ARMOR MINERALS INC.

Consolidated Financial Statements

For the Year Ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Armor Minerals Inc.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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.

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 consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit.

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 Peter Maloff.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada — Chartered Professional Accountants

July 12, 2019

(Expressed in Canadian dollars)

As at	Notes		March 31, 2019		March 31, 2018
Assets					
Current assets:					
Cash and cash equivalents		$	701,878	$	536,719
Amounts receivable			2,261		2,156
Prepaid expenses			6,600		5,025
			710,739		543,900
Non-current assets:					
Due from related party	7		2,876		17,735
Total assets		$	713,615	$	561,635
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	4	$	57,273	$	12,614
Due to related party	7		13,932		1,275
Deferred rental liability	5		8,075		8,075
			79,280		21,964
Non-current liabilities:					
Deferred rental liability	5		13,458		21,533
Total liabilities		$	92,738	$	43,497
Shareholders' equity					
Share capital	6		27,937,218		27,625,170
Reserves	6		3,929,489		4,001,522
Deficit			(31,245,830)		(31,108,554)
Total shareholders' equity			620,877		518,138
Total liabilities and shareholders' equity		$	713,615	$	561,635

Nature of operations	1
Commitments	9

These consolidated financial statements have been authorized for issue by the Board of Directors on July 12, 2019.

APPROVED BY THE DIRECTORS

/s/ Richard W. Warke
Richard W. Warke, Director

/s/ Purni Parikh
Purni Parikh, Director

The accompanying notes form an integral part of these consolidated financial statements.

(Expressed in Canadian dollars)

		2019		2018
Expenses:				
Salaries and benefits	$	23,391	$	27,568
General office expenses		20,942		19,805
Listing and filing fees		18,150		17,540
Professional fees		71,054		13,790
Investor relations		1,372		1,268
Travel		9,906		-
Loss before other items		(144,815)		(79,971)
Foreign exchange loss		(462)		(253)
Finance income		8,001		4,625
Net loss		(137,276)		(75,599)
Other comprehensive loss:				
Items that may be reclassified to profit or loss:				
Foreign currency translation gain (loss)		15		(507)
Comprehensive loss	$	(137,261)	$	(76,106)
Basic and diluted net loss per share	$	(0.00)	$	(0.00)
Weighted average number of shares outstanding		44,117,645		41,319,015

The accompanying notes form an integral part of these consolidated financial statements.

(Expressed in Canadian dollars)

	Share Capital		Reserves				
	Number of shares	Amount	Foreign currency translation	Warrants	Total	Deficit	Shareholders' equity
Balance, March 31, 2017	41,319,015	$ 27,625,170	$ 1,330	$ 4,000,699	$ 4,002,029	$ (31,032,955)	$ 594,244
Comprehensive loss	-	-	(507)	-	(507)	(75,599)	(76,106)
Balance, March 31, 2018	41,319,015	$ 27,625,170	$ 823	$ 4,000,699	$ 4,001,522	$ (31,108,554)	$ 518,138
Shares issued on exercise of warrants	3,000,000	240,000	-	-	-	-	240,000
Fair value of warrants exercised	-	72,048	-	(72,048)	(72,048)	-	-
Comprehensive loss	-	-	15	-	15	(137,276)	(137,261)
Balance, March 31, 2019	44,319,015	$ 27,937,218	$ 838	$ 3,928,651	$ 3,929,489	$ (31,245,830)	$ 620,877

The accompanying notes form an integral part of these consolidated financial statements.

(Expressed in Canadian dollars)

	Notes	2019	2018
Cash flows from (used in):			
Operating activities:			
Net loss		$ (137,276)	$ (75,599)
Items not affecting cash:			
Foreign exchange loss (gain)		7	(87)
Amortization of deferred rental contribution		(8,075)	(2,019)
Net changes in non-cash working capital items:			
Amounts receivable		(105)	(1,506)
Prepaid expenses		(1,575)	4,723
Accounts payable and accrued liabilities		44,659	(49,979)
Due to related parties		12,657	956
Net cash used in operating activities		(89,708)	(123,511)
Financing activities:			
Proceeds from exercise of warrants	6 b	240,000	-
Deferred rental contribution received		-	31,627
Net cash provided by financing activities		240,000	31,627
Investing activities:			
Contributions from (to) related party		14,859	(17,735)
Net cash provided (used) in investing activities		14,859	(17,735)
Effect of exchange rate changes on cash and cash equivalents		8	(420)
Increase (decrease) in cash and cash equivalents		165,159	(110,039)
Cash and cash equivalents, beginning of year		536,719	646,758
Cash and cash equivalents, end of year		$ 701,878	$ 536,719

Supplementary information:		
Cash and cash equivalents, end of year comprise:		
Cash and balances with banks	$ 4,483	$ 2,952
Cash equivalents	697,395	533,767
	$ 701,878	$ 536,719

The accompanying notes form an integral part of these consolidated financial statements.

1. Nature of Operations

Armor Minerals Inc. (the "Company" or "Armor") is incorporated in British Columbia, Canada. The Company's head office is located at Suite 555 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1. The consolidated financial statements as at March 31, 2019 consist of Armor and its wholly owned subsidiary, Armor Minerals (US) Inc. ("Armor US") organized under the laws of Virginia. The Company is publicly traded with shares listed on the TSX Venture Exchange (the "TSX-V") under the symbol "A".

The Company is engaged in the acquisition and exploration of mineral property interests. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

At March 31, 2019 the Company had cash and cash equivalents of $701,878, working capital of $631,459, net loss for the year ended March 31, 2019 of $137,276, and a deficit of $31,245,830. Based on anticipated cash flows, the Company is expected to have sufficient resources to meet its committed expenditures for the next twelve months.

2. Basis of Presentation

a) Statement of compliance

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

The accounting policies applied in these consolidated financial statements are based on IFRS effective for the year ending March 31, 2019 as issued and outstanding as of July 12, 2019, the date the Board of Directors approved the financial statements.

b) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. The functional currency of the parent is the Canadian dollar and the functional currency of Armor US is the United States dollar.

c) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

d) Use of estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could 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 future periods affected.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

- Functional currency – The Company and its subsidiaries have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that, management has to analyse several factors, including which currency mainly influences the cost of undertaking the business activities, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities. Management uses its judgment to determine which factors are most important, when the above indicators are mixed and the functional currency is not obvious.

- Options and warrants – The fair value of options and warrants is determined on the grant date. In order to compute the fair value, the Company uses the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected dividend yield and the risk-free interest rate, as well as the number of options or warrants expected to be exercised.

3. Summary of Significant Accounting Policies

The summary of significant accounting policies described below has been applied consistently to all periods presented in these consolidated financial statements.

a) Basis of consolidation

Subsidiaries are entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances are eliminated on consolidation.

b) Translation of foreign currencies

Management determines the functional currency of each entity as the currency of the primary economic environment in which the entity operates.

Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency gains and losses arising on period-end revaluations are recognized in the statement of income (loss).

Foreign operations

A subsidiary that has a functional currency other than Canadian dollars translates its assets and liabilities to Canadian dollars at the exchange rates prevailing at the end of each reporting period. Revenues and expenses are translated at the average exchange rate during the period. Differences arising from these foreign currency translations are recognized in other comprehensive income (loss) and presented within shareholders' equity in the foreign currency translation reserve. When a foreign operation is disposed, the relevant exchange differences accumulated in the foreign currency translation reserve are transferred to the statement of income (loss) as part of the profit or loss on disposal.

Net investment in a foreign operation

Foreign currency gains and losses arising on translation of a monetary item receivable from or payable to a foreign operation for which settlement is neither planned, nor likely to occur in the foreseeable future are considered to form part of a net investment in the foreign operation. Such gains and losses are recognized in other comprehensive income (loss) and presented within shareholders' equity in the foreign currency translation reserve.

c) Cash and cash equivalents

Cash and cash equivalents include amounts held in banks and cash equivalents with maturities at point of purchase of 90 days or less or are cashable after 30 days at the option of the Company. Interest from cash and cash equivalents is recorded on an accrual basis.

d) Exploration and evaluation expenditures

Exploration and evaluation costs are charged to the statement of income (loss) in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development costs are capitalized.

Exploration and evaluation costs include the costs of acquiring licenses, option payments, and the costs of the Company's exploration activities.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributable to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

e) Share capital

Common shares are classified as share capital. Proceeds from share issuances are recorded net of issue costs. Share capital issued as non-monetary consideration is recorded at an amount based on the fair value of the consideration received.

f) Net loss per share

Basic net loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by application of the treasury stock method.

g) Share-based payments

The Company has established a stock option plan ("the Plan") for eligible directors, officers, employees and consultants and accounts for this plan using the fair value method of accounting. Under this method, the grant date fair value of an award under the Plan is recognized as an expense using a graded vesting method, with a corresponding increase in reserves. For awards subject to vesting, the Company recognizes an expense over the period that the holder becomes unconditionally entitled to the awards. Awards not subject to vesting are recognized as an expense at the grant date.

The Company estimates the grant date fair value of the award using the Black-Scholes option pricing model. The number of options expected to vest are estimated at the grant date and reviewed at the end of each reporting period. The Company recognizes the impact of the revision to original estimates, if any, in the statement of income (loss) and comprehensive income (loss), with a corresponding adjustment to reserves. When equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of statement of income (loss) and comprehensive income (loss). The fair value of warrants, issued in connection with the issuance of shares in the functional currency of the entity in which they are issued, are recognized on the date of issue as a reduction in share capital. The Company uses the Black-Scholes option pricing model to estimate the fair value of the warrants issued, separately calculating the fair value of the common shares and the warrants, and prorating these amounts by the actual proceeds received.

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

h) Financial instruments

The Company classifies its financial instruments in the following categories: as FVTPL, financial assets at amortized cost and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. The Company determines the classification of financial assets and liabilities at initial recognition.

(i) Amounts receivable are not interest bearing and are recognized initially at their fair value plus transaction costs and subsequently 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 loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial assets has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the twelve month expected credit losses.

(ii) For trade receivables, the Company applies the simplified approach to providing for expected credit losses, which allows the use of lifetime expected loss provision.

(iii) Cash and cash equivalents include cash on hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. These are recognized initially at fair value and subsequently at amortized cost.

(iv) Accounts payable and accrued liabilities, as well as, due to related party and deferred rental liability are not interest bearing and are recognized initially at their fair value less transaction costs and subsequently at amortized cost.

(v) Derivatives are initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. The Company's derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognized in profit or loss.

i) Impairment of financial assets

The Company assess all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

j) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable and at each statement of financial position date. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized in the statement of income (loss) and comprehensive income (loss) for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicated that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset on the prior periods. A reversal of an impairment loss is recognized in the statement of income (loss) and comprehensive income (loss).

k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable than an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability.

(Expressed in Canadian dollars unless otherwise noted)

l) Income taxes

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

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

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

m) Accounting changes and recent accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

In January 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16"). IFRS 16 is effective for the Company on April 1, 2019. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The Company will utilize the modified retrospective approach on transition, under which comparative figures are not restated and expects to utilize practical expedients available under IFRS 16 related to short term and low value leases.

The Company estimates that effective April 1, 2019, it will recognize right-of-use assets and corresponding lease liabilities in the range of $40,000 to $60,000 in its Consolidated Statement of Financial Position, with no restatement of comparative periods' results. The Company is in the process of finalizing its IFRS 16 transition impact calculations, lease accounting procedures and policies, with completion expected during the first quarter. Upon adoption of this new accounting standard, lease payments will no longer be recognized as an expense in General and office expenses. Instead interest on lease obligations will be presented as finance expense and depreciation on the right of use assets will be presented in the financial statements.

4. Accounts Payable and Accrued Liabilities

		March 31, 2019		**March 31, 2018**
Trade and other payables	$	2,531	$	12,614
Accrued Liabilities		54,742		-
	$	57,273	$	12,614

(Expressed in Canadian dollars unless otherwise noted)

5. Deferred Rental Liability

Deferred rental contribution represents the unamortized balance of an amount received from a company previously related through certain common directors and management with respect to the provisions of agreements governing certain shared operating leases. The amount is being amortized to office and administrative expense over the remaining term of the leases. The following is a summary of changes in deferred rental contribution:

		March 31, 2019		March 31, 2018
Balance, start of year	$	29,608	$	-
Deferred rental contribution received		-		31,627
Amortization of deferred rental contribution		(8,075)		(2,019)
Balance, end of year	$	21,533	$	29,608

Deferred rental liability is reflected in the consolidated balance sheets as follows:

		March 31, 2019		March 31, 2018
Current	$	8,075	$	8,075
Non-current		13,458		21,533
	$	21,533	$	29,608

6. Share Capital and Reserves

a) Share capital

At March 31, 2019, the authorized share capital comprised of an unlimited number of common shares. The common shares do not have a par value and all issued common shares are fully paid.

The Company has no debt units remaining in escrow as at March 31, 2019 (March 31, 2018 - 3,842,716). Each debt unit was comprised of one common share and one common share purchase warrant (a “Debt Warrant”). Each Debt Warrant entitles the holder to purchase one common share at a price of $0.05 per common share until April 22, 2020.

b) Warrants

The following summarizes the Company’s warrants as at March 31, 2019:

Date of Issue	Exercise Price	Expiry Date	March 31, 2018	Exercised	Expired	March 31, 2019
April 29, 2015	$0.05	April 22, 2020	25,618,106	-	-	25,618,106
April 29, 2015	$0.08	April 29, 2018	4,000,000	(3,000,000)	(1,000,000)	-
October 7, 2015	$0.15	October 7, 2020	5,000,000	-	-	5,000,000
July 25, 2016	$0.40	July 25, 2021	2,500,000	-	-	2,500,000
			37,118,106	-	-	33,118,106

During the year ended March 31, 2019, 3,000,000 warrants with an exercise price of $0.08 were exercised for gross proceeds of $240,000.

The weighted average exercise price of the warrants outstanding at March 31, 2019 is $0.09 (March 31, 2018 – $0.09).

(Expressed in Canadian dollars unless otherwise noted)

c) Stock options

The Company has established a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from the date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the TSX-V on the last trading day preceding the grant date. Options begin vesting on the grant date based on a schedule outlined in the stock option agreement. The stock option plan provides that the aggregate number of shares reserved for issuance under the plan which may be made subject to options at any time and from time to time (including those issuable upon the exercise of pre-existing options) shall not exceed 10% of the total number of issued and outstanding shares, on a non-dilutive basis, as constituted on the grant date of such options.

At March 31, 2019 and 2018 there are no options outstanding.

7. Related Party Disclosures

Compensation of key management

Key management includes the Company's directors and certain senior management. For the year ended March 31, 2019, the Company paid salaries and benefits of $9,981 to key management personnel (March 31, 2018 – $11,856).

Related party transactions

Commencing March 1, 2015, the Company shares office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain common management and a director of the Company. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services. The Company was charged for the following with respect to these arrangements in years ended March 31, 2019 and 2018:

		2019		**2018**
Salaries and benefits	$	23,391	$	27,568
Office and administrative		27,887		20,661
Listing and filing fees		3,928		3,951
Investor relations		652		498
Professional fees		594		-
Travel		9,906		-
	$	66,357	$	52,678

At March 31, 2019, prepaid expenses include $nil (March 31, 2018 – $nil) and due to related party includes $13,932 (March 31, 2018 – $ 1,275) with respect to these arrangements.

The amount due from related party at March 31, 2019 of $2,876 (March 31, 2018 - $17,735) relates to the Company's share of jointly owned assets (primarily security deposits, leasehold improvements, and furniture and equipment) held by the management company.

8. Financial Instruments and Capital Management

The Company's financial instruments are classified into the following categories of financial assets and liabilities (shown at carrying value):

		March 31, 2019		March 31, 2018
Financial assets				
Loans and receivables				
Cash and cash equivalents	$	701,878	$	536,719
Amounts receivable		2,261		2,156
Due from related party		2,876		17,735
	$	707,015	$	556,610
Financial liabilities				
Financial liabilities at amortized cost				
Accounts payable and accrued liabilities	$	57,273	$	12,614
Due to related party		13,932		1,275
Deferred rental liability – current		8,075		8,075
Deferred rental liability – non-current		13,458		21,533
	$	92,738	$	43,497

The fair values of the Company's financial instruments in the table above approximate their carrying values.

Financial Risk Management

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

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and a portion of its expenses are incurred in U.S. dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. As at March 31, 2019, the Company has a U.S. dollar cash balance of $254 (March 31, 2018 – US$255), and a 10% change in the Canadian-U.S. dollar exchange rate would have an insignificant impact on the Company's earnings.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from cash held with banks and financial institutions, as well as credit exposure on outstanding amounts receivable. The Company manages its exposure to credit risk by holding its cash through Canadian chartered banks. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the investments included in cash is limited. Based on the amount of cash invested as at March 31, 2019 and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant impact in the interest earned by the Company per annum.

(Expressed in Canadian dollars unless otherwise noted)

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or obtain debt financing. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

9. Commitments

At March 31, 2019, based on current estimated usage, the Company is committed to payments for office premises (joint operations) through fiscal 2023 in the total amount of approximately $163,100. Payments by fiscal year are:

2019	40,900
2020	40,900
2021	40,900
2022 and beyond	40,400

10. Segment Information

The Company operates in one industry segment, being mineral exploration. Geographic information is as follows:

	Canada		United States		Total	
Total assets as at:						
March 31, 2019	$	713,414	$	201	$	713,615
March 31, 2018	$	561,041	$	594	$	561,635
Net loss for the year ended:						
March 31, 2019	$	136,868	$	408	$	137,276
March 31, 2018	$	75,037	$	562	$	75,599

(Expressed in Canadian dollars unless otherwise noted)

11. Income Taxes

The provision for income taxes reported differs from the amount computed by applying the cumulative Canadian Federal and Provincial income tax rates to the loss before the tax provision due to the following:

		Year ended March 31, 2019		Year ended March 31, 2018
Net loss	$	(137,276)	$	(75,599)
Statutory tax rate		27.00%		27.00%
Expected income tax recovery		(37,065)		(20,412)
Reconciling items:				
Difference in tax rates with foreign jurisdictions		(49)		(67)
Tax benefits of losses and temporary differences not recognized		35,489		20,479
Non-deductible expenses and other		1,625		-
Income tax recovery	$	-	$	-

The Company's unrecognized tax losses and other deductible temporary differences for which no deferred tax asset is recognized consists of the following:

		March 31, 2019		March 31, 2018
Non-capital loss carryforwards	$	4,974,000	$	4,843,000
Net-capital loss carry forwards		7,636,242		7,636,242
Mineral properties		308,190		308,190
Excess tax value of equipment over book value		25,517		25,517
Share issuance costs		11,549		21,600
Cumulative eligible expenditures		64,164		40,226
Deferred rental liability		21,533		29,608
	$	13,041,195	$	12,904,383

At March 31, 2019, the Company had Canadian unrecognized operating loss carry forwards of approximately $4,971,000 (March 31, 2018 – $4,840,000) and US unrecognized operating loss carry forwards of approximately US$3,000 (March 31, 2018 – US$3,000). The unrecognized operating loss carry forwards expire at various times between 2027 and 2038. The unrecognized net capital losses were also incurred in Canada and can be carried forward indefinitely.