ALCHEMIST MINING INC.

Condensed Interim Financial Statements

Three and Nine Months Ended January 31, 2020

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company for the three months ended January 31, 2020 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Smythe LLP has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

April 29, 2020

ALCHEMIST MINING INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		January 31, 2020		April 30, 2019
Assets				
Current				
Cash at bank and in trust	$	19,452	$	5,913
Amounts receivable		28,377		23,170
Prepaid expenses		2,233		3,781
		50,062		32,864
Equipment (note 6)		538		759
Exploration and Evaluation Assets (note 7)		-		-
Deposit (note 8)		599,695		599,695
	$	650,295	$	633,318
Liabilities				
Current				
Accounts payable and accrued liabilities (note 10)	$	363,628	$	141,979
Loan payable		50,000		-
		413,628		141,979
Shareholders' Equity				
Share Capital (note 9)		3,908,821		3,908,821
Subscriptions (note 9)		114,562		70,000
Reserves		211,461		266,888
Deficit		(3,998,177)		(3,754,370)
		236,667		491,339
	$	650,295	$	633,318

Approved on behalf of the Board:

"Paul Mann"
.... Director
Paul Mann

"Awet Kidane"
.... Director
Awet Kidane

The accompanying notes are an integral part of these financial statements

ALCHEMIST MINING INC.

Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	January 31 2020	**January 31 2019**	**January 31, 2020**	**January 31, 2019**
Expenses				
Accounting, legal and audit (note 10)	**$** 24,650	$ 3,210	**$** 46,285	$ 13,172
Recovery of corporate costs		-		-
Amortization	73	149	219	446
Consulting fees (note 10)	70,500	173,072	223,500	266,481
Filing fees and shareholder information	8,088	8,346	15,416	18,677
Management fees (notes 10 and 13)	-	22,500	-	69,000
Office and general	333	2,252	690	2,819
Rent	-	10,863	759	42,566
Travel	-	28,217	12,365	32,054
Share-based payments (note 9)	-	-	-	-
	103,644	248,609	299,233	445,215
Impairment of exploration and evaluation assets	-	341,000	-	341,000
Net Loss and Comprehensive Loss for the Period	**$** 103,644	$ 589,609	**$** 299,234	$ 786,215
Basic and Diluted Loss Per Share	**$** (0.002)	$ (0.015)	**$** (0.005)	$ (0.020)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	56,742,900	39,678,315	56,742,900	39,678,315

The accompanying notes are an integral part of these financial statements

ALCHEMIST MINING INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

			Reserves				
	Number of Shares	**Share Capital**	**Share-based Payments**	**Warrants**	**Subscriptions Received**	**Deficit**	**Total**
Balance, April 30, 2018	**38,918,100**	**$ 2,915,348**	**$ 381,181**	**$ 11,049**	**$ -**	**$ (2,891,761)**	**$ 415,817**
Exercise of options and warrants	94,000	7,050	-	-	-	-	7,050
Private placements	13,780,000	689,000	-	-	-	-	689,000
Share issuance costs	-	(7,150)	-	-	-	-	(7,150)
Share based payments	181,800	9,999	-	-	-	-	9,999
Share subscriptions received	-	-	-	-	83,842	-	83,842
Net loss and comprehensive loss for the period	-	-	-	-	-	(786,215)	(786,215)
Balance, January 31, 2019	**52,973,900**	**$ 3,614,247**	**$ 381,181**	**$ 11,049**	**$ 83,842**	**$ (3,677,978)**	**$ 412,341**
Balance, April 30, 2019	**58,911,900**	**$ 3,908,821**	**$ 257,773**	**$ 9,115**	**$ 70,000**	**$ (3,754,370)**	**$ 491,339**
Expiry of options and warrants	-	-	(48,624)	(6,803)	-	55,427	-
Private placements	-	-	-	-	-	-	-
Shares issued for debt	-	-	-	-	-	-	-
Share subscriptions received	-	-	-	-	44,562	-	44,562
Share issuance costs	-	-	-				
Net loss and comprehensive loss for the period	-	-	-	-	-	(299,234)	(299,234)
Balance, January 31, 2020	**58,911,900**	**$ 3,908,821**	**209,149**	**2,312**	**114,562**	**(3,998,177)**	**236,667**

The accompanying notes are an integral part of these financial statements

ALCHEMIST MINING INC.
Statements of Cash Flows
For the Nine Months Ended January 31,
(Expressed in Canadian Dollars)

	2020	2019
Operating Activities		
Net loss	$ (299,234)	$ (786,215)
Items not involving cash		
Amortization	219	446
Impairment of exploration and evaluation assets	-	341,000
Share-based payments	-	9,999
		(434,770)
Changes in non-cash working capital		
Amounts receivable	(5,207)	14,770
Prepaid expenses	1,548	(10,000)
Accounts payable and accrued liabilities	221,649	135,211
Cash Used in Operating Activities	(81,025)	(294,879)
Investing Activities		
Exploration and evaluation expenditures	-	-
Deposit	-	(546,055)
Cash Used in Investing Activities		(546,055)
Financing Activities		
Proceeds from Loan	50,000	-
Proceeds from exercise of options	-	-
Proceeds from exercise of warrants	-	7,050
Share subscriptions received	44,562	83,842
Issuance of common shares, net of share issue costs	-	681,850
Cash Provided by Financing Activities	94,562	772,742
Increase (Decrease) in Cash	13,539	(68,102)
Cash, Beginning of period	5,913	69,391
Cash, End of period	$ 19,452	$ 1,289
Supplemental Disclosures with Respect to Cash Flows		
Taxes paid	$ -	$ -
Interest paid	$ -	$ -
Shares issued for debt settlement	$ -	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Alchemist Mining Inc. (the "Company") was incorporated as NY85 Capital Inc. under the *Business Corporations Act* on October 22, 2010 in the province of British Columbia. On October 1, 2012, the shareholders of the Company approved the name change from NY85 Capital Inc. to Alchemist Mining Inc. at the Annual General and Special Meeting of the Company. On August 20, 2014, the Company de-listed from the TSX-V and commenced trading on the Canadian Securities Exchange ("CSE"). The common shares of the Company are listed for trading on the CSE under the symbol AMS. The Company has been operating in a single business segment focusing on mineral exploration in Canada. The Company is transitioning to a technology developer and provider initially targeting the Cannabis sector and is waiting for approval of their change in business by the CSE.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. For the three months ended January 31, 2020 the Company incurred a net loss of $103,644 (2019 - $589,609), and as at January 31, 2020, has an accumulated deficit of $3,998,177 (2019 - $3,677,978). At January 31, 2020, the Company has a working capital deficiency of $363,566 (2019 - $185,120 working capital). The Company has limited resources, no sources of operating cash flows and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the development stage, and accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the development of its technologies and the attainment of profitable operations. Management is actively engaged in seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION

Approval of the financial statements

The financial statements of the Company for the three months ended January 31, 2020 were reviewed by the Audit Committee and approved and authorized for issue on April 29, 2020 by the Board of Directors of the Company.

3. BASIS OF PRESENTATION (Continued)

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Effective May 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"). IFRS 9 was adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of each standard.

As a result of the application of IFRS 9, the Company changed its accounting policies for financial instruments and impairment thereon, as described in note 4.

Basis of preparation

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The financial statements of the Company have been prepared on a historical cost basis.

4. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

<u>The carrying value of the exploration and evaluation assets and the recoverability of the carrying value</u>

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU") or group of CGUs level in the year the new information becomes available. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities, existing permits and ability to continue development.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The carrying value of the deposit for the Green Rush asset and the recoverability of the carrying value

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual technology development programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates and assumptions

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

Deferred income tax

The Company recognizes a deferred tax asset to extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Share-based payments

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, volatility and dividend yield, and making assumptions about them.

Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses.

Amortization

The amortization rates applicable to each category of equipment are as follows:

Class of equipment	Amortization rate
Computer equipment	55% declining-balance
Furniture and fixtures	20% declining-balance

One-half the normal amortization is taken in the year of acquisition.

Exploration and evaluation assets

Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized, and classified. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to “mines under construction”. No amortization is taken during the exploration and evaluation phase.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. To date, the Company does not have any decommissioning liabilities.

Impairment of long-lived assets

Long-lived assets are evaluated at least annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to amortization to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses for its long-lived assets, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

The Company adopted IFRS 9 with a date of initial application as of May1, 2018. IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business model under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: Recognition and Measurement for the classification of financial liabilities.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. There were no material changes in the measurement and carrying values of the Company's financial instruments as a result of the adoption. IFRS 9 does not require restatement of comparative periods.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

	May 1, 2018	
	IAS 39	**IFRS 9**
Financial Asset		
Cash	Fair value through profit and loss ("FVTPL")	FVTPL
Financial Liability		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Financial assets

(i) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(ii) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the consolidated statement of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company's financial liabilities include accounts payable and accrued liabilities and classified as financial liabilities subsequently measured at amortized cost.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable and accrued liabilities. Their carrying values approximate the fair values due to short-term maturity of these instruments.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date using the Black-Scholes option pricing model and is recognized over the vesting period. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

Where a grant of options is cancelled or 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.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or capitalized with a corresponding increase in share-based payment reserves. The amount recognized as expense is adjusted to reflect the number of share options that actually vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment reserves is transferred to share capital.

Loss per share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

Existing share options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share is the same.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of options or warrants is recorded in share capital and the related residual value is transferred to share capital. For those options and warrants that expire, the recorded value is transferred to deficit.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards are not yet effective as of January 31, 2020 and have not been applied in preparing these financial statements.

IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Applicable to the Company’s annual period beginning May 1, 2019. The application of IFRS 16 is not expected to have a material impact on the Company’s financial statements.

5. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

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 Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of January 31, 2020 equal $413,628 (2019 - $211,004). All of the liabilities presented as accounts payable are due within 90 days of January 31, 2020. The Company is seeking additional sources of capital through financing.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at January 31, 2020, the Company is not exposed to significant market risk.

(Expressed in Canadian Dollars, unless otherwise stated)

6. EQUIPMENT

		Computer Equipment		Furniture and Fixtures		Total
Cost						
Balance, April 30, 2017, 2018 and 2019	$	5,453	$	2,032	$	7,485
Additions		-		-		-
Balance January 31, 2020		5,453		2,032		7,485
Amortization						
Balance, April 30, 2018	$	4,526	$	1,605	$	6,131
Amortization		509		86		595
Balance, April 30, 2019	$	5,035	$	1,691	$	6,726
Amortization for the period		172		47		219
Balance, January 31, 2020	$	5,208	$	1,739	$	6,947
Net Book Value						
April 30, 2019	$	418	$	341	$	759
January 31, 2020	$	245	$	293	$	538

7. EXPLORATION AND EVALUATION ASSETS

		Aubaine		**Windfall**		**Total**
Balance, April 30, 2017	$	186,000	$	50,500	$	236,500
Acquisition Costs						
Cash		55,000		-		55,000
Exploration Costs		100,000		-		100,000
Balance, April 30, 2018		341,000		50,500		391,500
Impairment		(341,000)		(50,500)		(391,500)
Balance, April 30, 2019 and January 31, 2020	$	-	$	-	$	-

Windfall Lake Property

On March 2, 2017, the Company entered into an option agreement to acquire a 100% interest in the Windfall Lake Property (“Windfall”) located in Quebec. In consideration, the Company paid $2,500 in cash and issued 800,000 common shares of the Company (issued and valued at $48,000).

During the year ended April 30, 2019, the Company didn’t meet the financial commitments and, the Company has terminated the option agreement on the property.

Management recorded an impairment loss of $50,500 in accordance with level 3 of the fair value hierarchy for the year ended April 30, 2019.

7. EXPLORATION AND EVALUATION ASSETS (Continued)

Aubaine Property

On March 3, 2017, as amended May 17, 2017, the Company entered into an option agreement to acquire a 100% interest in the Aubaine Property ("Aubaine") located in Quebec. In consideration, the Company must make payments and issue common shares as follows:

- $10,000 in cash (paid) and 2,000,000 common shares (issued and valued at $160,000) of the Company upon signing of the agreement;
- $15,000 in cash on or before May 27, 2017 (paid);
- $15,000 on or before June 27, 2017 (paid);
- $25,000 in cash on or before March 3, 2018 (paid);
- $25,000 in cash on or before September 3, 2018; and
- $100,000 in cash on or before March 3, 2019.

The Company must also incur $500,000 in exploration expenditures on or before March 3, 2020. The vendor will retain a 3% NSR on Aubaine, of which the Company can buy back 1% on or before March 3, 2023 for $1,000,000. In March 2017, the Company also issued 200,000 finders shares valued at $16,000.

During the year ended April 30, 2019, the Company didn't meet the financial commitments and, the Company has terminated the option agreement on the property.

Management recorded an impairment loss of $341,000 in accordance with level 3 of the fair value hierarchy for the year ended April 30, 2019.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

Title to exploration and evaluation interests

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

8. DEPOSIT

On March 19, 2019, the Company entered into an asset purchase agreement ("Agreement") with Green Rush Consulting LLC ("Green Rush") whereby Green Rush has granted the Company the right to purchase 100% of Green Rush's right, title, and interest in and certain intellectual property rights relating to Green Rush's Oddysee Software Platform, a software-as-a-service platform focused on the automation for city and state cannabis license applications.

In accordance with the Agreement, the Company is required to make a series of payments totaling US$3,750,000 ("Purchase Price") and issue 20,000,000 common shares of the Company ("Consideration Shares") to Green Rush.

As at January 31, 2020, the Company has paid $599,695 (US$453,895). This amount has been recorded as a prepaid acquisition cost. The reminder of the purchase price will of US$3,296,105 is to be issued as a secured promissory note.

The Company shall pay the reminder of the Purchase price, issue the common shares and promissory note once the closing date is agreed upon between the Company and Green Rush. Currently, management and Green Rush are in discussions regarding when the Agreement will close. The Agreement is also pending CSE approval. There is no guarantee that the deposit will be refundable if the asset purchase agreement does not close.

9. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

For the year ended April 30, 2018:

On September 18, 2017, the Company closed a non-brokered private placement and raised $414,250 through the issuance of 8,285,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of two years from issuance at an exercise price of $0.075 per share. The Company paid finders fees of $8,125 and issued 162,500 agent warrants valued at $6,803 with the same terms as the warrants in the private placement.

During the year ended April 30, 2018, 1,690,000 shares were issued for warrants exercised and 2,200,000 shares were issued for options exercised at a value of $132,250 and $133,750, respectively.

For the three months ended July 31, 2018:

During the three months ended July 31, 2018, 94,000 shares were issued for warrants exercised at a value of $7,050.

For the year ended April 30, 2019:

On December 14, 2018, the Company closed the first tranche of a non-brokered private placement and raised $689,000 through the issuance of 13,780,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of

9. SHARE CAPITAL (Continued)

one year from issuance at an exercise price of $0.075 per share. The Company paid finders fees of $7,150 and issued 143,000 agent warrants valued at $2,326 with the same terms as the warrants in the private placement.

On November 13, 2019 the Company settled indebtedness of $9,999 to a third party by the issuance of 181,800 common shares at a fair value of $0.055 per common share.

On February 2, 2019 the Company settled indebtedness of $80,000 to a Company controlled by a director through the issuance of 1,600,000 common shares at a fair value of $0.05 per common share.

On March 14, 2019, the Company closed the second tranche of a non-brokered private placement and raised $216,900 through the issuance of 4,338,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of one year from issuance at an exercise price of $0.075 per share.

During the year ended April 30, 2019, 94,000 shares were issued for warrants exercised at a value of $7,050.

During the year ended April 30, 2019, the Company received $70,000 in share subscriptions towards a private placement which had not closed as at January 31, 2020.

For the three months ended January 31, 2020:

During the three months ended January 31, 2020, no shares were issued.

Share options

The Company has adopted a share option plan pursuant to which the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and exercisable for a period of up to ten years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

(Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (Continued)

Share options (continued)

The changes in share options during the nine months ended January 31, 2020 and 2019 are summarized as follows:

	2020		2019	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	2,520,000	$ 0.15	3,890,000	$ 0.15
Expired/cancelled	(950,000)	$ 0.16	(1,370,000)	$ 0.10
Outstanding, end of period	1,570,000	$ 0.15	2,520,000	$ 0.15

The following table summarizes information about share options outstanding at January 31, 2020:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Outstanding	Options Exercisable
January 5, 2021	0.94	$ 0.24	1,150,000	1,150,000
March 26, 2021	1.16	$ 0.13	420,000	420,000
	1.11	$ 0.15	1,570,000	1,570,000

During the period ended January 31, 2020, the Company granted Nil (2019 – Nil) stock options.

(Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (Continued)

Warrants

The changes in warrants during the period ended January 31, 2020 and 2019 are summarized as follows:

	2020		2019	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	8,662,500	$ 0.080	8,662,500	$ 0.08
Issued	18,261,000	$ 0.075	13,923,000	$ 0.08
Exercised	-	-	(94,000)	$ 0.08
Expired	(22,585,500)	$ 0.100	(1,855,000)	$ 0.0
Outstanding, end of period	4,338,000	$ 0.075	8,662,500	$ 0.080

The market price of the common shares of the Company when the warrants were exercised was $0.07 per share

A summary of warrants outstanding at January 31, 2020 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
March 14, 2020	0.12	$ 0.08	4,338,000

For the agent warrants issued as part of the non-brokered private placements, the Company applied the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted with the following weighted average assumptions:

	Year Ended April 30, 2019	**Year Ended April 30, 2019**
Expected life (years)	1.00	1.00
Risk-free interest rate	1.88%	1.88%
Volatility	100%	211%
Dividend yield	0.00%	0.00%
Grant date fair value	$0.06	$0.04

(Expressed in Canadian Dollars, unless otherwise stated)

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation for the nine months ended January 31, 2020 and 2019 is as follows:

	2020	2019
Short-term compensation	$ 184,500	$ 212,355

Of the $184,500 recorded as short-term compensation for the nine months ended January 31, 2020 (2019 - $212,355), $6,000 (2019 - $6,500) was recorded as accounting, legal and audit fees, $Nil (2019 - $69,000) was recorded as management fees and $178,500 (2019 - $136,855) was recorded as consulting fees.

At January 31, 2020, $161,224 (2019 - $147,500) of unpaid management and consulting fees was included in accounts payable and accrued liabilities.

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11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, development of technology, and all of its operations and assets are in Canada.

12. COMMITMENTS

The Company has entered into management services and consulting agreements with total monthly commitments of $23,500 to pay officers and consultants. All the management services agreements can be terminated with 90 days' notice.

13. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended January 31, 2020. The Company is not subject to external restrictions on its capital.

14. SUBSEQUENT EVENT

Subsequent to January 31, 2020

- 4,338,000 warrants with an exercise price of $0.075 expired unexercised.
- the Company received an unsecured loan from a third party of $50,000. The loan is payable on demand and bears interest at a fixed amount of $5,000.

Since April 30, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.