NORTHERN LIGHTS RESOURCES CORP.

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

APRIL 30, 2019

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Vancouver, BC
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Canada

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Northern Lights Resources Corp.

Opinion

We have audited the accompanying financial statements of Northern Lights Resources Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2019 and 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), 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 April 30, 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 1 of the financial statements, which indicates that the Company incurred ongoing losses and has a working capital deficiency of $111,374. As stated in Note 1, 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 David Harris.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

August 27, 2019

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT APRIL 30,

	2019	2018
ASSETS		
Current		
Cash	$ 10,282	$ 30,208
Receivables	10,209	4,083
Prepaid expenses (Note 9)	13,840	10,316
	34,331	44,607
Equipment (Note 3)	1,210	1,512
Exploration and evaluation assets (Note 4)	284,353	65,069
	$ 319,894	$ 111,188
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 145,705	$ 109,503
Loans payable (Notes 6)	-	6,386
	145,705	115,889
Shareholders' equity (deficiency)		
Share capital (Note 7)	4,994,203	3,952,943
Share-based payment reserve	470,800	138,500
Subscriptions received in advance (Notes 7 and 14)	60,000	12,000
Deficit	(5,350,814)	(4,108,144)
	174,189	(4,701)
	$ 319,894	$ 111,188

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

On behalf of the Board:

"Albert (Rick) Timcke" Director

"Jason Bahsen" Director

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

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

	2019	2018
EXPENSES		
Amortization (Note 3)	$ 302	$ 378
Consulting fees	32,578	15,750
Filing and regulatory fees	25,441	77,880
Gain on settlement of accounts payable (Note 5)	-	(25,989)
Interest expense (Note 6)	211	24,118
Loss on settlement of loans payable (Note 7)	-	70,831
Management fees (Note 8)	185,000	87,500
Office and miscellaneous	18,653	22,742
Professional fees (Note 8)	39,067	62,865
Promotion and advertisement	280,100	-
Share-based compensation (Note 7)	332,300	-
Travel and promotion	33,101	34,298
Reversal of accounts payable	(11,200)	(1,200)
Write-off of exploration and evaluation assets (Note 4)	74,617	-
Write-off prepaid expenses (Note 9)	232,500	-
Loss and comprehensive loss for the year	$ (1,242,670)	$ (369,173)
Basic and diluted loss per common share	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding	40,233,911	21,245,910

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

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Share-based payment reserve	Subscriptions received in advance	Deficit	Total Shareholders' Equity (Deficiency)
April 30, 2017	15,106,948	$ 2,674,365	$ 138,500	$ -	$ (3,738,971)	$ (926,106)
Debt settlements	18,449,884	1,278,578	-	-	-	1,278,578
Subscriptions received in advance	-	-	-	12,000	-	12,000
Loss for the year	-	-	-	-	(369,173)	(369,173)
April 30, 2018	33,556,832	3,952,943	138,500	12,000	(4,108,144)	(4,701)
Private placements	11,005,000	1,100,500	-	(12,000)	-	1,088,500
Finder's fees - shares	600,400	60,040	-	-	-	60,040
Share issue costs	-	(119,280)	-	-	-	(119,280)
Share-based compensation	-	-	332,300	-	-	332,300
Subscriptions received in advance	-	-	-	60,000	-	60,000
Loss for the year	-	-	-	-	(1,242,670)	(1,242,670)
April 30, 2019	45,162,232	$ 4,994,203	$ 470,800	$ 60,000	$ (5,350,814)	$ 174,189

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

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (1,242,670)	$ (369,173)
Non-cash items:		
Amortization	302	378
Loan interest accrual	-	24,118
Reversal of accounts payable	(11,200)	(1,200)
Gain on settlement of accounts payable	-	(25,989)
Loss on settlement of loans payable	-	70,831
Share-based compensation	332,300	-
Write-off of exploration and evaluation assets	74,617	-
Write-off of prepaid expenses	232,500	-
Changes in non-cash working capital items:		
Receivables	(6,126)	(1,780)
Prepaid expenses	(236,024)	(10,316)
Accounts payable and accrued liabilities	(2,598)	42,191
Net cash used in operating activities	(858,899)	(270,940)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(243,901)	(65,069)
Net cash used in investing activities	(243,901)	(65,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from private placement	1,088,500	-
Share issuance costs	(59,240)	-
Subscriptions received in advance	60,000	12,000
Loan proceeds (repayment)	(6,386)	354,154
Net cash provided by financing activities	1,082,874	366,154
Change in cash for the year	(19,926)	30,145
Cash, beginning of year	30,208	63
Cash, end of year	$ 10,282	$ 30,208
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows **(non-cash transactions)**

Debt settlement with issuance of shares	$ -	$ 1,278,578
Shares for share issue cost	$ 60,040	$ -
Termination of exploration and evaluation assets option agreement	$ 50,000	$ -
Transfer of subscriptions to share capital	$ 12,000	$ -

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Lights Uranium Corp. (the "Company") was incorporated under the laws of British Columbia on March 28, 2007. On April 22, 2008, the Company changed its name to Northern Lights Resources Corp. The Company's principal business activities include the acquisition and exploration of resource properties. On June 28, 2012, the Company completed its initial public offering ("IPO") by way of prospectus, and a listing on the Canadian Securities Exchange ("CSE"). On October 31, 2013, the CSE halted the shares of the Company due to the Company being in default of CSE requirements. On January 22, 2014, the CSE delisted the common shares. On November 9, 2017, a revocation orders were received from the British Columbia Securities Commission and the Ontario Securities Commission lifting the cease trade orders previously issued on September 10, 2013 and September 24, 2013, respectively. On November 10, 2017 a revocation order was received from the Alberta Securities Commission lifting the final cease trade order previously issued on December 10, 2014. On October 31, 2018, the Company resumed trading on the CSE with the acceptance of the relisting application and received trading approval from the exchange.

The Company has incurred losses since inception, has a working capital deficiency of $111,374 and expects its current capital resources will not be sufficient to complete its exploration plans and operations through its current operating year and will be required to raise additional funds through future equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are recorded at fair value. The financial statements are presented in Canadian dollars which is the functional currency of the Company.

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

The policies applied in these financial statements are presented below and are based on IFRS issued and outstanding as of April 30, 2019.

The Board of Directors approved these financial statements on August 27, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Comprehensive income

Comprehensive income (loss) reflects the net gain (loss) and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided on a declining balance basis at 20% per annum for furniture and equipment.

Estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Significant Judgments

a. Economic recoverability and probability of future benefits of exploration and evaluation costs

   Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

b. Deferred taxes

   The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

Significant Estimates

a. Share-based payments

   Share-based payments are determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Basic loss per common share is calculated using the weighted average number of common shares outstanding during the period.

Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

Share-based payments

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

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of May 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for any assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial Instruments (cont'd…)

Measurement (cont'd…)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset 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 Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category	Measurement
Cash	FVTPL	Fair value
Receivables	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Recent accounting pronouncements not yet effective

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 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 (loss).
- 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.

The new standard is effective for annual periods beginning on or after January 1, 2019. Adoption of this standard is not expected to have a material impact on the Company's financial statement presentation.

(Expressed in Canadian Dollars)

3. EQUIPMENT

		Furniture and equipment
Cost		
Balance at April 30, 2017	$	14,150
Addition		-
Balance at April 30, 2018		14,150
Addition		-
Balance at April 30, 2019	$	14,150
Accumulated amortization		
Balance at April 30, 2017	$	12,260
Amortization		378
Balance at April 30, 2018		12,638
Amortization		302
Balance at April 30, 2019	$	12,940
Carrying amounts		
At April 30, 2018	$	1,512
At April 30, 2019	$	1,210

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Del Undur Project	Medicine Springs	Total
Acquisition Costs:			
Balance at April 30, 2017	$ -	$ -	$ -
Cash	10,830	31,843	42,673
Balance at April 30, 2018	10,830	31,843	42,673
Cash	-	33,179	33,179
Others	-	33,515	33,515
Write-off	(10,830)	-	(10,830)
Balance at April 30, 2019	-	98,537	98,537
Deferred Exploration Costs:			
Balance at April 30, 2017	-	-	-
Consulting	-	22,396	22,396
Balance at April 30, 2018	-	22,396	22,396
Assays	-	43,978	43,978
Consulting	13,787	86,714	100,501
Field work	-	32,728	32,728
Write-off	(13,787)	-	(13,787)
Balance at April 30, 2019	-	185,816	185,816
Total	$ -	$ 284,353	$ 284,353

Medicine Springs

The Company entered into a mineral property option agreement dated August 20, 2017 to acquire 100% of the property in southeastern Elko County, Nevada.

The option agreement is for a 6-year term. Completion of the option agreement is subject to staged cash payments of $950,000, equity consideration of USD $250,000 and incurring exploration expenditures of USD $2,700,000 as follows:

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Medicine Springs (cont'd…)

i) Cash payments
   a) Phase 1B - USD $25,000 within 30 days of receipt of regulatory approval (paid).
   b) Phase 2 - USD $50,000 within 30 days of completion of all phase 1B requirements ("Phase 2 Commencement Date")
   c) Phase 3 - USD $100,000 within 30 days of completion of all phase 2 requirements ("Phase 3 Commencement Date").
   d) Phase 4 - USD $150,000 within 30 days of completion of all phase 3 requirements ("Phase 4 Commencement Date").
   e) Phase 5 - USD $200,000 within 30 days of completion of all phase 4 requirements ("Phase 5 Commencement Date").
   f) Phase 6 - USD $425,000 within 30 days of completion of all phase 5 requirements ("Phase 6 Commencement Date").

ii) Share issuance
   a) Phase 2 - issuance of common shares with a fair market value of USD $50,000 after the Phase 2 Commencement Date.
   b) Phase 3 - issuance of common shares with a fair market value of USD $50,000 after the Phase 3 Commencement Date.
   c) Phase 4 - issuance of common shares with a fair market value of USD $50,000 after the Phase 4 Commencement Date.
   d) Phase 5 - issuance of common shares with a fair market value of USD $50,000 after the Phase 5 Commencement Date.
   e) Phase 6 - issuance of common shares with a fair market value of USD $50,000 after the Phase 6 Commencement Date.

iii) Exploration expenditures
   a) incur USD $25,000 in exploration upon execution of the agreement (incurred).
   b) Phase 1B - incur USD $225,000 within 1 year of execution of the agreement.
   c) Phase 2 - incur USD $300,000 within 1 year of the Phase 2 Commencement Date (subsequently agreed to incur by December 31, 2019).
   d) Phase 3 - incur USD $400,000 within 1 year of the Phase 3 Commencement Date.
   e) Phase 4 - incur USD $500,000 within 1 year of the Phase 4 Commencement Date.
   f) Phase 5 - incur USD $500,000 within 1 year of the Phase 5 Commencement Date.
   g) Phase 6 - incur USD $750,000 within 1 year of the Phase 6 Commencement Date.

In addition, the property owner will retain a 2.5% NSR. The Company has the option to purchase back 1.5% of the NSR for US$3,000,000 on a portion of the mineral claims (126/149) and US$1,000,000 on a portion of the mineral claims (23/149). The royalty to the project vendors is in addition to a further 0.5% royalty over a portion of the mineral claims (23/149).

Del Undur Project

The Company entered into an earn-in agreement dated June 17, 2017 whereby the Company can earn up to 100% interest in the property located in north-eastern Mongolia for aggregate consideration of (i) cash payments of $500,000, (ii) issuing 20,000,000 shares, and (iii) incurring exploration expenditures totaling $2,000,000, all over a four year term. In addition, the property owner will retain a 2.0% net smelter return royalty ("NSR") of which the Company has the option to buy back 1% for $1,000,000.

(Expressed in Canadian Dollars)

During the year ended April 30, 2019, the Company decided to abandon the project and wrote-off the exploration and evaluation assets at $24,617.

The Company will pay cash consideration of $50,000 pursuant to the termination of the option agreement which has been accrued and included in the write-off of exploration and evaluation assets as of April 30, 2019.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		April 30, 2019		April 30, 2018
Trade payables	$	79,755	$	93,553
Accrued liabilities		65,950		15,950
	$	145,705	$	109,503

During the year ended April 30, 2018, the Company:

i) entered into an agreement with a creditor to settle an outstanding amount of $35,700 for $9,711, resulted in a gain on settlement of accounts payable of $25,989.

ii) issued 7,050,469 common shares to settle an aggregate of $616,916 in accounts payable and accrued liabilities (Note 7).

6. LOANS PAYABLE

During the year ended April 30, 2016, the Company received a $5,000 loan accruing 10% interest per annum, repayable on the earlier of July 23, 2016 and the date the Company completes its next private placement. During the year ended April 30, 2017, the Company missed the repayment date and interest continued to accrue. During the year ended April 30, 2019, the loan and accrued interest of $6,597 was fully repaid.

During the year ended April 30, 2018, a loan payable to a director of the Company of $213,945 was settled through the issuance of 2,445,085 shares (Note 7).

During the year ended April 30, 2018, the Company received loans totaling $354,154. The loans accrued interest at 12% per annum, repayment on the earlier of April 1, 2018 and the date the Company completes its next private placement. The loans accrued interest expense of $22,732. The loans and accrued interest were fully settled through the issuance of 8,954,330 shares (Note 7) during the year ended April 30, 2018.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized: Unlimited common shares, without par value

During the year ended April 30, 2019, the Company closed a non-brokered private placement financing of 11,005,000 units at a price of $0.10 per unit for gross proceeds of $1,100,500. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at a price of $0.20 per share for 24 months following the closing date, subject to an accelerated expiry if the closing price of the Company's share is equal to or greater than $0.30 for twenty consecutive trading days at any time following four months after the date of closing. The Company paid $59,240 cash and issued 600,040 shares (valued at $60,040) as share issuance costs.

During the year ended April 30, 2018, the Company:

i) consolidated its common shares on a 1.75 to 1 basis. All references to previous share and per share amounts have been adjusted to reflect the share consolidation.

ii) issued 9,495,554 post-consolidation common shares at a value of $830,861 to settle an aggregate indebtedness of $830,861 (Note 5 and 6).

iii) issued 8,954,330 common shares, including a 20% common stock bonus, valued at $447,717 to settle loans payable of $376,886 and recorded a loss on settlement of $70,831.

iv) received subscription proceeds of $12,000 towards the issuance of 120,000 units, with each unit consisting of one common share and share purchase warrant, each warrant exercisable into one common share at a price of $0.20 per share for a period of 24 months.

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option will not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at April 30, 2017	671,429	$ 0.175
Expired	(671,429)	0.175
Outstanding as at April 30, 2018	-	-
Granted	3,400,000	0.10
Outstanding as at April 30, 2019	3,400,000	$ 0.10

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

Stock options (cont'd…)

As at April 30, 2019 the following options were outstanding and exercisable:

Number of Options	**Exercise Price**	**Expiry Date**
3,400,000	$ 0.10	November 7, 2023
3,400,000		

During the year ended April 30, 2019, the Company granted 3,400,000 stock options to directors, officers and consultants of the Company, exercisable at a price of $0.10 per share, expiring on November 7, 2023. The estimated fair value of these options was $332,300.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the year ended April 30:

	2019	**2018**
Risk-free interest rate	2.43%	-
Expected life of options	5.00 years	-
Expected annualized volatility	201.67%	-
Expected dividend rate	0.00%	-

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at April 30, 2017 and 2018	-	$ -
Granted	11,005,000	0.20
Outstanding as at April 30, 2019	11,005,000	$ 0.20

As at April 30, 2019 the following warrants were outstanding and exercisable:

Number of Options	**Exercise Price**	**Expiry Date**
11,005,000	$ 0.20	October 2, 2020
11,005,000		

8. TRANSACTIONS WITH RELATED PARTIES

The Company defines key management as officers and directors. During the year ended April 30, 2019, the Company:

i) paid or accrued management fees of $77,500 (2018 - $60,000) to a director of the Company.

ii) paid or accrued management fees of $107,500 (2018 - $27,500) to the Chief Executive Officer ("CEO") of the Company.

iii) paid or accrued professional fees of $12,000 (2018 - $3,000) to the Chief Financial Officer ("CFO") of the Company.

iv) recorded share-based compensation of $180,810 (2018 - $Nil) related to options granted to officers and directors of the Company.

Included in prepaid expenses as at April 30, 2019 is $Nil (April 30, 2018 - $5,000) paid to the Company's CEO and $8,840 (April 30, 2018 - $5,000) paid to a Company's director.

Included in accounts payable and accrued liabilities as at April 30, 2019 is $4,393 (April 30, 2018 - $Nil) owed to officers of the Company.

During the year ended April 30, 2018, the Company issued 5,222,229 common shares to a director of the Company to settle an aggregate of $456,945 of indebtedness.

9. PREPAID EXPENSES

During the year ended April 30, 2019, the Company entered into agreements, for one year periods, with several parties for advertising, market advisory and other consulting services with contract values totaling $465,000. The fees under these agreements were paid in October and November 2018. These parties also subscribed to the private placement completed in October 2018. Due to uncertainty with the remaining economic benefits associated with these contracts at April 30, 2019, the remaining prepaid expenses associated with these contracts totaling $232,500 have been written-off to operations.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of 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 assets or liabilities, either directly or indirectly; and
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and loans payables. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk

The Company is exposed to nominal foreign currency risk.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

b) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial statement fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds non-interest bearing debt.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) Price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of commodities. The Company monitors these prices to determine the appropriate course of action to be taken.

11. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company did not change its approach to capital management during the year ended April 30, 2019.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

		April 30, 2019		April 30, 2018
Exploration and evaluation assets				
United States	$	284,353	$	54,239
East Asia		-		10,830
Equipment				
Canada	$	1,210	$	1,512

13. INCOME TAXES

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

		2019		2018
Loss for the year before income tax	$	(1,242,670)	$	(369,173)
Income tax expense (recovery) at statutory income tax rate	$	(336,000)	$	(97,000)
Change in statutory, foreign tax foreign exchange rates and other		52,000		(57,000)
Permanent difference		65,000		1,000
Share issue cost		(16,000)		-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses		11,000		6,000
Change in unrecognized deductible temporary differences		224,000		147,000
	$	-	$	-

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

		2019	Expiry Date Range		2018	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	1,226,000	No expiry date	$	1,867,000	No expiry date
Investment tax credit		11,000	2039		4,000	2020 to 2037
Property and equipment		13,000	No expiry date		12,000	No expiry date
Share issue costs		47,000	2039		-	-
Non-capital losses available for future years		2,801,000	2028 to onward		1,931,000	2027 to 2038

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

14. SUBSEQUENT EVENTS

Subsequent to April 30, 2019, the Company:

i) completed a non-brokered private placement financing of 3,420,000 units at a price of $0.05 per unit for gross proceeds of $171,000, of which $60,000 had been received as of April 30, 2019. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at a price of $0.075 per share for 24 months following the date of issue of the unit.

ii) entered into an option agreement to acquire 100% interest in the Secret Pass Gold Project located in northwestern Arizona. Under the term of the agreement, the Company holds an exclusive option to acquire the project until September 6, 2019.

   Upon exercise of the option, the Company agrees to make the following consideration payments:

   a) within 5 working days following the exercise of the option, the Company will pay cash consideration of US$75,000;
   b) within 30 days following the exercise of the option, the Company will issue 2,000,000 common shares; and
   c) under the terms of the agreement, the Company will make the following additional payments:
      i. US$150,000 on or before August 28, 2019 or US$175,000 on or before September 13, 2019; and
      ii. US$125,000 on or before October 15, 2019.

   Completion of the transaction is subject to regulatory approval.