



GLACIER LAKE
RESOURCES INC.

Financial Statements

For the Years Ended March 31, 2018 and 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Glacier Lake Resources Inc.

We have audited the accompanying financial statements of Glacier Lake Resources Inc., which comprise the statement of financial position as at March 31, 2018, and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Glacier Lake Resources Inc. as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Glacier Lake Resources Inc.'s ability to continue as a going concern.

Other Matters

The financial statements of Glacier Lake Resources Inc. for the year ended March 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on July 31, 2017.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

July 19, 2018

GLACIER LAKE RESOURCES INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31, 2018	March 31, 2017
ASSETS			
Current assets			
Cash		\$ 500,605	\$ 462,874
Share subscriptions receivable	7	55,000	-
Amounts receivable		37,793	9,758
Prepaid expenses		36,827	8,477
Total current assets		630,225	481,109
Non-current assets			
Exploration and evaluation assets	4	753,750	129,359
Exploration advances		140,000	-
Reclamation bond		32,000	-
Total assets		\$ 1,555,975	\$ 610,468
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 144,794	\$ 68,151
Loan payable	6	-	5,000
Due to related parties	5	117,925	88,431
Flow-through share premium liability	10	60,165	-
Total current liabilities		322,884	161,582
Shareholders' equity			
Share capital	7	5,396,144	4,089,423
Commitment to issue shares	13	30,510	-
Share-based payment reserve	7	586,125	387,890
Deficit		(4,779,688)	(4,028,427)
Total shareholders' equity		1,233,091	448,886
Total liabilities and shareholders' equity		\$ 1,555,975	\$ 610,468

Going concern (Note 2)
Commitments (Note 13)
Subsequent events (Note 16)

Approved and authorized for issuance by the Board of Directors on July 19, 2018:

"Satvir Dhillon"
Director

"Stan Szary"
Director

(The accompanying notes are an integral part of these financial statements)

GLACIER LAKE RESOURCES INC.

Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	Years Ended March 31,	
		2018	2017
OPERATING EXPENSES			
Accounting and audit	5	\$ 76,750	\$ 29,000
Consulting		199,500	72,420
Filing and regulatory fees		39,361	10,399
Legal fees		20,095	11,243
Investor relations		125,807	12,992
Management fees	5	120,000	30,000
Office, travel and miscellaneous		71,715	11,174
Rent		27,682	20,649
Share-based payments	5,9	185,519	36,444
Transfer agent fees		7,493	8,531
		(873,922)	(242,852)
Gain on accounts payable and accrued liabilities	5,6,7	61,576	38,932
Recovery of flow-through share premium liability	10	61,085	-
Loss and comprehensive loss for the year		\$ (751,261)	\$ (203,920)
Basic and diluted loss per share		\$ (0.03)	\$ (0.01)
Weighted average number of shares outstanding		29,887,394	21,425,418

(The accompanying notes are an integral part of these financial statements)

GLACIER LAKE RESOURCES INC.Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions Receivable	Commitment to issue Shares	Share-based Payment Reserve	Deficit	Total
Balance, March 31, 2016	20,644,213	\$ 3,597,515	\$ (2,250)	\$ -	\$ 333,519	\$ (3,824,507)	\$ 104,277
Shares issued for private placement	5,000,000	500,000	-	-	-	-	500,000
Share issuance costs	-	(57,492)	-	-	17,927	-	(39,565)
Shares issued for settlement of related party debt	180,000	23,400	-	-	-	-	23,400
Shares issued for settlement of accounts payable	200,000	26,000	-	-	-	-	26,000
Share subscriptions received	-	-	2,250	-	-	-	2,250
Fair value of stock options granted	-	-	-	-	36,444	-	36,444
Net loss for the year	-	-	-	-	-	(203,920)	(203,920)
Balance, March 31, 2017	26,024,213	4,089,423	-	-	387,890	(4,028,427)	448,886
Shares issued for private placement	18,606,425	1,237,635	-	-	-	-	1,237,635
Share issuance costs - cash, shares and warrants	77,560	(104,732)	-	-	43,496	-	(61,236)
Share issuance costs – flow through share premium liability	-	(121,250)	-	-	-	-	(121,250)
Shares issued for exploration and evaluation assets	3,000,000	195,000	-	-	-	-	195,000
Exercise of stock options	500,000	63,280	-	-	(30,780)	-	32,500
Shares issued for settlement of accounts payable	315,430	36,788	-	-	-	-	36,788
Commitment to issue shares	-	-	-	30,510	-	-	30,510
Fair value of stock options granted	-	-	-	-	185,519	-	185,519
Net loss for the year	-	-	-	-	-	(751,261)	(751,261)
Balance, March 31, 2018	48,523,628	\$ 5,396,144	\$ -	\$ 30,510	\$ 586,125	\$ (4,779,688)	\$ 1,233,091

(The accompanying notes are an integral part of these financial statements)

GLACIER LAKE RESOURCES INC.

Statements of Cash Flows

(Expressed in Canadian Dollars)

Years ended March 31, 2018 and 2017

	Years Ended March 31,	
	2018	2017
OPERATING ACTIVITIES		
Loss for the year	\$ (751,261)	\$ (203,920)
Items not affecting cash:		
Commitment to issue shares for investor relations	36,000	-
Share-based payments	185,519	36,444
Recovery of flow-through share premium liability	(61,085)	-
Gain on accounts payable and accrued liabilities	(61,576)	(44,332)
Loss on settlement of related party debt	-	5,400
Changes in non-cash operating working capital:		
Amounts receivable	(23,355)	(8,512)
Prepaid expenses	(28,350)	(2,813)
Accounts payable and accrued liabilities	45,231	(24,941)
Due to related parties	91,313	39,887
Net cash used in operating activities	(567,564)	(202,787)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,174,760	502,250
Share issuance costs	(45,684)	(39,565)
Exercise of stock options	32,500	-
Net cash provided by financing activities	1,161,576	462,685
INVESTING ACTIVITIES		
Reclamation bond	(32,000)	-
Exploration advances	(140,000)	-
Exploration and evaluation assets expenditures	(384,281)	(129,359)
Net cash used in investing activities	(556,281)	(129,359)
Change in cash	37,731	130,539
Cash, beginning of year	462,874	332,335
Cash, end of year	\$ 500,605	\$ 462,874

Supplemental Cash Flow Information (Note 14)

(The accompanying notes are an integral part of these financial statements)

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements
Expressed in Canadian Dollars)
Years ended March 31, 2018 and 2017

1. NATURE AND CONTINUANCE OF OPERATIONS

Glacier Lake Resources Inc. (the "Company") is a resource exploration company focused on acquiring and exploring resource properties in Canada and the USA.

The Company was incorporated on May 28, 2008 under the laws of British Columbia. The Company's head office and registered office is Suite 1588, 609 Granville Street, Vancouver, British Columbia, V7Y 1G5. The Company is listed on the TSX Venture Exchange under the symbol "GLI".

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. BASIS OF PREPARATION

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The significant accounting policies applied in these financial statements are based on the IFRS issued and effective as of March 31, 2018.

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

The preparation of these 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 financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to the following:

- 1) the carrying value and the recoverability of exploration and evaluation assets, which are included in the statement of financial position;
- 2) deferred income tax asset valuation allowances; and
- 3) measurement of share-based payments.
- 4) the treatment of accounts payable and accrued liabilities realized through the statement of operations and comprehensive loss require certain management judgments. In management's judgment, there is no further obligation associated with these amounts.

Application of the going concern assumption: the assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements

Expressed in Canadian Dollars)

Years ended March 31, 2018 and 2017

2. BASIS OF PREPARATION (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

Going concern

These financial statements have been prepared assuming the Company will continue on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2018, the Company has an accumulated deficit of \$4,779,688 and has not generated any revenues since inception, and expects to incur further losses in the development of its business. The ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. These factors indicate the existence of a material uncertainty that may cast significant doubt the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property.

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration, and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements

Expressed in Canadian Dollars)

Years ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of rehabilitation activities includes restoration, reclamation, and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements

Expressed in Canadian Dollars)

Years ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets

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

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

Share-based payments

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

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

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

Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the liability and the premium is recognized as a recovery in the statement of operations.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements

Expressed in Canadian Dollars)

Years ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reported period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Financial instruments

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

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

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in the statement of operations when incurred. FVTPL are measured at fair value, and changes are recognized in the statement of operations.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements
Expressed in Canadian Dollars)
Years ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment loss.

Available for sale assets

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations.

The Company has classified its financial assets as follows:

- Cash is classified as FVTPL.
- Amounts and share subscriptions receivable are classified as loans and receivables.

Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, loan payable, and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements
Expressed in Canadian Dollars)
Years ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets, objective evidence of impairment could include:

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

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

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

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

New accounting standards and interpretation

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Company has determined that adopting IFRS 9 will not have a significant impact on the Company's financial statements.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements
Expressed in Canadian Dollars)
Years ended March 31, 2018 and 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretation (continued)

IFRS 15 – Revenue from Contracts with Customers. IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service. The Company has determined that adopting IFRS 15 will not have a significant impact on the Company's financial statements.

On January 13, 2016, the IASB issued IFRS 16, Leases ("IFRS 16"), according to which, all leases will be on the statement of financial position, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted IFRS 16 and is currently evaluating the impact, if any, that this standard might have on its financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets consist of:

	Silver Vista Property	Silver Star Property	Other	Total
Balance, March 31, 2016	\$ -	\$ -	\$ -	\$ -
Expenditures during the year:				
Acquisition costs	10,000	-	-	10,000
Geology	31,637	-	-	31,637
Helicopter	87,432	-	-	87,432
Office and travel	290	-	-	290
Total expenditures	129,359	-	-	129,359
Balance, March 31, 2017	129,359	-	-	129,359
Expenditures during the year:				
Acquisition costs	40,671	65,000	140,000	245,671
Helicopter	13,131	-	-	13,131
Assays, staking & mapping	4,519	1,869	-	6,388
Geology	74,840	81,070	-	155,910
Field work & supplies	1,101	-	-	1,101
Drilling	195,190	-	-	195,190
Office, miscellaneous and travel	7,000	-	-	7,000
Total expenditures	336,452	147,939	140,000	624,391
Balance, March 31, 2018	\$ 465,811	\$ 147,939	\$ 140,000	\$ 753,750

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

GLACIER LAKE RESOURCES INC.

Notes to the Financial Statements

Expressed in Canadian Dollars)

Years ended March 31, 2018 and 2017

4. EXPLORATION AND EVALUATION ASSETS (continued)

Silver Vista Property, British Columbia

On March 15, 2017, the Company entered into an option agreement to acquire a 100% interest in the Silver Vista copper-silver property (the "Property") with Multiple Metals Resources Ltd. The Property consists of a series of 49 mineral claims located in the province of British Columbia. Following the exercise of the option, the Property will remain subject to a 2.5% net smelter return royalty.

The Company's obligations under the agreement include an aggregate of \$230,000 in option payments, the issuance of 750,000 shares of the Company, and incurring exploration expenditures on the Property of not less than \$600,000 as follows:

- (a) Cash to be paid:
 - (i) \$10,000 on or before the closing date (paid);
 - (ii) \$10,000 on or before November 11, 2017 (paid);
 - (iii) \$25,000 on or before May 11, 2018 (paid);
 - (iv) \$10,000 on or before November 11, 2018;
 - (v) \$50,000 on or before May 11, 2019; and
 - (vi) \$125,000 on or before May 11, 2020.
- (b) Shares to be issued:
 - (i) 350,000 common shares on or before May 11, 2019; and
 - (ii) 400,000 common shares on or May 11, 2020.
- (c) Exploration expenditures to be incurred:
 - (i) \$150,000 on or before May 11, 2018 (incurred);
 - (ii) an additional \$200,000 on or before May 11, 2019; and
 - (iii) an additional \$250,000 on or before May 11, 2020.

Silver Star Property, British Columbia

On November 27, 2017, the Company signed a definitive agreement with an arm's-length vendor to acquire the Silver Star property located in the province of British Columbia. In consideration for the property, the Company issued 1,000,000 common shares on January 10, 2018 at a fair value of \$65,000.

Other

On November 22, 2017, the Company signed a definitive agreement with an arm's-length vendor to acquire certain mining claims located in the province of British Columbia. In consideration for the claims, the Company paid \$10,000 and issued 2,000,000 common shares on January 10, 2018 at a fair value of \$130,000.

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5. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended March 31, 2018 and 2017, the Company was involved in the following related party transactions:

- (a) Incurred management fees of \$120,000 (2017 - \$30,000) to a company controlled by the President and Chief Executive Officer.
- (b) Incurred accounting fees of \$60,000 (2017 - \$18,000) to an accounting firm where the Chief Financial Officer of the Company is a partner.
- (c) As at March 31, 2018, the Company owed \$Nil (2017 - \$53,944) to a company with a former common director which was non-interest bearing, unsecured, and due on demand. As at March 31, 2018, \$53,944 was written off to the statement of operations.
- (d) As at March 31, 2018, the Company owed \$44,100 (2017 - \$112) to an accounting firm where the Chief Financial Officer of the Company is a partner. The amount due is non-interest bearing, unsecured, and due on demand.
- (e) As at March 31, 2018, the Company owed \$73,825 (2017 - \$34,375) to a company controlled by the President and Chief Executive Officer of the Company which is non-interest bearing, unsecured, and due on demand.
- (f) During the year ended March 31, 2018, the Company granted 625,000 (2017 – 150,000) stock options with a fair value of \$50,631 (2017 - \$9,150) to officers and directors of the Company.

6. LOAN PAYABLE

As at March 31, 2018, \$Nil (March 31, 2017 - \$5,000) is owed to a former director of the Company which is non-interest bearing, unsecured, and due on demand. During the year ended March 31, 2018, the Company wrote off the loan payable through the statement of operations.

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Share transactions for the year ended March 31, 2018:

- (a) 500,000 stock options were exercised at \$0.065 per share for proceeds of \$32,500.
- (b) 8,843,175 units were issued at \$0.06 per unit for gross proceeds of \$530,590 of which \$55,000 was received subsequent to March 31, 2018. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.10 for a period of two years. In connection with this private placement, the Company incurred cash share issuance costs of \$35,343. The Company also issued 258,920 finders' warrants at a fair value of \$10,288. Each finders' warrant entitles the holder to acquire an additional common share at a price of \$0.10 for a period of two years. The Company also issued 259,200 finders' units at a fair value of \$12,037. Each finders' unit is exercisable at \$0.06 over a period of two years into units consisting of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.10 for a period of two years.

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7. SHARE CAPITAL (continued)

- (c) 3,000,000 shares were issued at \$0.065 per share at a fair value of \$195,000 for exploration and evaluation assets (Note 4).
- (d) 3,700,750 non-flow-through units were issued at \$0.06 per unit for gross proceeds of \$222,045 and 6,062,500 flow-through units were issued at \$0.08 per unit for gross proceeds of \$485,000. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.10 for the non-flow-through units and \$0.15 for the flow-through units for a period of two years. In connection with this private placement, the Company incurred cash share issuance costs of \$25,893, issued 77,560 finders' shares at a fair value of \$4,654 and issued 594,560 finders' warrants with a fair value of \$21,171. Each finders' warrant entitles the holder to acquire an additional common share at a price of \$0.10 for a period of two years. The Company estimated the value of the flow-through premium liability associated with the flow-through shares to be \$121,250.
- (e) 175,430 common shares were issued with a fair value of \$15,788 to settle accounts payable of \$18,420. Accordingly, the Company recorded a gain on settlement of accounts payable and accrued liabilities of \$2,632.
- (f) 140,000 common shares were issued with a fair value of \$21,000 to settle accounts payable and accrued liabilities of \$21,000.

Share transactions for the year ended March 31, 2017:

- (a) 200,000 common shares were issued with a fair value of \$26,000 to settle accounts payable of \$20,000 resulting in a loss on settlement of debt of \$6,000. The Company also issued 180,000 common shares with a fair value \$23,400 to settle accounts payable of \$18,000 owed to an accounting firm where the Chief Financial Officer is a partner resulting in a loss on settlement of accounts payable and accrued liabilities of \$5,400.
- (b) 5,000,000 units were issued at \$0.10 per unit for gross proceeds of \$500,000. Each unit consisted of one common share and one half-of-one share purchase warrant. Each whole share purchase warrant entitles the holder to acquire an additional common share at a price of \$0.15 for a period of one year, subject to accelerated expiry in the event that the Company's common shares have a closing price of \$0.40 or higher for ten consecutive trading days. In connection with this private placement, the Company incurred share issuance costs of \$39,565 and issued 318,000 finders' warrants with a fair value of \$17,927. Each finders' warrant entitles the holder to acquire an additional common share at a price of \$0.15 for a period of one year.

8. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, March 31, 2016	—	—
Issued	2,818,000	0.15
Balance, March 31, 2017	2,818,000	0.15
Expired	(2,818,000)	0.15
Granted	19,719,105	0.11
Balance, March 31, 2018	19,719,105	0.11

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8. SHARE PURCHASE WARRANTS (continued)

As at March 31, 2018, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
6,062,500	0.15	December 29, 2019
4,295,310	0.10	December 29, 2019
9,102,095	0.10	March 20, 2020
259,200	0.06	March 20, 2020*

*Finders' units exercisable at \$0.06 into one common share and one warrant. Each warrant is exercisable into a common share at \$0.10 expiring March 20, 2020.

The following weighted average assumptions were used for the Black-Scholes valuation of finders' warrants and finders' units granted during the year ended March 31, 2018 assuming no expected dividends:

	2018
Risk-free interest rate	1.74%
Expected life (in years)	2
Expected volatility	125.68%

9. STOCK OPTIONS

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

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2016	750,000	\$ 0.20
Granted	600,000	0.07
Outstanding, March 31, 2017	1,350,000	0.14
Granted	2,250,000	0.11
Exercised	(500,000)	0.065
Outstanding, March 31, 2018	3,100,000	\$ 0.11

The weighted average remaining contractual life of the warrants at March 31, 2018 is 2.92 years (2017 – 0.86 years).

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9. STOCK OPTIONS (continued)

Additional information regarding stock options outstanding as at March 31, 2018 is as follows:

Exercise price	Number of shares	Outstanding and exercisable		Expiry Date
		Weighted average remaining contractual life (years)	Weighted average exercise price	
\$ 0.20	750,000			December 30, 2018
0.07	250,000			August 26, 2019
0.07	350,000			December 13, 2019
0.15	350,000			May 4, 2020
0.075	400,000			December 1, 2022
0.07	500,000			February 13, 2023
0.09	500,000			March 26, 2023
	3,100,000	2.92	\$0.11	

During the year ended March 31, 2018, the Company granted 2,250,000 (2017 – 600,000) stock options with a fair market value of \$185,519 (2017 - \$36,444) or \$0.08 (2017 - \$0.06) per option which was charged to operations. The following weighted average assumptions were used for the Black-Scholes valuation of the stock options assuming no expected dividends or forfeitures:

	2018	2017
Risk-free interest rate	1.77%	0.68%
Expected life (in years)	4.69	3.00
Expected volatility	170%	174%

10. FLOW-THROUGH SHARE PREMIUM LIABILITY

	Issued in December 2017
Balance at March 31, 2017 and 2016	\$ -
Liability incurred on flow-through shares issued	121,250
Settlement of flow-through share premium liability on expenditures incurred	(61,085)
Balance at March 31, 2018	\$ 60,165

During the year ended March 31, 2018, the Company issued flow-through shares and estimated the value of the flow-through premium associated with those shares to be \$121,250 (2017 - \$Nil).

As at March 31, 2018, the Company must spend another \$240,661 within one year to satisfy its remaining flow-through obligations.

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11. FINANCIAL INSTRUMENTS AND RISKS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at March 31, 2018, the Company is not subject to externally imposed capital requirements.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2018, the Company had a cash balance of \$500,605 (2017 - \$462,874) and current liabilities of \$322,884 (2017 - \$161,582). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian based financial institution. Amounts receivable is comprised of GST refunds from the Canadian government. The carrying amount of financial assets represents the maximum credit exposure.

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

(e) Interest rate risk

The Company is not exposed to interest rate risk.

(f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.

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11. FINANCIAL INSTRUMENTS AND RISKS (continued)

(g) Fair values

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.

The fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair values of other financial instruments, including amounts and share subscriptions receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, are equal to their carrying values due to the short-term nature of these instruments.

12. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada in one business segment being the acquisition and exploration of resource properties.

13. COMMITMENTS

The Company entered into an agreement with AGORACOM in exchange for the online advertising, marketing and branding services ("Advertising Services"). Pursuant to the terms of the agreement, the Company will issue:

Total fee: \$45,000 + HST, to be paid by way of common shares of the Company as follows:

- \$9,000 + HST Shares for services upon commencement on June 29, 2017 (issued);
- \$9,000 + HST Shares for services at the end of the third month on September 29, 2017; (recorded as a commitment to issue shares as at March 31, 2018 and issued subsequent to March 31, 2018);
- \$9,000 + HST Shares for services at the end of the sixth month on December 29, 2017; (recorded as a commitment to issue shares as at March 31, 2018 and issued subsequent to March 31, 2018);
- \$9,000 + HST Shares for services at the end of the ninth month on March 29, 2018; (recorded as a commitment to issue shares as at March 31, 2018 and issued subsequent to March 31, 2018);
- \$9,000 + HST Shares for services at the end of the twelfth month on June 29, 2018 (issued subsequent to March 31, 2018);

The number of shares to be issued at the end of each period will be determined by using the closing price of the shares of the Company on the TSX Venture Exchange on the first trading day following each period for which the Advertising Services were provided by AGORACOM.

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14. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities:	Year ended March 31, 2018	Year ended March 31, 2017
Share issuance costs included in accounts payable and accrued liabilities	\$ 15,552	\$ –
Shares issued for settlement of accounts payable that were included in exploration and evaluation expenditures	21,000	–
Exploration and evaluation assets included in accounts payable	32,043	7,933
Shares issued for settlement of accounts payable	15,788	26,000
Shares issued for settlement of related party debt	-	23,400
Fair value of shares issued for finders' fee	4,654	–
Fair value of warrants issued for finders' fee	43,496	–
Fair value of shares issued for exploration and evaluation assets	195,000	–
Supplemental disclosures:		
Interest paid	\$ –	\$ –
Income taxes paid	–	–

15. INCOME TAXES

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

	2018	2017
Loss for the year	\$ (751,261)	\$ (203,920)
Expected tax recovery	(197,000)	(53,000)
Change in statutory tax rates and other	(23,000)	-
Permanent differences	33,000	(1,000)
Impact of flow through shares	64,000	-
Share issue cost	(20,000)	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	68,000	-
Change in unrecognized deferred income tax assets	75,000	54,000
Income tax provision	\$ –	\$ –

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15. INCOME TAXES (continued)

Details of deferred income tax assets and liabilities are as follows:

	2018	2017
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ (86,000)	\$ 66,000
Share issue costs	28,000	8,000
Non-capital losses available for future period	876,000	669,000
	818,000	743,000
Unrecognized deferred income tax assets	(818,000)	(743,000)
Net deferred income tax asset	\$ -	\$ -

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

	2018	Expiry Date Range	2017	Expiry Date Range
Temporary differences				
Exploration and evaluation assets	\$ -	No expiry date	\$ 252,000	No expiry date
Share issue costs	102,000	2039 to 2042	32,000	2038 to 2041
Non-capital losses available for future period	2,926,000	2030 to 2038	2,574,000	2026 to 2036

16. SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2018, the Company:

- a) Entered into an agreement to acquire the Hackett and the North Wolverine properties in the Sheslay area of northwestern British Columbia for consideration of 3,000,000 common shares (issued) and a cash payment of \$20,000 (paid).
- b) Entered into an agreement to acquire the Colt Mesa copper-cobalt property in Garfield County, southcentral Utah for consideration of 1,000,000 common shares and a cash payment of US \$120,000, staged over a two year period. The vendors retain a 1.75% Net Smelter Returns ("NSR"). The Company shall be entitled to purchase 1% of the royalty at any time through a one-time cash payment of \$1,000,000 to the vendors.