



**FINANCIAL STATEMENTS**

**(formerly Gespeg Copper Resources Inc.)**

(Stated in Canadian dollars)

**April 30, 2019 and 2018**

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Gespeg Resources Ltd.  
(formerly Gespeg Copper Resources Inc.)

### *Opinion*

We have audited the accompanying financial statements of Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.) (the "Company"), which comprise the statements of financial position as at April 30, 2019 and 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss of \$161,620 during the year ended April 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by \$299,457. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

August 28, 2018

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Statements of Financial Position**

As at,	April 30, 2019	April 30, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 34,137	\$ 50,378
Reclamation deposit	21,600	-
Other receivables and prepaid expenses	18,662	7,404
	<b>74,399</b>	<b>57,782</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 3)	14,192	39,713
<b>Total assets</b>	<b>\$ 88,591</b>	<b>\$ 97,495</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 373,856	\$ 590,279
Flow-through premium liability (Note 4)	-	13,039
<b>Total liabilities</b>	<b>373,856</b>	<b>603,318</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 4)	11,120,393	10,869,415
Contributed surplus (Note 4)	1,350,193	1,218,993
Deficit	(12,755,851)	(12,594,231)
	<b>(285,265)</b>	<b>(505,823)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>	<b>\$ 88,591</b>	<b>\$ 97,495</b>

Description of business and going concern (Note 1)

**Approved and authorized on behalf of the Board of Directors on August 28, 2019:**

\_\_\_\_\_  
 "Sylvain Laberge"

\_\_\_\_\_  
 "Andrew Davidson"

The accompanying notes are an integral part of these financial statements

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Statements of Loss and Comprehensive Loss**

<b>For the years ended April 30,</b>	<b>2019</b>	<b>2018</b>
<b>Operating Expenses</b>		
General and administration	\$ 53,154	\$ 29,790
Impairment of exploration and evaluation assets (Note 3)	51,458	11,312
Management fees (Note 6)	90,000	55,000
Professional fees	102,480	54,307
Property investigation costs	136,354	15,920
Share-based compensation (Note 4)	-	95,000
Transfer agent and filing fees	18,043	18,730
	<b>451,489</b>	<b>280,059</b>
<b>Loss from operations</b>	<b>(451,489)</b>	<b>(280,059)</b>
Other income on settlement of flow-through premium liability (Note 4)	13,039	2,580
Gain on disposal of exploration and evaluation asset (Note 3)	46,737	-
Gain on shares for debt settlement (Note 4)	230,093	-
	<b>\$ (161,620)</b>	<b>\$ (277,479)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>82,052,901</b>	<b>71,689,762</b>

The accompanying notes are an integral part of these financial statements

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Statements of Changes in Shareholders' Equity (Deficiency)**

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
<b>Balance, May 1, 2017</b>	<b>70,608,512</b>	<b>\$ 10,780,344</b>	<b>\$ 1,110,989</b>	<b>\$ (12,316,752)</b>	<b>(425,419)</b>
Private placements	1,358,333	82,000	12,000	-	94,000
Flow-through premium liability	-	(15,619)	-	-	(15,619)
Share issue costs	-	(13,306)	-	-	(13,306)
Broker warrants issued	-	(1,004)	1,004	-	-
Shares issued for mineral property	700,000	37,000	-	-	37,000
Share-based compensation - warrant extension	-	-	95,000	-	95,000
Net loss	-	-	-	(277,479)	(277,479)
<b>Balance, April 30, 2018</b>	<b>72,666,845</b>	<b>\$ 10,869,415</b>	<b>\$ 1,218,993</b>	<b>\$ (12,594,231)</b>	<b>(505,823)</b>
	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
<b>Balance, May 1, 2018</b>	<b>72,666,845</b>	<b>\$ 10,869,415</b>	<b>\$ 1,218,993</b>	<b>\$ (12,594,231)</b>	<b>(505,823)</b>
Private placements	9,691,667	162,750	128,000	-	290,750
Shares for debt settlement	3,281,422	98,442	-	-	98,442
Share issue costs	-	(19,514)	-	-	(19,514)
Broker warrants issued	-	(3,200)	3,200	-	-
Shares issued for mineral property	400,000	12,500	-	-	12,500
Net loss	-	-	-	(161,620)	(161,620)
<b>Balance, April 30, 2019</b>	<b>86,039,934</b>	<b>\$ 11,120,393</b>	<b>\$ 1,350,193</b>	<b>\$ (12,755,851)</b>	<b>(285,265)</b>

The accompanying notes are an integral part of these financial statements

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Statements of Cash Flows**

<b>For the years ended April 30,</b>	2019	2018
<b>Cash flows used in Operating Activities</b>		
Net loss for the year	\$ (161,620)	\$ (277,479)
Items not affecting cash:		
Impairment of exploration and evaluation assets	51,458	11,312
Other income on settlement of flow-through premium liability	(13,039)	(2,580)
Gain on shares for debt settlement	(230,093)	-
Share-based compensation	-	95,000
Net changes in non-cash working capital items:		
Increase in accounts payable and accrued liabilities	232,763	121,565
Increase in reclamation deposit	(21,600)	-
Increase in other receivables and prepaid expenses	(11,258)	(6,000)
<b>Cash flows used in Operating Activities</b>	<b>(153,389)</b>	<b>(58,182)</b>
<b>Cash flows used in Investing Activities</b>		
Exploration and evaluation assets	(185,130)	(15,532)
Proceeds from disposal of exploration and evaluation asset	46,737	-
<b>Cash flows used in Investing Activities</b>	<b>(138,393)</b>	<b>(15,532)</b>
<b>Cash flows provided by Financing Activities</b>		
Issuance of common shares and units	290,750	94,000
Share issue costs, net of tax	(15,209)	(13,306)
<b>Cash flows provided by Financing Activities</b>	<b>275,541</b>	<b>80,694</b>
<b>Net change in cash during the year</b>	<b>(16,241)</b>	<b>6,980</b>
Cash, beginning of year	50,378	43,398
Cash, end of year	<b>\$ 34,137</b>	<b>\$ 50,378</b>
<b>Non-cash transactions</b>		
Shares issued for exploration and evaluation assets	\$ 12,500	\$ 37,000
Shares issued to settle debt	\$ 98,442	\$ -
Issuance of warrants and broker warrants	\$ 131,200	\$ 13,004
Accounts payable related to exploration and evaluation assets	\$ 25,994	\$ 150,950
Accounts payable related to share issue costs	\$ 4,305	\$ -
Fair value of flow-through premium liability	\$ -	\$ 15,619

The accompanying notes are an integral part of these financial statements

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Notes to the Financial Statements**  
**April 30, 2019**

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**1. Description of business and going concern**

Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.) (the “Corporation”) was incorporated under the laws of British Columbia, Canada on May 31, 2006 and is listed on the TSX Venture Exchange (“TSX-V”). The principal business of the Corporation is the identification, exploration and development of mineral properties.

The address of the Corporation’s corporate office and principal place of business is Suite 602 – 224 4<sup>th</sup> Avenue South, Saskatoon, Saskatchewan S7K 5M5. These financial statements were approved by the Corporation’s board of directors on August 28, 2019.

**Going concern**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The use of these principles may not be appropriate.

To date, the Corporation has not earned significant revenue and is considered to be in the exploration and evaluation stage.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Corporation’s assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Corporation’s investment in these assets is dependent upon the renewed legal ownership of the claims and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Corporation’s properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

As at April 30, 2019, the Corporation’s current cash resources are insufficient to cover the expected expenditures in fiscal 2020. The Corporation’s ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

The Corporation reported net losses in fiscal 2019 and 2018 of \$161,620 and \$277,479 respectively. These recurring losses and the need for continued financing to further successful exploration may cast significant doubt as to the Corporation’s ability to continue as a going concern.

These financial statements do not include any adjustments to the carrying values of assets and liabilities that might be necessary, if the Corporation is unable to continue as a going concern. Such adjustments could be material.

**2. Significant accounting policies**

The significant accounting policies used in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the periods presented.

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Notes to the Financial Statements**  
**April 30, 2019**

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**2. Significant accounting policies (continued)**

**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 preparation**

These financial statements have been prepared on a historical cost basis and are prepared and presented in Canadian dollars, which is the Corporation's functional currency. In addition, these financial statements are based on the accrual method of accounting, with the exception of cash flow information.

**Exploration and evaluation assets**

**Pre-license costs**

Pre-license costs are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as an exploration expense.

**Exploration and evaluation ("E&E") costs**

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the asset acquired. Such E&E costs include land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, completing prefeasibility and feasibility studies and directly attributable internal costs. E&E costs are not depleted or amortized and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and/or probable reserves are determined to exist. Upon determination of proved and/or probable reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment and subsequently amortized.

**Impairment of non financial assets**

The carrying amounts of the Corporation's non-current assets are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the existence of specific rights to explore in a specific area, actual and planned expenditures, results of exploration, and whether an economically-viable operation can be established. An impairment loss is recognized for the amount by which any exploration and evaluation asset exceeds its recoverable amount. The recoverable amount is the higher of the exploration and evaluation asset's fair value less costs to sell and value in use. Management judgment is applied in determining the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows (cash generating units), generally on the basis of areas of geological interest. Estimates and assumptions made may change if new information becomes available. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment, if any. The recoverable amount of an asset is evaluated at the Cash Generating Unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, generally on the basis of geological interest. The Corporation has determined that geological areas within each claim group of a property are the CGUs.

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Notes to the Financial Statements**  
**April 30, 2019**

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**2. Significant accounting policies (continued)**

**Impairment of non-financial assets** (continued)

The recoverable amount of a CGU is the greater of its fair value less costs to sell and its value in use. An impairment loss is recognized in the statement of loss and comprehensive loss for the period to the extent that the carrying amount of the asset (or CGU) exceeds the recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset (or CGU) does not exceed the carrying amount that would have been determined, net of depletion and depreciation, had no impairment loss been recognized for the asset (or CGU). A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

**Taxes**

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

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

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

**Commodity taxes**

Expenses and exploration and evaluation assets are recognized net of the amount of commodity taxes except where the commodity taxes incurred are not recoverable from the taxation authority, in which case, the commodity taxes are recognized as part of the cost of exploration and evaluation assets or as part of the expense item as applicable.

**2. Significant accounting policies (continued)**

**Share capital and warrants**

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issue of common shares, including warrants, are recognized as a reduction of equity, net of tax. For compound financial instruments, the relative fair value method is used to separate the components where the Corporation issues common shares and warrants as part of its equity financing activities.

The Corporation has adopted a relative fair value method with respect to the measurement of shares and warrants issued as private placements units. The relative fair value method allocates value to each component on a pro-rata basis, based on the fair value of the components calculated independently of one another. The Corporation considers the market value of the common shares issued as fair value, and measures the fair value of the warrant component of the unit using the Black-Scholes option pricing model. The unit value is then allocated, pro-rata, between the two components, with the fair value attributed to the warrants being recorded as contributed surplus.

**Flow-through shares**

Where a portion of the Corporation's exploration activities is financed by flow-through share arrangements, under the terms of flow-through share agreements, the tax deductions of the related Canadian exploration expenditures ("CEE") are renounced in favour of the investors. Accordingly, flow-through proceeds are allocated between the offering of the common shares and the premium associated with the sale of tax benefits of the common shares at the date of issuance. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and reversed in the statements of loss and comprehensive loss as a deferred income tax recovery ("other income") as the Corporation spends the flow-through proceeds.

**Share-based payments**

Options and warrants granted are accounted for using the fair value method. Under this method, the fair value of stock options and warrants granted are measured at estimated fair value at the grant date and recognized over the vesting period on a graded basis. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted is transferred to share capital.

Options and warrants granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. The Corporation uses the Black-Scholes option pricing model to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest, if applicable.

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

**2. Significant accounting policies (continued)**

**Loss per share**

The Corporation presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Corporation. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**Financial instruments**

The Corporation adopted IFRS 9, Financial Instruments ("IFRS 9"), on May 1, 2018.

IFRS 9, Financial instruments, replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected credit loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. The adoption of this new standard had no significant impact on the Corporation's financial statements and the new accounting policy was defined as follows:

The Corporation recognizes a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Corporation measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

**Financial assets**

The Corporation will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

- a) Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
  - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- c) Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Notes to the Financial Statements**  
**April 30, 2019**

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**2. Significant accounting policies (continued)**

When, and only when, the Corporation changes its business model for managing financial assets it must reclassify all affected financial assets.

The Corporation's financial assets comprise of cash and other receivables, which are all measured at amortized cost.

**Financial liabilities**

The Corporation's liabilities include accounts payable and accrued liabilities which are all measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

**Impairment of financial assets**

The Corporation assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For GST receivables, the Corporation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**Provision for environmental rehabilitation**

The Corporation recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Corporation's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

As at April 30, 2019 and 2018, the Corporation does not have any known rehabilitation obligations.

**New and amended IFRS pronouncements**

Certain new accounting standards and interpretations have been published that are not mandatory for the April 30, 2019 reporting period. These standards have been assessed to not have a significant impact on the Corporation's financial statements:

(a) IFRS 16, Leases

The new standard on leases, supersedes IAS 17, Leases, and related interpretations. The standard is effective for years beginning on or after January 1, 2019.

**Significant accounting judgments, estimates and assumptions**

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

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
**Notes to the Financial Statements**  
**April 30, 2019**

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**2. Significant accounting policies** (continued)

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- determination of the CGU and the recoverable amounts of the CGU used in impairment testing of long-lived assets including estimates of reserves and resources, future commodity prices, production costs, foreign exchange rates, discount rates, inflation and income tax rates;
- the fair value of share-based compensation determined using the Black-Scholes option pricing model using estimates for expected forfeitures, useful life and stock volatility;
- a portion of the provision for deferred income taxes based on estimated tax bases using enacted or substantively enacted tax rates expected to apply to taxable income during the years in which the differences are expected to be recovered or settled; and
- the determination that CGUs are at the claims group level or areas within each claims group.

**3. Exploration and evaluation assets**

Exploration and evaluation asset expenditures by nature are detailed as follows:

<b>Year ended April 30,</b>		<b>2019</b>	<b>2018</b>
Geology, technical reports, data compilation and maps	\$	13,625	\$ 7,475
Property acquisition and rent		12,500	40,272
Resource tax credit refund		(188)	3,274
	\$	25,937	\$ 51,021

The Corporation considers property acquisition costs as tangible costs and all other exploration and evaluation expenditures are intangible.

Exploration and evaluation assets by properties are detailed as follows:

	<b>Balance as at May 1, 2017</b>	<b>Additions</b>	<b>Impairment/ Disposals</b>	<b>Balance as at April 30, 2018</b>
Vortex	\$ 1	\$ 11,310	\$ (11,310)	\$ 1
Port Daniel	1	39,711	-	39,712
Cap-Chat	1	-	(1)	-
Cascapedia extension	1	-	(1)	-
	\$ 4	\$ 51,021	\$ (11,312)	\$ 39,713

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**3. Exploration and evaluation assets (continued)**

	Balance as at May 1, 2018		Additions	Impairment/ Disposals	Balance as at April 30, 2019
Vortex	\$	1	\$ 9,434	\$ -	\$ 9,435
Port Daniel		39,712	11,746	(51,458)	-
Lac Arsenault		-	4,757	-	4,757
	\$	39,713	\$ 25,937	\$ (51,458)	\$ 14,192

**Vortex**

The Vortex project is a copper molybdenum exploration opportunity in the Gaspé region of Quebec and is the site of the former Gaspé Copper mine and smelter. The project encompasses 80 sq. km of land and is comprised of three main claim groups:

- a) The Sullipek deposit, situated on the western edge of the project area;
- b) The Sullipek East property, a skarn/porphyry copper opportunity; and
- c) The Madeleine des Vercheres claim group.

On July 23, 2013, the Corporation and ASPM Inc. (the “Vendor”) executed a term extension on the Madelaine des Vercheres claim group. Under the terms of the extension, the Corporation was required to make a one-time payment of \$30,000 to the Vendor (paid).

Also, considered a part of the Vortex is the In-between project, a copper molybdenum exploration opportunity in the Gaspé region of Quebec. It covers lands between Vortex to the west and Murdochville to the east.

During the year ended April 30, 2018, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties and accordingly the Corporation recorded a write down in the amount of \$11,310.

**Port Daniel**

Port Daniel is a copper mineral opportunity located in the south region of the Gaspé Peninsula of Quebec.

On August 27, 2013 (the “Effective Date”), the Corporation entered into an option agreement with Dan Lepage and Pierre Ross (the “Optionors”) whereby the Corporation can acquire a 100% interest in the Port Daniel claims for consideration as follows:

- a. Making a cash payment of \$3,000 to the Optionor on the Effective Date (paid);
- b. Incurring minimum aggregate exploration expenditures on the claims as follows:
  - i. \$25,000 prior to January 1, 2014 (incurred);
  - ii. \$250,000 on or before January 1, 2015;
  - iii. \$350,000 on or before January 1, 2016;
  - iv. \$450,000 on or before January 1, 2017; and
  - v. \$750,000 on or before January 1, 2018.
- c. Issuing common shares to the Optionor as follows:
  - i. 500,000 common shares on or before the 12 month anniversary of the Effective Date (issued at a fair value of \$30,000);

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**3. Exploration and evaluation assets (continued)**

- ii. 500,000 common shares on or before the 24 month anniversary of the Effective Date (issued at a fair value of \$22,500);
- iii. 500,000 common shares on or before the 36 month anniversary of the Effective Date (issued at a fair value of \$22,500); and
- iv. 500,000 common shares on or before the 48 month anniversary of the Effective Date. (issued at a fair value of \$30,000).

On July 21, 2015, the Corporation amended the option agreement with the Optionor whereby the exploration expenditure requirements would be negated for a cash payment of \$10,000 (not paid as at April 30, 2019) and issuance of 1,000,000 common shares (issued at a fair value of \$45,000).

During the year ended April 30, 2018 the Corporation entered into an agreement to acquire 3 additional mineral claims in the sector of Port Daniel, Quebec for consideration as follows:

- i) 200,000 common shares on closing of the agreement (issued at a fair value of \$7,000).
- ii) 300,000 common shares on or before the 12 months anniversary of the agreement (issued at a fair value of \$9,000).

During the year ended April 30, 2019, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the property and accordingly the Corporation recorded a write down in the amount of \$51,458.

**Montauban**

Montauban is a gold mineral opportunity located in the regions of Chavigny and Portneuf townships of Quebec.

On June 9, 2017 and September 26, 2017, the Corporation signed a binding letter agreement with DNA Canada Inc (“DNA”), whereby the Corporation will acquire up to a 50% undivided interest in 65 mining claims for consideration as follows:

- a. Earn a 10% interest; by delivering a compliant 43-101 report on all existing tailings and issuing 3,000,000 common shares;
- b. Earn an additional 15% interest; obtaining all required permits and issuing 5,000,000 common shares
- c. Earn an additional 25% interest; by starting production of the tailings and issuing 10,000,000 common shares

Subsequent to the year ended April 30, 2019, the Company cancelled the letter agreement (Note 9).

**Cap-Chat**

The Cap-Chat property is a copper, gold and zinc exploration opportunity in the north-central region of the Gaspé Peninsula of Quebec.

On July 21, 2015, the Corporation entered into an option agreement with Dan Lepage and Pierre Ross (the “Optionors”) whereby the Corporation can acquire a 100% interest in the Cap-Chat property by making a cash payment of \$10,000 on signing of the agreement (paid) and issuing a total of 1,000,000 common shares to the Optionors on approval from the TSX-V (issued at a fair value of \$37,500).

The property is subject to a 3% net smelter return royalty, of which 1.5% can be purchased by the Corporation for \$1,500,000.

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**3. Exploration and evaluation assets (continued)**

During the year ended April 30, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$50,740.

During the year ended April 30, 2018, the Corporation allowed the mineral claims to lapse and wrote the property to \$nil.

**Cascapedia extension**

During the year ended April 30, 2016, the Corporation staked 10 claims in the south-central region of the Gaspé Peninsula of Quebec.

During the year ended April 30, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$539.

During the year ended April 30, 2018, the Corporation allowed the mineral claims to lapse and wrote the property to \$nil.

**Lac Arsenault**

During the year ended April 30, 2019 the Corporation entered into an agreement to acquire 15 mining claims in the southern part of the Gaspé Peninsula, Quebec in exchange for 100,000 common shares of the Corporation (issued at a fair value of \$3,500).

**Quarry 1272**

During the year the Corporation sold 100% of its interest in its remaining Quarry 1272 mineral claim in exchange for net proceeds of \$46,737.

**Net smelter royalty**

As part of the acquisition of the Vortex claims, the Corporation entered into an agreement with 49 North Resources Inc. to grant a 2% net smelter return "NSR" royalty from the sale of all copper-molybdenum lands portion of the property, excluding the Port Daniel property. The Corporation may, at any time reduce the NSR from 2% to 0.5%, by making a cash payment of \$1,000,000 to 49 North Resources Inc.

**4. Common shares and contributed surplus**

The Corporation is authorized to issue an unlimited number of common shares without par value.

**Common shares issued**

On October 17, 2017, the Corporation completed a financing of 733,333 units at an issue price of \$0.06 per unit and 625,000 flow-through common shares at an issue price of \$0.08 per flow-through common share for gross proceeds of \$94,000. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one-half common share purchase warrant with an exercise price of \$0.10 and a term of 36 months. In connection with the financing, the Corporation issued 37,187 broker warrants (valued at \$1,004) and paid cash share issue costs totaling \$13,306.

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**4. Common shares and contributed surplus (continued)**

On May 31, 2018, the Corporation completed a financing of 6,825,000 units at an issue price of \$0.03 per unit for gross proceeds of \$204,750. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one common share purchase warrant with an exercise price of \$0.06 and a term of 24 months.

On June 14, 2018, the Corporation completed a financing of 2,866,667 units at an issue price of \$0.03 per unit for gross proceeds of \$86,000. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one common share purchase warrant with an exercise price of \$0.06 and a term of 24 months. In connection with the May and June financings, the Corporation issued 160,000 broker warrants (valued at \$3,200) and paid cash share issue costs totaling \$19,514.

On August 13, 2018, the Corporation issued 100,000 common shares pursuant to a property purchase agreement. The shares were valued at \$3,500, in total.

On March 4, 2019, the Corporation issued 3,281,422 common shares pursuant to shares for debt settlements, approved by the shareholders on January 11, 2019. The shares were issued at a value of \$98,442, resulting in a gain on shares for debt settlement of \$230,093.

On April 8, 2019, the Corporation issued 300,000 common shares pursuant to a property purchase agreement. The shares were valued at \$9,000, in total.

**Stock option plan**

The directors of the Corporation have adopted, and the shareholders have approved a stock option plan (the "2013 Option Plan"), pursuant to which the directors may from time to time grant options for up to 10% of its issued and outstanding shares. The purpose of the Option Plan is to attract, retain and motivate directors, employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Corporation. All stock options granted to officers and directors vest immediately upon issuance; whereas stock options granted to consultants have vesting terms defined at the discretion of the Corporation's board of directors.

A summary of the outstanding and exercisable stock options is as follows:

	<b>April 30, 2019</b>		<b>April 30, 2018</b>	
	<b>Options</b>	<b>Price</b>	<b>Options</b>	<b>Price</b>
<b>Outstanding and exercisable, beginning of year</b>	-	\$ -	2,450,000	\$ 0.15
Options expired - unexercised	-	-	(2,450,000)	0.15
<b>Outstanding and exercisable, end of year</b>	-	\$ -	-	\$ -

The weighted average remaining life of the Corporation's outstanding stock options is nil years as at April 30, 2019 (April 30, 2018 - nil years).

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
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**4. Common shares and contributed surplus (continued)**

**Warrants**

A summary of the outstanding warrants is as follows:

	April 30, 2019		April 30, 2018	
	Warrants	Exercise Price	Warrants	Exercise Price
<b>Outstanding, beginning of year</b>	3,966,666	\$ 0.15	10,085,000	\$ 0.15
Warrants granted	9,691,667	0.06	366,666	0.10
Warrants expired	(3,600,000)	0.15	(6,485,000)	0.15
<b>Outstanding, end of year</b>	<b>10,058,333</b>	<b>\$ 0.06</b>	<b>3,966,666</b>	<b>\$ 0.15</b>

During the year ended April 30, 2018, the Company received TSX-V approval to extend the expiry date of these warrants to August 11, 2018. The Corporation used the Black-Scholes option pricing model to fair value the warrant extension (recorded as share-based compensation expense), which was estimated to be \$95,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 158.94%, and a risk free rate of 1.27%. Subsequent to the year ended April 30, 2018, these warrants expired unexercised.

On October 17, 2017, the Corporation issued 366,666 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.10 for a period of 36 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$12,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 162.48%, and a risk free interest rate of 1.48%. These warrants expire on October 17, 2020.

On May 31, 2018, the Corporation issued 6,825,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.06 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$91,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 162.85%, and a risk free interest rate of 1.87%. These warrants expire on May 31, 2020.

On June 14, 2018, the Corporation issued 2,866,667 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.06 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$37,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 158.89%, and a risk free interest rate of 1.92%. These warrants expire on June 14, 2020.

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**4. Common shares and contributed surplus (continued)**

**Broker warrants**

A summary of the outstanding broker warrants and units is as follows:

	<b>April 30, 2019</b>		<b>April 30, 2018</b>	
	<b>Warrants</b>	<b>Price</b>	<b>Warrants</b>	<b>Price</b>
<b>Outstanding, beginning of year</b>	37,187	\$ 0.10	272,000	\$ 0.15
Broker warrants granted	160,000	0.06	37,187	0.10
Broker warrants expired	(37,187)	0.10	(272,000)	0.15
<b>Outstanding, end of year</b>	<b>160,000</b>	<b>\$ 0.06</b>	<b>37,187</b>	<b>\$ 0.10</b>

On October 17, 2017, the Corporation issued 37,187 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.10 for a period of 18 months and vest immediately. The fair value of these warrants was estimated at \$1,004 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 157.06%, and a risk free interest rate of 1.48%. These broker warrants expired on April 17, 2019.

On May 31, 2018, the Corporation issued 160,000 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.06 for a period of 24 months and vest immediately. The fair value of these warrants was estimated at \$3,200 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 162.85%, and a risk free interest rate of 1.87%. These warrants expire on May 31, 2020.

**Contributed surplus**

The fair values of certain stock options and broker warrants have been valued using the Black-Scholes option pricing model. The fair value on the grant of these securities is added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

A summary of the contributed surplus activity is as follows:

	<b>April 30, 2019</b>	<b>April 30, 2018</b>
<b>Balance, beginning of year</b>	<b>\$ 1,218,993</b>	<b>\$ 1,110,989</b>
Private placements - warrants	128,000	12,000
Private placements - broker warrants	3,200	1,004
Share-based compensation - warrant extension	-	95,000
<b>Balance, end of year</b>	<b>\$ 1,350,193</b>	<b>\$ 1,218,993</b>

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**4. Common shares and contributed surplus (continued)**

**Other income on settlement of flow-through premium liability**

During the year ended April 30, 2018, the Corporation closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$15,619, which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at April 30, 2019, the Corporation reduced the liability to \$nil and recognized other income in the amount of \$13,039 during the year ended April 30, 2019 (2018 - \$2,580).

**5. Deferred income taxes**

The provision for income tax, both current and deferred, differs from the amount calculated by applying the combined expected federal and provincial rate to profit before taxes. The reasons for these differences are as follows:

	<b>2019</b>	<b>2018</b>
Loss for the year before taxes	\$ (161,620)	\$ (277,479)
Expected income tax recovery	(43,000)	(74,272)
Change in statutory, foreign exchange rates and other	12,000	31,096
Permanent difference	(3,000)	24,738
Share issue cost	(5,000)	(3,562)
Change in unrecognized deductible temporary differences	39,000	22,000
<b>Total income tax expense (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>
Current income tax expense	\$ -	\$ -
Deferred tax expense	\$ -	\$ -

The significant components of the Corporation's deferred tax assets (liabilities) are as follows:

	<b>2019</b>	<b>2018</b>
Exploration and evaluation assets	\$ 1,044,000	\$ 1,013,000
Share issue costs	8,000	7,000
Non-capital losses available for future period	907,000	900,000
	1,959,000	1,920,000
Unrecognized deferred tax assets	(1,959,000)	(1,920,000)
<b>Net deferred tax asset</b>	<b>\$ -</b>	<b>\$ -</b>

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

	<b>2019</b>	<b>Expiry Date Range</b>	<b>2018</b>	<b>Expiry Date Range</b>
Share issue costs	\$ 30,000	2040 to 2043	\$ 26,000	2039 to 2042
Exploration and evaluation assets	\$ 3,941,000	No expiry date	\$ 3,825,000	No expiry date
Non-capital losses available for future period	\$ 3,422,000	2027 to 2039	\$ 3,395,000	2027 to 2038

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

**Gespeg Resources Ltd. (formerly Gespeg Copper Resources Inc.)**  
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**6. Related party transactions**

Compensation of key executive personnel

	<b>April 30, 2019</b>	<b>April 30, 2018</b>
Consulting fees to officers	\$ 90,000	\$ 55,000
	<u>\$ 90,000</u>	<u>\$ 55,000</u>

Consulting fees paid or accrued to directors and officers or companies controlled by directors and officers are recorded as management fees.

During the year ended April 30, 2019, \$90,000 (2018 - \$55,000) was recorded for consulting services provided by a companies controlled by directors and officers of the Corporation. As at April 30, 2019 the Corporation owed \$102,862 (April 30, 2018 - \$260,819) related to such services, which is included in accounts payable and accrued liabilities.

**7. Capital management**

The Corporation's objectives when managing capital are:

- (a) to allow the Corporation to respond to changes in economic and/or marketplace conditions by maintaining the Corporation's ability to continue its exploration programs;
- (b) to provide sustained growth and value by increasing equity; and
- (c) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Corporation manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) raising capital through equity financings; and
- (b) borrowing funds in the form of advances from related parties.

The Corporation is not subject to any capital requirements imposed by a regulator. There were no changes in the Corporation's approach to capital management during the current year. The Corporation's management is responsible for the management of capital and monitors the Corporation's use of various forms of leverage on a daily basis.

**8. Financial instruments**

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

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**8. Financial instruments (continued)**

The fair value of the Corporation's other receivables and accounts payable and accrued liabilities approximate their carrying values. The Corporation's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

*Credit Risk*

The Corporation's credit risk is primarily attributable to cash. The Corporation has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

*Liquidity Risk*

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019, the Corporation had a cash balance of \$34,137 to settle accounts payable and accrued liabilities of \$373,856.

The Corporation has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Corporation will be able to obtain the required financing in the future on acceptable terms.

*Interest rate risk*

The Corporation is not exposed to risk in the event of interest rate fluctuations. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

**9. Subsequent events**

On May 2, 2019 the Corporation cancelled the letter agreement, pertaining to the Montauban project, with DNA Canada Inc., and is in discussion with DNA regarding reimbursement of project investigation costs.

On June 21, 2019 the Corporation changed its name to Gespeg Resources Ltd.