

**GOLDENEYE RESOURCES CORP.**  
CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended April 30, 2018 and 2017  
(Stated in Canadian Dollars)



**Crowe MacKay LLP**

1100 - 1177 West Hastings St.  
Vancouver, BC V6E 4T5

Main +1 (604) 687-4511

Fax +1 (604) 687-5805

[www.crowemackay.ca](http://www.crowemackay.ca)

**Independent Auditor's Report**

**To the Shareholders of  
Goldeneye Resources Corp.**

We have audited the accompanying consolidated financial statements of Goldeneye Resources Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at April 30, 2018 and April 30, 2017, and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficit) 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.

**Auditor's 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 audits 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 auditor's 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, the consolidated financial statements present fairly, in all material respects, the financial position of Goldeneye Resources Corp. and its subsidiaries as at April 30, 2018 and April 30, 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 modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt about the ability of Goldeneye Resources Corp. to continue as a going concern.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants  
Vancouver, British Columbia  
August 9, 2018**



**GOLDENEYE RESOURCES CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
For the years ended April 30, 2018 and 2017  
(Stated in Canadian Dollars)

	<u>2018</u>	<u>2017</u>
Administrative expenses		
Accounting and audit fees	\$ 6,630	\$ 6,630
Administrative fees (Note 8)	30,000	30,000
Bad debts	-	1,460
Consulting fees	8,500	-
Filing fees	7,943	9,899
Legal fees	667	12,525
Office and miscellaneous	1,621	999
Shareholder communications	868	1,346
Transfer agent	6,659	6,348
Travel and promotion	<u>3,063</u>	<u>22,139</u>
Loss before other items	<u>(65,951)</u>	<u>(91,346)</u>
Other items:		
Interest income	-	925
Foreign exchange gain	-	607
Write-off of loan receivable	(14,585)	-
Reclassification of gain on disposal of foreign operations	<u>42,921</u>	<u>-</u>
	<u>28,336</u>	<u>1,532</u>
Net loss for the year	(37,615)	(89,814)
Other comprehensive loss		
Reclassification of gain on disposal of foreign operations	<u>(42,921)</u>	<u>-</u>
Total comprehensive loss for the year	<u>\$ (80,536)</u>	<u>\$ (89,814)</u>
Basic and diluted loss per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding basic and diluted	<u>22,991,130</u>	<u>22,991,130</u>

**GOLDENEYE RESOURCES CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the years ended April 30, 2018 and 2017  
(Stated in Canadian Dollars)

	<u>2018</u>	<u>2017</u>
Operating Activities		
Net loss for the year	\$ (37,615)	\$ (89,814)
Add items not affecting cash		
Accrued interest receivable	-	(925)
Bad debts	-	1,460
Write-off of loan receivable	14,585	-
Reclassification of gain on disposal of foreign operations	(42,921)	-
Foreign exchange (gain) loss	-	(607)
Changes in non-cash working capital items related to operations:		
GST receivable	197	316
Prepaid expenses	8,500	(8,501)
Accounts payable and accrued liabilities	<u>7,132</u>	<u>(1,937)</u>
Cash used in operating activities	<u>(50,122)</u>	<u>(100,008)</u>
Investing Activity		
Loan receivable	<u>-</u>	<u>(13,660)</u>
Cash used in investing activity	<u>-</u>	<u>(13,660)</u>
Financing Activity		
Shares issued for cash	<u>-</u>	<u>12,000</u>
Cash provided by financing activity	<u>-</u>	<u>12,000</u>
Effect of foreign exchange on cash	<u>-</u>	<u>607</u>
Increase (decrease) in cash during the year	(50,122)	(101,061)
Cash beginning of year	<u>69,115</u>	<u>170,176</u>
Cash end of the year	<u>\$ 18,993</u>	<u>\$ 69,115</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid (received)	<u>\$ -</u>	<u>\$ -</u>
Dividends paid (received)	<u>\$ -</u>	<u>\$ -</u>

**GOLDENEYE RESOURCES CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)**  
For the years ended April 30, 2018 and 2017  
(Stated in Canadian Dollars)

	<u>Number of Shares</u>	<u>Share Capital</u>	<u>Reserves</u>	<u>Accumulated other comprehensive income (loss) (1)</u>	<u>Deficit</u>	<u>Total</u>
Balance, April 30, 2016	22,804,829	\$ 3,738,310	\$ 325,994	\$ 42,921	\$ (3,972,474)	\$ 134,751
For Cash:						
Exercise of warrants @ \$0.06	200,000	12,000	-	-	-	12,000
Comprehensive loss for the year	-	-	-	-	(89,814)	(89,814)
Balance, April 30, 2017	23,004,829	3,750,310	325,994	42,921	(4,062,288)	56,937
Reclassification of gain on disposal of foreign operations		-	-	(42,921)	-	(42,921)
Net loss for the year	-	-	-	-	(37,615)	(37,615)
Balance, April 30, 2018	<u>23,004,829</u>	<u>\$ 3,750,310</u>	<u>\$ 325,994</u>	<u>\$ -</u>	<u>\$ (4,099,903)</u>	<u>\$ (23,599)</u>

(1) Accumulated other comprehensive income (loss) represents cumulative translation adjustments.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**1. Corporate Information**

Goldeneye Resources Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on March 2, 2011. The Company’s principal activities include the acquisition, exploration and development of assets locally and globally. The Company is listed for trading on the TSX Venture Exchange under the symbol “GOE”.

The head office and principal address of the Company is located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

**2. Basis of Preparation**

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee.

The consolidated financial statements were authorized for issue by the Board of Directors on August 9, 2018.

Going Concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At April 30, 2018, the Company has not achieved profitable operations, has accumulated losses of \$4,099,903 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs except for certain financial instruments which are measured at fair value. The consolidated financial statements are presented in Canadian dollars.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**3. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Details of the subsidiaries are as follows:

	Incorporation	Percentage owned	
		2018	2017
0883396 BC Ltd.	British Columbia	-	100%
Goldeneye USA Corp.	Colorado	-	100%

During the year ended March 31, 2018, the Company's wholly-owned subsidiaries 0883396 BC Ltd. and Goldeneye USA Corp. were dissolved.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial assets in the following categories depending on the purpose for which the instruments were acquired: Financial assets at fair value through profit or loss ("FVTPL"), available for sale ("AFS") financial assets, loans and receivables, or held-to-maturity.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date.

Financial assets classified as AFS are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost.

The Company has classified cash and loan receivable as loans and receivables.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**3. Significant Accounting Policies – (cont'd)**

Financial Instruments – (cont'd)

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when one or more events that occurred after the initial recognition of the financial asset have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivable is reduced through the use of an allowance. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Impairment losses on loans and receivables carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Financial liabilities are classified as financial liabilities at FVTPL or other financial liabilities, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value.

Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities include accounts payables and accrued liabilities and loans payable, which are classified as other financial liabilities.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive common shares related to warrants and options outstanding totaling 21,195,000 at April 30, 2018 (2017 – 21,195,000) were not included in the computation of loss per share because their effect was anti-dilutive. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**3. Significant Accounting Policies – (cont'd)**

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**3. Significant Accounting Policies – (cont'd)**

Share-based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant using the Black-Scholes valuation model and recorded as compensation expense in profit or loss, with a corresponding increase to reserves. The fair value determined at the grant date of the equity-settled share based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of stock options that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments, along with the amounts reflected in reserves, is credited to share capital. Shares are issued from treasury upon the exercise of the equity-settled share based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by the use of the Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Expected volatility was determined based on the historical trading prices of the Company.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. Amount recorded in reserves for share options which expire unexercised remain in reserves.

Foreign currencies

The financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is Canadian dollars. The functional currency of Goldeneye Resources Corp. and 0883396 BC Ltd. was the Canadian dollar and of Goldeneye USA Corp. was the US dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**3. Significant Accounting Policies – (cont'd)**

Foreign currencies – (cont'd)

The assets and liabilities of entities whose functional currency is different from the presentation currency are translated into Canadian dollars using the exchange rate at the reporting date and the income statement is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation of entities from the functional currency to the presentation currency are charged to other comprehensive income (loss). On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

Accounting Standards and Amendments Issued But Not Yet Effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards.

IFRS 9 *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

IFRS 15 *Revenue from Contracts with Customers* provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 *Leases* replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets begin leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**4. Use of Estimates and Judgments**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

b) Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 2.

**5. Loan Receivable**

On May 12, 2016, the Company entered into a loan agreement with an arm's length party in the amount of US\$10,000 as the lender. The loan is unsecured, bears interest at 7% per annum and is due one year from the date of the agreement or the occurrence of an event of default. Interest is payable on the first day of each quarter beginning on September 1, 2016. The loan matured on May 12, 2017 and is in default and the Company has decided to write-off the loan and its accrued interest receivable.

**6. Loans Payable**

During the year ended April 30, 2016, the Company entered into loan agreements with two directors for an aggregate principal of \$17,000. The amounts owed are unsecured, non-interest bearing and repayable within 15 days of the lenders' demands for repayment. On September 17, 2015, the Company repaid \$13,000 to the two directors. In addition, the Company received \$3,000 from a parent of a director, which is unsecured, non-interest bearing, and has no specific terms of repayment. As at April 30, 2018 and 2017, \$7,000 remained outstanding.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**7. Share Capital and Reserves**

a) Authorized

Unlimited common shares, without par value.

b) Issued

There were no shares issued during the year ended April 30, 2018.

During the year ended April 30, 2017

On May 25, 2016, the Company issued 200,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of \$12,000.

c) Stock Options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

There were no stock options granted during the years ended April 30, 2018 and 2017.

Details of stock options activities for the years ended April 30, 2018 and 2017 are as follows:

	Number of options	Weighted Average Exercise Price
Balance outstanding April 30, 2016 and 2017	1,047,500	\$0.08
Expired	(22,500)	\$1.50
Balance outstanding, April 30, 2018	1,025,000	\$0.05

As at April 30, 2018, the Company had 1,025,000 stock options outstanding as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date
1,025,000	1,025,000	\$0.05	February 18, 2021
1,025,000	1,025,000		

The weighted average remaining life of the 1,025,000 stock options is 2.81 years.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

7. **Share Capital and Reserves – (cont'd)**

d) Agent's and Finder's Warrants

Details of agent's and finder's warrants activities for the years ended April 30, 2018 and 2017 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2016 and 2017	81,917	\$1.50
Expired	(81,917)	\$1.50
Balance, April 30, 2018	-	\$-

e) Warrants

Details of share purchase warrants activities for the years ended April 30, 2018 and 2017 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2016	21,291,834	\$0.12
Exercised	(200,000)	\$0.06
Balance, April 30, 2017	21,091,834	\$0.12
Expired	(921,834)	\$1.50
Balance, April 30, 2018	20,170,000	\$0.06

As at April 30, 2018, the Company had 20,170,000 share purchase warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date
20,170,000	\$0.06	October 20, 2020
20,170,000		

The weighted average remaining life of the 20,170,000 warrants is 2.48 years.

Subsequent to April 30, 2018, 200,000 warrants were exercised.

f) Reserve

The Company's equity reserve is entirely comprised of share-based payments.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**8. Related Party Transactions**

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

	2018	2017
Key management compensation		
Administrative fees		
– Harmony Corporate Services Ltd. (“Harmony”), a company controlled by the CFO, Geoff Balderson	\$ 30,000	\$ 30,000

***Key management personnel compensation***

The Company considers its President, Chief Executive Officer, Chief Financial Officer, vice-president of explorations and the directors of the Company to be key management. During the years ended April 30, 2018 and 2017, the Company incurred key management compensation as noted in the above table.

At April 30, 2018, \$5,250 (2017 - \$nil) due to Harmony is included in accounts payable. The amount is unsecured, non-interest bearing, and has no specific terms of repayment.

**9. Financial Instruments**

The carrying amounts of the Company’s financial assets and liabilities approximate their fair values.

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

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

The Company’s financial instruments consist of cash, loan receivable, accounts payable and accrued liabilities, and loans payable. The Company did not have any financial instruments carried at fair value on the consolidated statements of financial position as at April 30, 2018 and 2017.

The Company’s financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company’s financial instruments are summarized below.

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The majority of the Company’s cash is held through a major Canadian chartered bank and accordingly, the Company’s exposure to credit risk is considered to be limited.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**9. Financial Instruments – (cont'd)**

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's considers its exposure to interest rate risk to be not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the statement of financial position date. As at April 30, 2018 the Company had a working capital deficiency of \$23,599 (2017: working capital of \$56,937). Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

**10. Capital Disclosure**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company 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 considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There has been no change in the Company's approach to capital management during the years ended April 30, 2018 and 2017.

**GOLDENEYE RESOURCES CORP.**  
Notes to the Consolidated Financial Statements  
April 30, 2018 and 2017  
(Stated in Canadian Dollars)

**11. Income Taxes**

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	<u>2018</u>	<u>2017</u>
Loss before tax	\$ <u>(37,615)</u>	\$ <u>(89,814)</u>
Income tax recovery at local statutory rates – 27.00% (2017 – 26.00%)	\$ (10,000)	\$ (23,000)
Items not deductible for tax purposes	-	-
Change in tax rates	(25,000)	-
Foreign exchange difference	-	(32,000)
Non-deductible portion of capital losses	188,000	-
Change in unrecognized tax benefits not recognized	<u>(153,000)</u>	<u>55,000</u>
	\$ <u>          -</u>	\$ <u>          -</u>

The nature and tax effect of the taxable temporary differences giving rise to deferred tax assets are summarized as follows:

	<u>2018</u>	<u>2017</u>
Non-capital losses	\$ 467,000	\$ 465,000
Capital losses	188,000	-
Undeducted financing costs	1,000	1,000
Resource properties	231,000	630,000
Unrecognized deferred tax assets	<u>(887,000)</u>	<u>(1,096,000)</u>
	\$ <u>          -</u>	\$ <u>          -</u>

As at April 30, 2018, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years, and if not utilized, expire as summarized below:

<b>Year of Expiry</b>	
2031	\$ 46,100
2032	37,700
2033	551,700
2034	524,200
2035	274,400
2036	128,900
2037	101,800
2038	<u>65,700</u>
<b>Total</b>	\$ <u>1,730,500</u>