,214,285 common shares of the Company in consideration for the settlement of a total of $900,000 in accrued liabilities to certain creditors.

Subsequent to the year ended March 31, 2019 the Company granted 300,000 stock options to an Officer at an exercise price of $0.40 per share for a period of five years.

Subsequent to the year ended March 31, 2019, the Company granted 150,000 stock options to consultants at an exercise price of $0.38 per share for a period of five years.

Subsequent to the year ended March 31, 2019 the Company extended the expiry of certain stock options previously granted to consultants to the Company from October 2, 2019 and March 15, 2020 to March 15, 2022.

Subsequent to the year ended March 31, 2019, the Company entered into a debt settlement agreement whereby the Company issued 79,365 common shares to settle debt in the amount of $25,000 to Greenwood Environmental Inc.

Subsequent to the year ended March 31, 2019, the Company issued 450,000 shares pursuant to the exercise of 450,000 stock options at $0.10 each and received $45,000.

Subsequent to the year ended March 31, 2019, the Company terminated its option agreement on the Doc property.

Subsequent to the year ended March 31, 2019, the Company completed a non-brokered private placement consisting of 6,666,666 units at a price of $0.45 per unit, for gross proceeds of $3,000,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of $0.55 for a period of one year.

Subsequent to the year ended March 31, 2019, the Company reached an agreement with Teuton to amend the revised option agreements on the Fairweather property, the Delta property, the High North property and the Orion property, in which certain payment provisions have been amended. The amended payment terms are as follows:

- Fairweather property: the December 15, 2018 payment has been changed from: the payment of $50,000 and the issuance of 50,000 common shares, to: the issuance of 200,000 common shares.

- Delta property: the March 1, 2019 payment has been changed from: the payment of $100,000, to: the issuance of 200,000 common shares.

- High North property: the March 1, 2019 payment has been changed from: the payment of $100,000, to: the issuance of 200,000 common shares.

- Orion property: the June 1, 2019 payment has been changed from: the payment of $50,000 and the issuance of 50,000 common shares, to: the issuance of 175,000 common shares.

The agreements to issue the above shares were made subject to the receipt of regulatory approval.

Subsequent to the year ended March 31, 2019, the Company reached an agreement to amend the option agreement on the Mackie East claims. Under the amended terms the Company will issue 300,000 common shares and pay to the vendor $25,000 on or before September 26, 2019. The amended agreement is subject to regulatory approval.