PACIFIC EMPIRE
MINERALS CORP.

FINANCIAL STATEMENTS

MARCH 31, 2018 AND 2017

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Pacific Empire Minerals Corp.

We have audited the accompanying financial statements of Pacific Empire Minerals Corp., which comprise the statements of financial position as at March 31, 2018 and 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Pacific Empire Minerals Corp. as at March 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

July 24, 2018

PACIFIC EMPIRE MINERALS CORP.
(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

ASSETS	March 31, 2018	March 31, 2017
Current		
Cash	$ 1,493,234	$ 425,478
Prepaid expenditures	14,531	-
Receivables (Note 3)	62,174	28,747
Marketable securities (Note 4)	1,711	2,333
Total current assets	1,571,650	456,558
Non-current		
Restricted cash (Note 5)	23,000	23,000
Prepaid equipment deposit (Note 6)	-	31,250
Equipment (Note 6)	166,558	8,380
Reclamation deposits (Note 7)	40,000	27,000
Exploration and evaluation assets (Note 8)	61,136	73,902
Deferred financing costs (Note 10)	-	20,000
Total non-current assets	290,694	183,532
TOTAL ASSETS	$ 1,862,344	$ 640,090
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 12)	$ 141,411	$ 63,148
Total current liabilities	141,411	63,148
SHAREHOLDERS' EQUITY		
Share Capital (Note 10)	3,276,122	1,750,366
Reserves	292,440	20,126
Deficit	(1,847,629)	(1,193,550)
TOTAL SHAREHOLDERS' EQUITY	1,720,933	576,942
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,862,344	$ 640,090

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Events after the Reporting Date (Note 17)

These financial statements were authorized for issuance by the Board of Directors on July 24, 2018.

Approved on behalf of the Board of Directors

"Brad Peters", Director *"Rory Ritchie"*, Director

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

PACIFIC EMPIRE MINERALS CORP.
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended March 31, 2018	Year Ended March 31, 2017
EXPLORATION EXPENDITURES (Note 9)	$ 246,041	$ 51,366
Less: Recoveries (Note 9)	(60,245)	-
Net exploration expenditures	185,796	51,366
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative and office	46,620	38,772
Amortization (Note 6)	3,153	1,757
Investor relations and shareholder communication	47,002	13,836
Management fees (Note 12)	41,900	34,800
Professional fees	31,658	62,372
Consulting fees (Note 12)	102,595	84,000
Share - based compensation (Note 12)	184,870	9,231
Travel	6,890	981
Total general and administrative expenses	464,688	245,749
Loss from operations	(650,484)	(297,115)
Foreign exchange loss	(602)	(97)
Interest income	395	348
Impairment of exploration and evaluation assets (Note 8)	(2,766)	-
Fair value adjustments on marketable securities	(622)	(1,400)
Loss and comprehensive loss for the year	$ (654,079)	$ (298,264)
Basic and diluted loss per common share	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding	20,373,941	13,734,365

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Reserves	Deficit	Total
Balance as at March 31, 2016	**11,410,000**	**$ 1,005,653**	**$ 12,267.00**	**$ (896,658)**	**$ 121,262**
Shares issued for cash	7,618,850	761,885	-	-	761,885
Share issuance costs in cash	-	(17,172)	-	-	(17,172)
Share - based compensation	-	-	9,231	-	9,231
Stock options forfeited during year	-	-	(1,372)	1,372	-
Loss for the year	-	-	-	(298,264)	(298,264)
Balance as at March 31, 2017	**19,028,850**	**1,750,366**	**20,126**	**(1,193,550)**	**576,942**
Shares issued for cash	10,765,000	2,076,500	-	-	2,076,500
Share issuance costs in cash	-	(463,300)	-	-	(463,300)
Share - based compensation	-	-	184,870	-	184,870
Broker's options - IPO	-	(87,444)	87,444	-	-
Loss for the year	-	-	-	(654,079)	(654,079)
Balance as at March 31, 2018	**29,793,850**	**$ 3,276,122**	**$ 292,440**	**$ (1,847,629)**	**$ 1,720,933**

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

PACIFIC EMPIRE MINERALS CORP.

(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Loss for the year	$ (654,079)	$ (298,264)
Item not affecting operating activities:		
Interest income received	(395)	-
Items not affecting cash:		
Amortization	3,153	1,757
Impairment of exploration and evaluation assets	2,766	-
Fair value adjustments on marketable securities	622	1,400
Share - based compensation	184,870	9,231
Accrual for exploration tax credits	(39,350)	-
Changes in non-cash working capital items:		
Receivables	5,923	(12,013)
Prepaid expenses	(14,531)	-
Accounts payable and accrued liabilities	23,804	32,186
Total cash used in operating activities	(487,217)	(265,703)
Cash flows from investing activities		
Acquisition of exploration and evaluation assets	-	(20,876)
Option payments received	10,000	-
Interest received on cash and cash equivalents	395	-
Purchase of equipment	(130,081)	(6,623)
Deposits paid on equipment	-	(31,250)
Purchase of reclamation deposits	(13,000)	(2,000)
Total cash used in investing activities	(132,686)	(60,749)
Cash flows from financing activities		
Proceeds from the sale of common shares	2,076,500	761,885
Share issuance costs	(388,841)	(17,172)
Deferred financing costs	-	(20,000)
Total cash provided by financing activities	1,687,659	724,713
Change in cash	1,067,756	398,261
Cash, beginning of the year	425,478	27,217
Cash, end of the year	$ 1,493,234	$ 425,478

Supplemental disclosure with respect to cash flows (Note 16)

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Pacific Empire Minerals Corp. (the "Company" or "Pacific Empire"), was incorporated on July 13, 2012 under the *Business Corporations Act* (British Columbia). The Company's head office address is at Suite 211, 850 West Hastings Street, Vancouver, British Columbia V6C 1E1, Canada and its registered and records office is located at DuMoulin Black LLP, 10th Floor – 595 Howe Street, Vancouver, British Columbia V6C 2T5, Canada. Pacific Empire is a publicly traded company, listed on the TSX Venture Exchange ("TSX-V") under the trading symbol PEMC. The Company's principal business activities are the acquisition and exploration of mineral properties in Canada.

These financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to find joint venture partners. At the date of these financial statements, the Company has not identified whether any of its properties contain ore reserves that are economically recoverable. At March 31, 2018, the Company has not achieved profitable operations and has accumulated losses since inception.

On March 3, 2017, as amended June 21, 2017, and August 21, 2017, the Company signed an engagement letter with Haywood Securities Inc. (the "Agent" or "Haywood") to act as lead agent and sole bookrunner in connection with the Company's proposed Initial Public Offering ("IPO") of securities of the Company and concurrent listing of the common shares of the Company on the TSX Venture Exchange ("TSX-V") (Note 10). The Company entered into an agency agreement with the Agent on October 23, 2017, amended January 10, 2018, pursuant to which the Agent had agreed to use commercially reasonable efforts to offer and sell the units on behalf of the Company in connection with the IPO. On January 10, 2018, the Company filed and received a receipt for, an amended and restated final long form prospectus (the "Amended Prospectus"), which amended the Company's final long form prospectus dated October 23, 2017 (the "Prospectus"), with the securities commissions of each of British Columbia, Alberta, and Ontario in connection with its IPO of units of the Company. The Company became a reporting issuer on October 23, 2017, and on March 20, 2018 the TSX-V accepted the Company's listing application and the Company's Common Shares began trading on March 22, 2018.

With its current plans for the next 12 months, and the budgets associated with those plans, management believes that the Company will have sufficient working capital to fund activities for the ensuing twelve months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

Basis of Measurement and Presentation

These financial statements have been prepared on a historical cost basis except for assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars ("CAD"), which is also the Company's functional currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates.*

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in loss and comprehensive loss.

Financial Instruments

All financial instruments are classified into one of the following four categories:

(a) Financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)

Financial assets and financial liabilities classified as FVTPL are acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are recognized at fair value based on market prices, with any resulting gains and losses reflected in profit or loss for the period in which they arise.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity that an entity has the positive intention and ability to hold to maturity. They are measured at amortized cost using the effective interest rate method less any impairment loss. A gain or loss is recognized in profit or loss when the financial asset is derecognized or impaired, and through the amortization process.

(c) Available for sale (“AFS”) financial assets

Financial assets classified as AFS are non-derivative financial assets that are designated as available for sale, or that are not classified as loans and receivables, held-to-maturity investments, or FVTPL. They are measured at fair value. Fair value is determined based on market prices. Equity instruments that do not have a quoted market price in an active market are measured at cost. Gains and losses are recognized directly in other comprehensive income (loss) until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in accumulated other comprehensive income (loss) is recognized in profit or loss for the period.

(d) Loans and receivables and other financial liabilities

Loans and receivables and other financial liabilities are measured at amortized cost, using the effective interest rate method less any impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's financial instruments consist of cash, receivables, marketable securities, restricted cash, reclamation deposits, and accounts payable and accrued liabilities (Note 14).

Impairment of financial assets

All financial assets except those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or,
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of FVTPL marketable securities, If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Equipment

Equipment is recorded at cost and amortized over its estimated useful life using the following method:

Field equipment	20% straight - line method
Computer equipment and software	20% straight - line method
Vehicles and related equipment	20% straight - line method

Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use, along with the future cost of dismantling and removing the asset.

Deposits paid towards the purchase of equipment are classified as non-current prepaid expenditures and will be moved to equipment upon completion of the purchase of the related asset.

Exploration and Evaluation Assets

Upon acquiring legal title to explore, the acquisition costs of mineral property interests are capitalized and initially measured at cost. Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalised until the property to which they relate is placed into production, sold or allowed to lapse. These costs will be amortized over the estimated life of the mineral property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are expensed as incurred. Re-imbursements of current period exploration and evaluation costs are recognized as a recovery. Re-imbursements of previously expensed exploration and evaluation costs are recognized in profit or loss.

When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

Impairment of Long-lived Assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset, or a cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of long-lived assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Estimates of future cash flows used to test recoverability of a long-lived asset include only the future cash flows that are directly associated with, and that are expected to arise as a direct result of, its use and eventual disposition. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Restoration, Rehabilitation and Environmental Obligations

Restoration, rehabilitation and environmental obligations are recognized for the expected obligations related to the retirement of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A restoration, rehabilitation or environmental obligation is recognized in the period in which it is incurred and when a reasonable estimate of the fair value of the liability can be made with a corresponding cost recognized by increasing the carrying amount of the related long-lived asset.

The restoration, rehabilitation or environmental cost is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial fair value of the liability is accreted, by charges to operations, to its estimated future value. As at March 31, 2018 and 2017, the Company has no known restoration, rehabilitation or environmental obligations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share Capital

Common shares issued for non-monetary consideration are recorded at their fair value on the measurement date and classified as equity. The measurement date is defined as the earliest of the date at which the commitment for performance by the counterparty to earn the common shares is reached or the date at which the counterparty's performance is complete.

Transaction costs directly attributable to the issuance of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Valuation of Equity Units Issued in Private Placements

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

The fair value of the common shares issued in a private placement is determined to be the more easily measurable component and are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares, calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of common shares issued and outstanding during the period. Diluted EPS is calculated by adjusting the profit or loss attributable to equity shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares. The calculation of diluted EPS assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. Diluted EPS does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Share-based Payments

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

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payment expense originally recorded as reserves are transferred to share capital. When an option is cancelled/forfeit or expired, the initial recorded value is reversed and charged to deficit.

Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is 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.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits 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.

Segment Reporting

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

Significant Accounting Estimates and Critical Judgements

The preparation of these financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant Accounting Estimates

Significant accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated useful lives of equipment

The estimated useful lives of equipment, which is included in the statements of financial position, will impact the amount and timing of the related amortization included in profit or loss.

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and option life, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

New and Future Accounting Standards

Accounting standards adopted during the year

IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses was amended to clarify the requirements for recognizing deferred income tax assets on unrealized losses, deferred income taxes where an asset is measured at fair value below the asset's tax base, and certain other aspects of accounting for deferred income tax assets. The amendment was adopted on April 1, 2017, without a significant impact on the Company's financial statements.

IAS 7 Statement of Cash Flow was amended on January 29, 2016 by the IASB introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendment was adopted on April 1, 2017, without a significant impact on the Company's financial statements.

Future accounting pronouncements

The following standards and pronouncements have been issued by the IASB and have not yet been adopted by the Company.

(Expressed in Canadian Dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 Leases was issued in January 2016 (effective January 1, 2019) and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Company expects that these new IFRS standards will have an insignificant effect on its financial statements other than increased note disclosure.

3. RECEIVABLES

The Company's receivables arise from goods and services tax and mineral exploration tax credits from government taxation authorities.

As at March 31, 2018 and 2017, receivables consist of the following:

	March 31, 2018	March 31, 2017
Goods and services tax receivable	$ 22,824	$ 28,747
Mineral exploration tax credits	39,350	-
	$ 62,174	$ 28,747

4. MARKETABLE SECURITIES

As at March 31, 2018 and 2017, the Company had the following investments:

	March 31, 2018	March 31, 2017
Fair value through profit or loss		
Cost	$ 18,200	$ 18,200
Accumulated unrealized loss	(16,489)	(15,867)
Fair value	$ 1,711	$ 2,333

(Expressed in Canadian Dollars)

5. RESTRICED CASH

At March 31, 2018, the Company classified $23,000 (2017 - $23,000) as restricted cash. This amount is comprised of a Guaranteed Investment Certificate held as collateral for its corporate credit cards.

6. EQUIPMENT

	Computer equipment and software	Field equipment	Vehicles and related equipment	Total
Cost				
As at March 31, 2016	$ 8,785	$ -	$ -	$ 8,785
Additions	6,623	-	-	6,623
As at March 31, 2017	15,408	-	-	15,408
Additions	1,454	132,918	26,959	161,331
As at March 31, 2018	16,862	132,918	26,959	176,739
Accumulated amortization				
As at March 31, 2016	5,271	-	-	5,271
Additions	1,757	-	-	1,757
As at March 31, 2017	7,028	-	-	7,028
Additions	3,153	-	-	3,153
As at March 31, 2018	10,181	-	-	10,181
Net book value				
As at March 31, 2017	$ 8,380	$ -	$ -	$ 8,380
As at March 31, 2018	$ 6,681	$ 132,918	$ 26,959	$ 166,558

Included in the additions for the year ended March 31, 2018 was $31,250 related to a deposit paid towards the purchase of new exploration equipment during the year ended March 31, 2017. Including the deposit noted above, $159,877 of additions in the year ended March 31, 2018 were purchased upon closing of the Company's IPO and were not yet in service as at March 31, 2018. As such, no amortization was recorded on this equipment during the year ended March 31, 2018.

Subsequent to the year ended March 31, 2018, the Company purchased 2 compressors, a compressor booster unit, and a trailer for the compressors for $190,452.

7. RECLAMATION DEPOSITS

Reclamation deposits are held as security towards future exploration work and the related future potential cost of reclamation of the Company's land and unproven mineral interests. Once reclamation of the properties is complete, the deposits will be returned to the Company. As at March 31, 2018, $40,000 (2017 - $27,000) is being held as security on the Company's claims.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

Properties	March 31, 2018	Impairment and Option payments received	March 31, 2017	Acqusition	March 31, 2016
Pinnacle Reef	$ 31,423	$ -	$ 31,423	$ 902	$ 30,521
Hogem	1,635	-	1,635	-	1,635
Kitimat	8,339	-	8,339	1,500	6,839
Copper King	6,473	-	6,473	-	6,473
Majazz	-	(2,766)	2,766	-	2,766
Nub East	2,492	-	2,492	-	2,492
Red	2,300	-	2,300	-	2,300
Tak	1,914	-	1,914	1,914	-
Stars	5,000	(10,000)	15,000	15,000	-
Wildcat	1,560	-	1,560	1,560	-
	$ 61,136	**$ (12,766)**	**$ 73,902**	**$ 20,876**	**$ 53,026**

Pinnacle Reef (formerly Later), British Columbia

During the year ended March 31, 2013, the Company acquired a 100% interest by staking the Pinnacle Reef claims in the Omineca Mining Division of British Columbia.

The Company entered into an option agreement dated July 12, 2016 with ML Gold Corporation ("ML Gold"), a company listed on the TSX-V, whereby the Company granted ML Gold the option to acquire up to a 70% interest in the Later property. Pursuant to the agreement, ML Gold can earn an initial 51% interest in the property over a 4-year option term by completing $2,000,000 in exploration expenditures on the property and issuing to the Company 1,000,000 common shares of ML Gold as follows:

- Incurring $150,000 (incurred) in expenditures by the first anniversary of the TSX-V approval date;
- Incurring $250,000 in expenditures and issuing to the Company 200,000 common shares by the second anniversary of the TSX-V approval date;
- Incurring $600,000 in expenditures and issuing to the Company 300,000 common shares by the third anniversary of the TSX-V approval date; and
- Incurring $1,000,000 in expenditures and issuing to the Company 500,000 common shares by the fourth anniversary of the TSX-V approval date.

Upon completion of the 51% earn-in, ML Gold can earn an additional 19% interest in the property by issuing an additional 500,000 common shares to the Company and incurring a further $3,000,000 in property expenditures within 2 years of the exercise of the option.

Wildcat, British Columbia

The Company entered into an option agreement dated February 27, 2017 ("effective date") with a private title holder (the "Wildcat Optionor") to acquire a 100% interest in the Wildcat property. To earn its 100% interest, the Company must carry out certain exploration and issue 2,000,000 common shares to the Wildcat Optionor on or before the fourth anniversary of the effective date as follows:

8. EXPLORATION AND EVALUATION ASSETS (Continued)

- Issue 200,000 (issued April 10, 2018) common shares and carry out a minimum 10 km-line induced polarization survey on or before the first anniversary of the effective date (completed);
- Issue 400,000 common shares and drill 1 reverse circulation or diamond drill hole on or before the second anniversary of the effective date;
- Issue 600,000 common shares on or before the third anniversary of the effective date; and
- Issue 800,000 common shares on or before the fourth anniversary of the effective date.

Upon exercise of the option, the Company will grant to the Wildcat Optionor a 2% NSR royalty subject to the Company's right to purchase one half of the royalty from the Optionor for a period of 15 years following the completion of a mineral resource estimate prepared in accordance with NI 43-101 for a purchase price equal to:

- Purchase price = 0.0007 x Gold price per ounce x gold ounce-equivalent resource

Red, British Columbia

During the year ended March 31, 2015, the Company acquired by staking a 100% interest in certain mineral tenures in the Clinton Mining Division of British Columbia comprising part of the Red Property.

The Company entered into a joint venture agreement dated July 5, 2016 with EnGold Mines Ltd. Both parties hold certain adjacent claims and agreed to combine them into a single property (the "Red Property") and form an unincorporated joint venture for the purpose of exploring and developing the Red Property. The participating interests of both parties at the time of formation of the joint venture was 50% with each party responsible for payment of its proportionate share of operating and capital costs, including reclamation and remediation obligations.

Upon formation of the joint venture, a Management Committee consisting of two representatives of each party and holding voting rights in accordance with each party's participating interest was established. The management committee shall make all decisions required to be made by the joint venture participants. The Management Committee shall be responsible for the exploration and development of the Red Property and for the negotiation of any option or sale of the Property.

No exploration work has been performed under the agreement.

Hogem, British Columbia

Acquired by staking, the Company holds a 100% interest in certain mineral claims comprising part of the Hogem Property.

During the year ended March 31, 2016, the Company entered into a joint venture agreement dated April 24, 2015 with Divitiae Resources Ltd, a privately owned junior exploration and consulting company. Both parties hold certain adjacent claims and agreed to combine them into a single property (the "Hogem Property") and form an unincorporated joint venture for the purpose of exploring and developing the Hogem Property. The participating interests of both parties at the time of formation of the joint venture was 50% with each party responsible for payment of its proportionate share of operating and capital costs, including reclamation and remediation obligations.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

Upon formation of the joint venture, a Management Committee consisting of two representatives of each party and holding voting rights in accordance with each party's participating interest was established. The Management Committee shall make all decisions required to be made by the joint venture participants. The Management Committee shall be responsible for the exploration and development of the Hogem Property and for the negotiation of any option or sale of the Property.

No exploration work has been performed under the agreement.

Stars (formerly Copper Star), British Columbia

During the year ended March 31, 2017, the Company purchased a 50% interest in 5 tenures forming the Stars Project for $15,000. The other 50% is held by Divitiae.

On November 20, 2017, the Company signed an option agreement with ML Gold Corp. for the Stars Project. ML Gold can earn up to a 30% interest in the 50% interest held by the Company. As consideration for the option, ML Gold will make aggregate cash payments in the amount of $80,000 and issue a total of 600,000 common shares to the Company over a two-year period and will incur a minimum of $4,500,000 in exploration expenditures on the Project over a three-year period as follows:

- Making a cash payment of $10,000 (paid) upon signing of the agreement and issuing to the Company 100,000 (received subsequent to March 31, 2018) common shares of ML Gold within 10 days of receiving TSX-V approval;
- Making a cash payment of $20,000, incurring $500,000 in expenditures, and issuing to the Company 200,000 common shares by the first anniversary date;
- Making a cash payment of $50,000, incurring $1,000,000 in expenditures ($1,500,000 cumulative), and issuing to the Company 300,000 common shares by the second anniversary date; and
- Incurring $3,000,000 in expenditures ($4,500,000 cumulative) by the third anniversary date;

The Company will have a carried interest in the Project until completion of a Pre-Feasibility Study, after which point a Joint Venture will commence.

Kitimat, Copper King, Nub East, Tak, Majazz, British Columbia

Acquired by staking, the Company holds a 100% undivided interest in each of the Kitimat, Copper King, Nub East, and Tak claims.

Acquired by staking, the Company held a 50% interest in the Majazz claims. The other 50% was held by a local trapline holder. During the year ended March 31, 2018, the Company decided to no longer pursue exploration opportunities on the Majazz project and the Company wrote-off the project.

(Expressed in Canadian Dollars)

9. EXPLORATION EXPENDITURES

During the year ended March 31, 2018, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Wildcat	Red	Hogem	Stars	Other*	Total
Administration Cost	$ 28	$ 330	$ -	$ -	$ 2,626	$ 2,984
Assays	495	-	-	-	429	924
Geophysics	115,095	-	7,266	-	19,073	141,434
Logistics	-	4,303	3,603	178	2,579	10,663
Personnel	9,513	21,264	6,200	9,350	16,899	63,226
Travel	3,797	3,966	2,287	8,008	8,752	26,810
Total Expenditures	128,928	29,863	19,356	17,536	50,358	246,041
Recoveries	-	-	-	-	(5,840)	(5,840)
Exploration tax credits**	(24,384)	(5,281)	(3,051)	(1,190)	(20,499)	(54,405)
Total Recoveries	(24,384)	(5,281)	(3,051)	(1,190)	(26,339)	(60,245)
Net Expenditures	$ 104,544	$ 24,582	$ 16,305	$ 16,346	$ 24,019	$ 185,796

* Components of "Other" exploration expenditures for the year ended March 31, 2018 were Copper King - $14,312; Pinnacle Reef - $9,039; Majazz - $8,435; Kitimat - $8,070; Tak - $2,760; and Target Generation - $7,742.

** All of the Company's exploration activities are located in British Columbia, Canada. As such, the Company is eligible for the Mining Exploration Tax Credit on qualifying expenditures. The credit is 20% of the qualifying expenditures, and an enhanced 30% credit is available for expenditures incurred in Mountain Pine Beetle affected areas. For the purposes of financial reporting, the Company has accrued a credit at the 20% qualifying rate. Actual credit and refund may differ from reported above. The Company did not accrue for any exploration tax credits in the prior year and any credits received from the prior year were recorded as exploration tax credits when received.

During the year ended March 31, 2017, the Company incurred the following exploration expenditures, which were expensed as incurred:

	Later	Kitimat	Red	Wildcat	Other*	Total
Administration Cost	$ 44	$ -	$ -	$ -	$ -	$ 44
Assays	1,552	-	-	-	-	1,552
Logistics	64	578	279	-	814	1,735
Personnel	19,100	13,206	5,400	3,150	4,644	45,500
Travel	512	1,861	162	-	-	2,535
Net Expenditures	$ 21,272	$ 15,645	$ 5,841	$ 3,150	$ 5,458	$ 51,366

* Components of "Other" exploration expenditures for the year ended March 31, 2017 were Copper King - $1,500; Majazz - $1,493; Copper Star - $1,200; Hogem - $300; and target generation - $965.

10. EQUITY

Authorized

As at March 31, 2018, the authorized share capital of the Company was an unlimited number of common and preferred shares without par value.

Share Capital

No preferred shares have been issued from incorporation to March 31, 2018.

During the year ended March 31, 2018, the Company:

- Completed their IPO and listing of its common shares on the TSX-V of 10,000,000 units of the Company at a purchase price of $0.20 per Unit for gross proceeds of $2,000,000. Each Unit is comprised of one common share of the Company and one common share purchase warrant of the Company. Each warrant is exercisable for one common share at a price of $0.30, for a period of 36 months following the closing of the offering.

  Haywood Securities Inc. ("Haywood") acted as an agent in connection with the offering. For its services the Agent received a corporate finance fee, a cash commission equal to 7% of the gross proceeds of the offering in addition to compensation options to purchase up to 700,000 Units at an exercise price of $0.20 exercisable within 36 months from the listing of the Company's common shares.

  Total share issue costs paid as part of the IPO was $462,887 including the cash commission of $140,000 to Haywood, a corporate finance fee of $25,000, and other costs totalling $297,887.

  The 700,000 broker's options granted to Haywood were valued $87,444 or a weighted average fair value of $0.12 per brokers option. The fair value of the broker's options granted was estimated using the Black-Scholes option pricing model with assumptions as follows: risk-free interest rate of 1.93%, dividend yield of 0%, volatility of 100%, forfeiture rate of 0% and an expected life of 3 years.

  Pursuant to the definition of "principal" of an emerging issuer under NP 46-201, certain shareholders holding 6,376,500 common shares were classified as principals' and entered into an escrow agreement dated October 23, 2017. Pursuant to the terms of the escrow agreement, each of the escrow holders has agreed that, for a period of three years from the date which the shares became listed for trading on the TSX-V, it will not transfer or otherwise dispose of securities of the Company that are subject to the escrow agreement unless expressly permitted by the escrow agreement. The escrow agreement allows for an automatic timed release of a set amount of escrowed securities every 6 months from the listing date.

- Issued 765,000 common shares to two directors of the Company and one employee of Seabord Services Corp., a consultant to the Company, for proceeds of $76,500. The Company paid $413 in share issue costs for filing fees and legal expenses in connection with this financing.

During the year ended March 31, 2017, the Company completed private placements of $761,885 through the issuance of 7,618,850 common shares at a price of $0.10 per common share. The Company paid $17,172 in share issue costs for filing fees and legal expenses in connection with the financings.

(Expressed in Canadian Dollars)

10. EQUITY (Continued)

Stock Option Plan

As at March 31, 2018, the Company had a stock option plan that allows the Board of Directors to grant incentive stock options to the Company's officers, directors, related company employees and consultants to purchase up to that number of common shares equal to 10% of its outstanding shares for a term of up to ten years. The exercise price of each option is to be not less than the fair market value of the Company's stock as determined by the Plan administrator. The vesting terms are determined at the time of the option grant.

On August 25, 2017, the Board of Directors approved a new stock option plan to replace its existing stock option plan for the purpose of complying with TSX-V requirements in connection with the IPO. Under the new stock option plan, among other things, options granted to investor relations personnel vest in accordance with TSX-V regulations.

The changes in stock options outstanding are as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at March 31, 2016	325,000	$ 0.15
Granted	100,000	0.15
Cancelled and expired unexercised	(20,000)	0.15
Balance as at March 31, 2017	405,000	0.15
Granted	1,950,000	0.20
Balance as at March 31, 2018	2,355,000	0.20
Number of options exercisable as at March 31, 2018	1,777,500	$ 0.20

The following table summarizes the stock options outstanding and exercisable at March 31, 2018:

Date Granted	Number of Options	Exercisable	Exercise Price	Expiry Date
May 27, 2015*	65,000	32,500	$ 0.15	May 27, 2020
May 27, 2015*	240,000	120,000	0.20	May 27, 2020
June 7, 2016**	100,000	25,000	0.15	June 7, 2021
June 23, 2017***	1,100,000	825,000	0.20	June 23, 2022
July 4, 2017***	150,000	75,000	0.20	July 4, 2022
March 20, 2018 - Broker's Options****	700,000	700,000	0.20	March 20, 2021

* stock options vest 25% every year beginning one year after the date of grant. Prior to the IPO, the exercise price for 240,000 options granted to officers of the Company was increased to $0.20 per common share.
** stock options vest 25% every year beginning one year after the date of grant.
*** stock options vest 25% every quarter starting 3 months from date of grant.
**** Broker's options are exercisable into a unit, consisting of one common share and one common share purchase warrant, consistent with the units issued as part of the Company's IPO.

The weighted average remaining life of the stock options exercisable is 3.6 years (2017 – 3.4 years).

(Expressed in Canadian Dollars)

10. EQUITY (Continued)

Share-based Compensation

During the year ended March 31, 2018, the Company recorded share-based compensation expense of $184,870 (2017 - $9,231), which represents the fair value of options vested during the year with the offsetting amount credited to reserves.

The weighted average fair value of the stock options granted or modified during the year ended March 31, 2018, including broker's options was $0.14 per stock option (2017 - $0.07 per stock option). The fair value of stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows: risk-free interest rate of 1.44% (2017 – 0.63%), dividend yield of 0% (2017 – 0%), volatility of 100% (2017 - 100%), forfeiture rate of 0% (2017 – 0%) and an expected life of 4.14 years (2017 – 5 years).

Warrants

The changes in warrants outstanding are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance as at March 31, 2017 and 2016	-	$ -
Granted - IPO Warrants	10,000,000	0.30
Balance as at March 31, 2018	10,000,000	$ 0.30

The following table summarizes the warrants outstanding and exercisable at March 31, 2018:

Date Granted	Number of Warrants	Exercise Price	Expiry Date
March 20, 2018 - IPO Warrants	10,000,000	$ 0.30	March 20, 2021

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition and exploration of mineral properties. As such, all of the Company's equipment and exploration and evaluation assets are located in Canada.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into certain transactions with key management personnel, which the Company has defined as Officers and Directors of the Company. The aggregate value of these transactions and outstanding balances are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Exploration expenditures		
President*	$ 5,100	$ 16,950
Vice President, Exploration*	38,450	26,550
General and Administrative expenditures		
President*	70,900	56,550
Vice President, Exploration*	29,350	27,450
Seabord Services Corp.**	41,900	34,800
Share - based compensation		
Management and directors	114,418	3,714
Seabord Services Corp.**	22,884	743
	$ 323,002	$ 166,757

Amounts due to related parties as of March 31, 2018 and March 31, 2017 are as follows:

Related party liabilities	Items or services	March 31, 2018	March 31, 2017
President	Management fees and reimbursable expenses	$ 9,240	$ 7,245
Vice President, Exploration	Management fees and reimbursable expenses	12,996	9,360
		$ 22,236	$ 16,605

*BJP Consulting and Rory Ritchie Geological Consulting are controlled by Brad Peters, President and Chief Executive Officer, and Rory Ritchie, Vice-President, Exploration respectively.

** Seabord Services Corp. (“Seabord”) provides the following services: a Chief Financial Officer (“CFO”), a Corporate Secretary, accounting and administration staff, and office space to the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company.

There were no changes to the Company’s Board of Directors or management during the year ended March 31, 2018.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company’s financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk, interest rate risk, and market risk.

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Although the Company operates only in Canada and all expenditures are incurred in Canadian dollars, U.S. dollars are sometimes held by the Company. As at March 31, 2018, the Company did not hold a significant balance of U.S. dollars. Therefore, a change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar would have an immaterial effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

Credit Risk

Credit risk arises from cash as well as credit exposures to counterparties of outstanding receivables and committed transactions. There is no concentration of credit risk other than on cash deposits and receivables. The Company's cash deposits are primarily held with a Canadian chartered bank. Further, receivables comprise amounts due from the federal government. Therefore, credit risk is considered low.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to pay obligations as they fall due. Financial liabilities, at March 31, 2018, included $141,411 of accounts payable and accrued liabilities, including $22,236 in amounts due to related parties. $54,459 of the outstanding accounts payable balance related to the closed IPO and have been settled with the proceeds received. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest Rate Risk

When the Company has sufficient cash, it will invest in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at March 31, 2018 and 2017, the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

Market risk

The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the March 31, 2018 value of marketable securities every 10% increase or decrease in the share prices of these companies would have impacted income (loss) for the period, up or down, by approximately $170 (2017 - $230) before income taxes.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after

(Expressed in Canadian Dollars)

13. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

thirty days without interest penalty. There has been no change in approach to managing capital during the year ended March 31, 2018 and the Company believes with its current plans in place, it will have sufficient capital to fund its administrative and exploration expenditures for the next twelve months. The Company is not subject to externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS

As at March 31, 2018 and 2017, the Company has made the following classifications for its financial instruments:

As at March 31, 2018	Fair value through profit or loss	Other financial liabilities	Total
Cash	$ 1,493,234	$ -	$ 1,493,234
Restricted cash	23,000	-	23,000
Marketable securities	1,711	-	1,711
Accounts payable and acrrued liabilities	-	(141,411)	(141,411)
Total	$ 1,517,945	$ (141,411)	$ 1,376,534

As at March 31, 2017	Fair value through profit or loss	Other financial liabilities	Total
Cash	$ 425,478	$ -	$ 425,478
Restricted cash	23,000	-	23,000
Marketable securities	2,333	-	2,333
Accounts payable and acrrued liabilities	-	(63,148)	(63,148)
Total	$ 450,811	$ (63,148)	$ 387,663

Reclamation deposits are classified as financial assets held-to-maturity.

Fair Values

The Company's financial instruments consist of cash, receivables, marketable securities, restricted cash, reclamation deposits, accounts payable and accrued liabilities. The Company recognizes cash at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (Continued)

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments which are measured using the fair value hierarchy include cash, restricted cash, and marketable securities which are categorized as level 1.

The carrying values of receivables, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

15. INCOME TAXES

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates of 27.00% (2017 – 26%) as follows:

		2018		2017
Loss for the year before income taxes	$	(654,079)	$	(298,264)
Expected income tax recovery		(172,000)		(78,000)
Change in statutory, foreign tax, foreign exchange rates and other		(22,000)		(3,000)
Permanent differences		49,000		3,000
Share issue costs		(122,000)		-
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses		17,000		-
Changes in unrecognized deductible temporary difference		250,000		78,000
	$	-	$	-

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

Significant components of the Company's unrecognized deferred tax assets are as follows:

		2018		2017
Deferred tax assets:				
Exploration and evaluation assets	$	209,000	$	148,000
Property and equipment		5,000		5,000
Share issue costs and other		103,000		4,000
Marketable securities		2,000		-
Non-capital losses available for future periods		230,000		142,000
		549,000		299,000
Unrecognized deferred tax assets		(549,000)		(299,000)
Net deferred tax assets	$	-	$	-

(Expressed in Canadian Dollars)

15. INCOME TAXES (Continued)

The significant components of the Company's unrecognized temporary differences are as follows:

	Expiry date	2018	2017
Temporary differences:			
Exploration and evaluation assets	no expiry	$ 752,000	$ 548,000
Investment tax credit	no expiry	7,000	7,000
Property and equipment	no expiry	17,000	20,000
Share issue costs and other	2038 to 2042	381,000	15,000
Marketable securities	no expiry	16,000	(4,000)
Non - capital losses available for future periods	2032 to 2038	853,000	547,000

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

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the year ended March 31, 2018 included:

- The reallocation of $20,000 of deferred share issue costs to share issue costs related to deposits paid on the IPO during the prior fiscal year;
- The reallocation of $31,250 in deposits on equipment to fixed assets for the completion of the purchase of equipment in which a deposit was paid in the prior fiscal year; and
- Recording through share issue costs and reserves, $87,444 for the fair value of brokers options granted as part of the IPO (Note 10).
- The accrual of $54,459 of accounts payable and accrued liabilities through shares issue costs related to the IPO (Note 10).

The significant non-cash investing and financing transactions during the year ended March 31, 2017 included the reclassification of $1,372 from reserves to deficit related to the fair value of stock options forfeited.

17. EVENTS AFTER THE REPORTING DATE

Subsequent to the year ended March 31, 2018:

- The Company completed a non-brokered private placement of 1,000,000 units of the Company at a price of $0.20 per unit with each unit comprised of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.30 per share for a period of 36 months until April 24, 2021.

  In consideration for arranging the private placement, the Company paid finder's fees of $12,000 paid in cash and through the issuance of 60,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.30 per share until April 24, 2021.

- Issued 200,000 common shares to a private title holder as the first anniversary payment pursuant to the Wildcat option agreement.

- Pursuant to the Company's stock option plan, the Company granted stock options to consultants to purchase 225,000 common shares of the Company at $0.20 per share for 3 years, expiring on July 24, 2021.