

Rogue Resources Inc.

Annual Financial Report

Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

Rogue Resources Inc.
Financial Statements
Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Rogue Resources Inc.

Opinion

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

In our opinion, the accompanying 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 audit 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a comprehensive loss of \$478,886 during the year ended April 30, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by \$372,354. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 comprises the information included in the 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. 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 Kevin Kwan.

Vancouver, Canada

August 28, 2019

"Morgan & Company LLP"

Chartered Professional Accountants

Rogue Resources Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

		As at April 30,	
	Note	2019	2018
ASSETS			
Current assets			
Cash		\$ 74,203	\$ 647,415
Marketable securities	4	5,909	1,751
Loans receivable	6	25,000	-
Mining exploration tax credit recoverable		-	10,000
Prepaid expenses		3,204	9,893
Tax recoverable		2,309	9,597
Total Current Assets		110,625	678,656
Non-current assets			
Exploration and evaluation assets	5	10,645,964	10,005,510
Total Assets		\$ 10,756,589	\$ 10,684,166
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 99,851	\$ 45,964
Due to related parties	9	381,646	93,730
Part XII.6 tax payable		1,482	885
Flow-through share premium		-	30,433
Total Liabilities		482,979	171,012
EQUITY			
Share capital	8	48,821,246	48,633,866
Reserves		10,501,365	10,449,403
Accumulated other comprehensive income		4,985	828
Deficit		(49,053,986)	(48,570,943)
Total Equity		10,273,610	10,513,154
Total Liabilities and Equity		\$ 10,756,589	\$ 10,684,166

These financial statements were approved and authorized for issue by the Board of Directors on August 28, 2019. They are signed on the Company's behalf by:

(Signed) "Sean Samson"

Director

(Signed) "Christopher Berlet"

Director

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

Rogue Resources Inc.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

		Years Ended April 30,	
	Note	2019	2018
Expenses:			
Compensation and benefits	9	\$ 208,488	\$ 239,806
Consulting fees - related parties	9	45,454	64,228
Depreciation		-	1,181
Investor relations, promotion and product marketing		38,110	136,192
Office expense and miscellaneous		30,559	34,550
Part XII.6 tax		233	3,364
Professional fees	9	121,702	107,203
Regulatory and stock transfer fees		16,154	19,671
Rent	9	18,596	18,393
Stock based compensation		35,339	184,642
Loss Before Other Income (Expense) and Income Taxes		(514,635)	(809,230)
Other Income (Expense)			
Interest income		1,159	4,389
Loss on sale of marketable securities	4	-	(25,217)
Other Income (Expense)		1,159	(20,828)
Loss Before Income Taxes		(513,476)	(830,058)
Deferred Income Tax Recovery	14	30,433	135,976
Net Loss For The Year		(483,043)	(694,082)
Other Comprehensive (Loss) Income			
Reclassification of realized loss on sale of marketable securities		-	(71,346)
Unrealized gain on marketable securities	4	4,157	226
Comprehensive Loss For The Year		\$ (478,886)	\$ (765,202)
Basic and Diluted Loss Per Share		\$ (0.03)	\$ (0.06)
Weighted Average Number of Shares Outstanding		15,812,791	11,176,731

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

Rogue Resources Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital		Reserves	Accumulated Other Comprehensive Income	Deficit	Total equity
	Number of shares	Amount				
Balance, April 30, 2017	9,648,163	\$ 47,530,877	\$ 10,233,688	\$ 71,948	\$ (47,876,861)	\$ 9,959,652
Shares issued for exploration and evaluation assets	210,000	47,450	-	-	-	47,450
Flow-through shares	2,485,395	613,453	-	-	-	613,453
Flow-through share premium adjustment	-	(65,917)	-	-	-	(65,917)
Non flow-through shares	2,632,704	473,887	-	-	-	473,887
Share issuance costs - cash	-	(11,111)	-	-	-	(11,111)
Share issuance costs - non-cash	-	(4,773)	4,773	-	-	-
Stock based compensation - options	-	-	210,942	-	-	210,942
Stock based compensation - shares	166,666	50,000	-	-	-	50,000
Other comprehensive loss	-	-	-	(71,120)	-	(71,120)
Net loss for the year	-	-	-	-	(694,082)	(694,082)
Balance, April 30, 2018	15,142,928	48,633,866	10,449,403	828	(48,570,943)	10,513,154
Shares issued for exploration and evaluation assets	350,000	51,250	-	-	-	51,250
Non flow-through shares	756,276	136,130	-	-	-	136,130
Stock based compensation - options	-	-	51,962	-	-	51,962
Other comprehensive income	-	-	-	4,157	-	4,157
Net loss for the year	-	-	-	-	(483,043)	(483,043)
Balance, April 30, 2019	16,249,204	\$ 48,821,246	\$ 10,501,365	\$ 4,985	\$ (49,053,986)	\$ 10,273,610

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

Rogue Resources Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended April 30,	
	2019	2018
Operating activities		
Net loss for the year	\$ (483,043)	\$ (694,082)
Items not affecting cash:		
Deferred income tax recovery	(30,433)	(135,976)
Depreciation	-	1,181
Loss on sale of marketable securities	-	25,217
Stock based compensation	35,339	184,642
Changes in non-cash working capital items:		
Mining exploration tax credit recoverable	10,000	-
Loans receivable	(25,000)	-
Accounts payable and accrued liabilities	10,197	2,909
Due to related parties	287,916	34,982
Part XII.6 tax payable	597	-
Prepaid expenses	6,689	(4,624)
Tax recoverable	7,288	27,358
Cash Used in Operating Activities	(180,450)	(558,393)
Investing activities		
Exploration and evaluation expenditures	(483,892)	(696,115)
Acquisition of exploration and evaluation assets	(45,000)	(51,200)
Proceeds from sale of marketable securities	-	121,013
Cash Used in Investing Activities	(528,892)	(626,302)
Financing activities		
Issuance of common shares	136,130	1,087,340
Share issue costs	-	(11,111)
Cash Provided by Financing Activities	136,130	1,076,229
Net Decrease in Cash	(573,212)	(108,466)
Cash, Beginning of Year	647,415	755,881
Cash, End of the Year	\$ 74,203	\$ 647,415

Supplemental Cash Flow Information (Note 10)

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

1. Nature of Operations and Going Concern

Rogue Resources Inc. (“Rogue” or the “Company”) was incorporated on January 10, 1985 under the laws of the Province of British Columbia, Canada and is a public company listed on the TSX Venture Exchange (the “TSX.V”), trading under the symbol “RRS.” The registered and records office of the Company is Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. The head office of the Company is Suite 1612, 44 Victoria Street, Toronto, Ontario, M5C 1Y2.

The Company is an exploration stage resource company in the business of exploring for silica, nickel, and iron ore, and is currently active in Québec. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

The Company incurred a comprehensive loss of \$478,886 for the year ended April 30, 2019 (2018 – comprehensive loss \$765,202) and had a deficit of \$49,053,986 as at April 30, 2019 (2018 - \$48,570,943). The Company had a working capital deficit of \$372,354 as at April 30, 2019 (2018 – \$507,644 working capital surplus). These factors may cast significant doubt upon the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Significant Accounting Policies

a) Basis of Presentation

Statement of Compliance

These annual financial statements of the Company for the year ended April 30, 2019 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.

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Foreign Currencies

The presentation currency and the functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Significant Accounting Policies (Continued)

b) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing purposes. The Company did not have cash equivalents as at April 30, 2019 and 2018.

c) Marketable Securities

Marketable securities represent investments in public companies and have been designated as fair value through other comprehensive income (loss). The investments are reported at fair value based on quoted market prices with unrealized gains or losses excluded from operations and reported as other comprehensive income or loss.

The Company evaluates the carrying value of investments for impairment on a quarterly basis. In its impairment analysis, the Company takes into consideration numerous criteria, including the duration and extent of any decline in fair value, the intent and ability of the Company to hold the security for a period of time sufficient for a recovery in value and recent events specific to the issuer or industry. If a decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value in the statement of operations.

d) Financial Instruments

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

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

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL. The Company completed a detailed assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Marketable securities	Available-for-sale	FVTOCI
Loans receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

2. Significant Accounting Policies (Continued)

d) Financial Instruments (Continued)

ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations.

e) Other Comprehensive Income (Loss)

Other comprehensive income (loss) represents the change in net equity for the period that arises from unrealized gains and losses on FVOCI financial instruments and reclassifications of FVOCI investments. Amounts included in other comprehensive income (loss) are shown net of tax. Cumulative changes in other comprehensive income (loss) are included in reserves which is presented as a category in equity.

f) Property, Plant and Equipment

Items of property, plant and equipment are recorded at cost and depreciated over their estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Depreciation on equipment is recognized on a straight-line basis over their estimated useful lives. Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

The Company's equipment has been fully depreciated as at April 30, 2019 and 2018.

2. Significant Accounting Policies (Continued)

g) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the cost of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. When shares are issued as consideration for exploration and evaluation asset costs, they are valued at the closing share price on the date of issuance. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal right to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and the balance is reclassified as a development asset in property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

h) Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are performed whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where it is possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation properties is considered to be a cash-generating unit for which impairment testing is performed.

An impairment loss is recognized in the statement of operations, except to the extent they reverse gains previously recognized in other comprehensive income or loss.

2. Significant Accounting Policies (Continued)

i) Exploration Tax Credits

The Company recognizes mineral exploration tax credits when the amount to be received can be reasonably estimated and collection is reasonably assured.

j) Decommissioning Liabilities

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 the 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 mineral property 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 environmental 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.

k) Share Capital

i) Non-monetary consideration

Agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions other than as consideration for mineral properties are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method.

ii) 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 the 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 expenses being incurred, the Company derecognizes the liability and credits other income when the entity renounces the tax benefits to the shareholders. Costs incurred in connection with the issuance of flow-through shares reduce the flow-through liability on a pro-rata basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

The Company is also subject to a Part XII.6 tax on unspent flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. Significant Accounting Policies (Continued)

k) Share Capital (Continued)

iii) Share based payments

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

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

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 the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

iv) Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

v) Nature and Purpose of Reserves

The reserves recorded in equity on the Company's Statements of Financial Position includes Share-based Payments Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration recorded at the date of issuance.

l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized through profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

2. Significant Accounting Policies (Continued)

m) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method, which assumes that cash that would be received on the exercise of stock options is applied to purchase shares at the average price during the period. The difference between the shares issued on the exercise of the stock options and the number of shares purchased under this computation, on a weighted average basis, is added to the number of shares outstanding. Anti-dilutive stock options are not considered in computing diluted earnings per share. Stock options are typically dilutive when the Company has income for the year and the average market price of the common shares during the year exceeds the exercise price of the options.

n) Recently Adopted Accounting Pronouncements

The following new accounting policies were adopted by the Company on May 1, 2018 and had no significant impact on the Company's financial position and results of operations:

Amended standard IFRS 2, Share-based Payment

The amendments clarify the classification and measurement of share-based payment transactions.

New standard IFRS 9, Financial Instruments – Classification and Measurement

IFRS 9 is the first step in the process to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39.

Amended standard IFRS 10, Consolidated Financial Statements

The amendments deal with the sale or contribution of assets between an investor and its associate or joint venture.

Amended standard IAS 28 Investments in Associate and Joint Ventures

The amendments to IAS 28 deal with the sale or contribution of assets between an investor and its associate or joint venture.

New standard IFRS 15, Revenues from Contracts with Customers

IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more information and relevant information.

o) Future Accounting Pronouncements Not Yet Adopted

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective for the year ended April 30, 2019 financial statements:

Effective for annual periods beginning on or after January 1, 2019

New standard IFRS 16, Leases

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

New standard IFRIC 23, Uncertainty over Income Tax Treatments

IFRIC 23 is a new standard that sets out to clarify the accounting for uncertainties in income taxes.

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the financial statements.

3. Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact 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 may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position 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:

a) Determination of Cash Generating Units

In performing impairment assessments of corporate assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management is required to exercise judgment in identifying these cash generating units ("CGUs").

b) Exploration and Evaluation Assets

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 5 discloses the carrying value of these assets. The triggering events for the impairment of exploration and evaluation assets are defined in *IFRS 6 Exploration and Evaluation of Mineral Resources* and are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Impairment of exploration and evaluation assets is assessed at the CGU level. The Company has used each of its mineral properties to establish its CGUs.

In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

c) Accrued Liabilities

The Company has applied judgment in recognizing accrued liabilities, including judgment as to whether the Company has a present obligation (legal or constructive) as a result of a past event; whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and whether a reliable estimate can be made of the amount of the obligation.

Rogue Resources Inc.
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3. Critical Accounting Judgments and Estimates (Continued)

d) Share-based Payments

The inputs used in accounting for share-based payments in the statements of operations and comprehensive loss.

e) Deferred Income Tax Assets

The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income.

f) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the applicability of the going concern assumption.

g) Taxes Recoverable

Quebec Mining Tax Credits are estimated based on draft tax returns which are filed after the reporting date of these financial statements. Management is required to make judgments regarding the collectability of taxes recoverable based on assessments by Canada Revenue Agency and potential for reassessments or adjustments to tax returns filed.

4. Marketable Securities

In February 2013, the Company's shareholders approved a spin-out of Rapier Gold Inc., a former subsidiary, ("Rapier") from Rogue by a Plan of Arrangement. According to the Plan of Arrangement, in March 2013, Rapier distributed shares to Rogue's shareholders and the balance of 7,880 Rapier shares were issued to the Company.

The Company received 305,400 Rapier shares for debt in February 2015.

In July 2016, the Company completed the sale of its Pen South property to Rapier for \$325,000 and 1,500,000 Rapier shares. (See Note 5.b)ii.) In September 2017, the Company sold all of its shares in Rapier for proceeds of \$121,013. The loss on sale of disposal of these shares was \$25,217.

In June 2015, the Company was issued 184,800 Amador Gold Corp. shares for debt. On September 20, 2016, Amador Gold Corp. had a 20 to 1 share consolidation. During the year ended April 30, 2019, Amador Gold Corp. was acquired by Mene Inc., in a reverse merger transaction as approved by the Amador Gold Corp. shareholders on October 24, 2018.

i) For the year ended April 30, 2019

	Number of Shares	Cost	Market Value at April 30, 2019	Accumulated Other Comprehensive Income
Mene Inc.	9,240	\$924	\$5,909	\$4,985
			\$5,909	\$4,985

ii) For the year ended April 30, 2018

	Number of Shares	Cost	Market Value at April 30, 2018	Accumulated Other Comprehensive Income
Amador Gold Corp.	9,240	\$924	\$1,751	\$828
			\$1,751	\$828

Rogue Resources Inc.
Notes to the Financial Statements
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5. Exploration and Evaluation Assets

i) For the year ended April 30, 2019

	Langmuir Ontario	Radio Hill Ontario	Snow White Ontario	Silicon Ridge Quebec	Total
Acquisition costs:					
Balance, April 30, 2018	\$ 137,418	\$ 531,700	\$ 95,450	\$ 850,000	\$ 1,614,568
Staking costs - shares	-	-	25,000	-	25,000
Staking costs - cash	-	-	45,000	-	45,000
Option payments -shares	-	-	26,250	-	26,250
Balance, April 30, 2019	137,418	531,700	191,700	850,000	1,710,818
Exploration costs:					
Balance, April 30, 2018	6,000	3,409,893	177,954	4,797,095	8,390,942
Core logging	-	-	15,365	-	15,365
Core splitting	-	-	8,683	-	8,683
Drilling	-	-	2,060	-	2,060
Environmental studies	-	-	88,120	-	88,120
Field costs	6,000	6,000	21,565	2,000	35,565
Geology (Note 8)	-	-	210,725	-	210,725
Mapping and assaying	-	-	184,550	-	184,550
Permit application fees	-	-	889	-	889
Road construction	-	-	3,948	-	3,948
Travel and accommodation	-	-	19,342	-	19,342
Government assistance	-	-	-	(25,043)	(25,043)
Balance, April 30, 2019	12,000	3,415,893	733,201	4,774,052	8,935,146
Total balance, April 30, 2019	\$ 149,418	\$ 3,947,593	\$ 924,901	\$ 5,624,052	\$ 10,645,964
Cost summary					
Acquisition costs	\$ 137,418	\$ 531,700	\$ 191,700	\$ 850,000	\$ 1,710,818
Exploration costs	\$ 12,000	\$ 3,415,893	\$ 733,201	\$ 4,774,052	\$ 8,935,146

Rogue Resources Inc.
Notes to the Financial Statements
Years ended April 30, 2018 and 2016
(Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (Continued)

ii) For the year ended April 30, 2018

	Langmuir Ontario	Radio Hill Ontario	Snow White Ontario	Silicon Ridge Quebec	Total
Acquisition costs:					
Balance, April 30, 2017	\$ 137,418	\$ 528,500	\$ -	\$ 850,000	\$ 1,515,918
Staking costs	-	-	1,200	-	1,200
Option payments -shares	-	3,200	44,250	-	47,450
Option payments – cash	-	-	50,000	-	50,000
Balance, April 30, 2018	137,418	531,700	95,450	850,000	1,614,568
Exploration costs:					
Balance, April 30, 2017	-	3,400,663	-	4,339,983	7,740,646
Core splitting	-	1,000	-	-	1,000
Drilling	-	-	6,360	-	6,360
Environmental studies	-	-	38,792	92,066	130,858
Equipment rental	-	260	-	2,449	2,709
Field costs	6,000	6,000	6,694	6,500	25,194
Geology (Note 8)	-	-	97,393	226,425	323,818
Geophysics	-	-	-	1,586	1,586
Geometallurgy	-	-	874	-	874
Liability insurance	-	-	-	783	783
Mapping and assaying	-	1,970	23,045	27,815	52,830
Permit application fees	-	-	-	3,118	3,118
Stripping/Channel sampling	-	-	-	101,270	101,270
Travel and accommodation	-	-	4,796	5,100	9,896
Government assistance	-	-	-	(10,000)	(10,000)
Balance, April 30, 2018	6,000	3,409,893	177,954	4,797,095	8,390,942
Total balance, April 30, 2018	\$ 143,418	\$ 3,941,593	\$ 273,404	\$ 5,647,095	\$ 10,005,510
Cost summary					
Acquisition costs	\$ 137,418	\$ 531,700	\$ 95,450	\$ 850,000	\$ 1,614,568
Exploration costs	\$ 6,000	\$ 3,409,893	\$ 177,954	\$ 4,797,095	\$ 8,390,942

5. Exploration and Evaluation Assets (Continued)

a) Quebec Property Group

Silicon Ridge Project

Pursuant to an option agreement dated August 15, 2014, the Company acquired an option to earn a 100% interest in the Silicon Ridge property located approximately 95 kilometers (“km”) northeast of Québec City for a payment of 850,000 shares (issued). The property is subject to a 2% NSR, of which one-half (1%) may be purchased for \$500,000 and the remaining one-half (1%) may be purchased for a further \$1,000,000.

b) Ontario Property Group

i. Snow White Property

The Company announced the closing of the acquisition of the Snow White Quartz project from a Sudbury-based prospector (the “Seller”) pursuant to an agreement previously announced in October 2017. Under the terms of the agreement, Rogue purchased the project by delivering, among other things, the following to the Seller:

- cash payment at execution of \$25,000 (paid);
- issuance of 150,000 (issued) Rogue common shares at closing, subject to the approval of the TSX Venture Exchange (“TSXV”);
- additional cash payment of \$25,000 (paid) following closing upon the earlier of achievement of certain milestones and anniversaries of closing (the “payment period”);
- additional issuance of up to an aggregate of 900,000 Rogue common shares (200,000 common shares issued) during the payment period, subject to the approval of the TSXV; and
- grant of a 2% net return on all quartz/silica from the project, subject to a reservation by the Company of a buy back right upon payment of an additional \$2 million to the Seller.

Upon an uncured event of default under the agreement, the project shall revert to the Seller and the Company shall have no interest in the project.

In June 2018, the Company amended the payment terms of the Company’s previously announced acquisition of the Snow White quartz project and made two cash payments, one for \$25,000 and one for \$20,000,. Under the terms of the agreement, Rogue has agreed to deliver additional cash payments up to an aggregate of \$470,000 upon the earlier of achievement of certain production milestones and the end of 2023 (200,000 common shares issued to settle \$25,000). Rogue also agreed to make payments equal to a maximum of \$355,000 in aggregate on the basis of \$1.00 per tonne of production of silica removed from the project. The Rogue common shares to be issued over the payment period and the 2% net return royalty remain unchanged from the original acquisition agreement. Upon an uncured event of default under the agreement, the project shall revert to the Seller and the Company shall have no interest in the project.

ii. Langmuir Property

Pursuant to an option agreement dated July 13, 2004, the Company acquired a 100% interest in two claims on the Langmuir property near Timmins, Ontario. The Optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$500,000. The property is an exploration and evaluation asset that hosts a nickel and copper mineral resource and other prospective nickel/copper targets. Subsequent to the agreement, the Company staked a further 72 claims which form part of the Langmuir property.

On April 30, 2017, the Company decided to write-down the property’s exploration costs to \$Nil to focus on its other properties. \$7,692,491 in exploration costs were written off during the year ended April 30, 2017. Minimal exploration costs have been incurred since April 30, 2017.

5. Exploration and Evaluation Assets (Continued)

b) Ontario Property Group (Continued)

iii. Timmins West Property

Through staking, the Company acquired a 100% interest in mineral claims known as Timmins West located in Penhorwood, Kenogaming and Keith Townships, Ontario.

In July 2016, the Company completed the sale of its Pen South property to Rapier Gold Inc. for \$325,000 and 1,500,000 Rapier shares. The terms of the sale agreement include Rapier acquiring 100% of the Pen South property, subject to a 2% NSR. The entire NSR may be purchased for \$3,000,000. Rogue also retains the right to repurchase any individual claim within the property for \$1 if Rapier or any potential successor does not meet the outstanding government exploration work requirement and/or intends to abandon or allow the claim to lapse.

iv. Radio Hill

Pursuant to an option agreement dated November 16, 2007, the Company acquired a 100% interest in any and all commercial products from the Radio Hill property. Consideration consisted of cash payments of \$275,000 (paid) over three years. By agreement dated November 16, 2010, the Company issued 2,000 shares to the Optionors in exchange for the final \$100,000 cash payment being delayed to February 28, 2011 (paid). There is a 3% NSR on all minerals produced (except for iron ore), 2/3 (2%) of which may be purchased at any time for \$3,000,000. In April 2011 and as amended in October 2013, the Company completed its option agreement to earn a 100% interest on its Radio Hill Iron Ore property. In lieu of an NSR on the iron rights, the agreement requires a \$50,000 annual payment to be paid in perpetuity until commencement of commercial production, at which time a \$7,000,000 payment is required, subject to a cost of living increase. The annual payment is only applied to the Radio Hill property containing the historical resource and not the adjacent Timmins West property, which hosts the Nat River formation as well as other targets.

On June 16, 2016, the Company executed an amendment to the Radio Hill Option Agreement whereby the Company maintains its option on the iron mineralization, but at the sole discretion of the Company, can either issue 10,000 shares of the Company or pay \$50,000 to the Optionors on an annual basis. The Company issued 10,000 shares to the Optionors in February 2017 and February 2018.

A Memorandum of Understanding ("MOU") dated April 10, 2015 was entered into with the Flying Post and Mattagami First Nations groups ("First Nations") in respect of the Radio Hill claims. The Company agreed to pay 2% of all costs of the exploration program incurred after the agreement date, to be divided equally amongst the First Nations groups. The Company also agreed to grant 10,000 shares to each of the First Nations groups (20,000 total), of which 20,000 shares were issued as at April 30, 2017.

6. Loans Receivable

On October 3, 2018, the Company provided a loan of \$25,000 to a vendor, secured against certain collateral of the vendor. The loan is non-interest bearing and is redeemable on or after March 31, 2019 at the sole election of the Company.

Rogue Resources Inc.
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7. Equipment

	<u>Equipment</u>
<u>Cost</u>	
Balance, April 30, 2017	\$ 17,897
Additions/Disposals	-
Balance, April 30, 2018	17,897
Additions/Disposals	-
Balance, April 30, 2019	\$ 17,897
<u>Accumulated Depreciation</u>	
Balance, April 30, 2017	\$ 16,716
Depreciation for the year	1,181
Balance, April 30, 2018	17,897
Depreciation for the year	-
Balance, April 30, 2019	\$ 17,897
<u>Carrying Amounts</u>	
Balance, April 30, 2018	\$ -
Balance, April 30, 2019	\$ -

8. Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued

Year ended April 30, 2019

In December 2018, September 2018 and June 2018, the Company issued 150,000 shares (50,000 shares each month) related to the acquisition of the Snow White Quartz project. The fair market value of the shares at the time of issuance was \$0.095, \$0.21 and \$0.22 per share, respectively.

In December 2018, the Company issued 200,000 shares to settle a debt amount of \$25,000 owed to third parties. See Note 5 b) i). The fair market value at the time of issuance was \$0.125 per share.

In September 2018, the Company completed its private placement announced on June 25, 2018 and issued 756,276 non flow-through units ("NFT Units") at a price of \$0.18 per NFT Unit for total proceeds of \$136,130. Each NFT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$0.30 per share. These warrants expire on September 5, 2020. No residual value was ascribed to the share purchase warrants. No finders fees were paid in relation to this private placement.

Rogue Resources Inc.
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8. Share Capital (Continued)

b) Issued (Continued)

Year ended April 30, 2018

On March 29, 2018, the Company completed its private placement announced on March 8, 2018 and issued 833,334 flow-through units (the "FT Units") at a price of \$0.30 per FT Unit for total proceeds of \$250,000. Each FT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$0.45 per share. These warrants were originally set to expire on May 31, 2018 but the Company announced an extension to March 31, 2019.

On March 28, 2018 the Company issued 166,666 shares valued at \$50,000 to officers as compensation.

On February 21, 2018, in accordance with the amendment to the Radio Hill Option Agreement dated June 16, 2016, the Company issued 10,000 shares to the Optionors when the fair market value of the share was \$0.32 per share.

On December 13, 2017, the Company issued 150,000 common shares at \$0.195 per share related to the closing of the acquisition of the Snow White Quartz project from a Sudbury-based prospector pursuant to the agreement previously announced in October 2017 (see Note 5)b)i)). On March 13, 2018, the Company issued an additional 50,000 common shares at \$0.30 per share related to the acquisition of the Snow White Quartz project.

In November 2017, the Company completed the first and second tranches of its private placement announced on October 24, 2017 and issued 1,652,061 FT Units at a price of \$0.22 per FT Unit and 2,632,704 non flow-through units (the "NFT units") at a price of \$0.18 per NFT unit for total proceeds of \$837,340. Each NFT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$0.25 per share. These warrants expire on November 9 and 30, 2018. No residual value was ascribed to the share purchase warrants. Financing fees of \$11,111 and 67,148 compensation warrants at an exercise price of \$0.25 per share, with an expiry date of November 9, 2018, were issued on these tranches.

c) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the plan may not exceed 10% of the issued and outstanding shares of the Company at any given time. Stock options ("Options") granted under the Plan may have a maximum term of ten years. The exercise price of Options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX Venture Exchange Policy), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted to consultants providing investor relations activities under the Plan are subject to vesting restrictions such that one-quarter of the total options shall vest at three, six, nine and twelve months following the date of the grant.

A summary of the status of the Company's stock options as of April 30, 2019 and 2018 were as follows:

	Options	Weighted Average Exercise Price
Balance, April 30, 2017	658,578	\$ 0.65
Cancelled/Expired	(100,745)	0.86
Granted	550,000	0.39
Balance, April 30, 2018	1,107,833	0.50
Expired	(2,000)	1.00
Balance, April 30, 2019	1,105,833	\$ 0.50

Rogue Resources Inc.
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8. Share Capital (Continued)

c) Stock Options (Continued)

On April 30, 2019, the Company had outstanding and exercisable stock options as follows:

Expiry Date	Exercise Price	Number of Options Exercisable	Number of Options Outstanding
April 28, 2021	\$1.00	4,333	4,333
December 10, 2021	\$0.50	6,500	6,500
November 3, 2022	\$1.00	30,000	30,000
November 30, 2022	\$1.10	10,000	10,000
March 4, 2023	\$0.95	100,000	100,000
December 6, 2023	\$0.44	285,000	285,000
February 7, 2024	\$0.60	120,000	120,000
January 11, 2025	\$0.39	550,000	550,000
Balance, April 30, 2019		1,105,833	1,105,833

As at April 30, 2019, the weighted average remaining contractual life of the Company's share purchase options is 5.04 years and the weighted average exercise price is \$0.50 (2018 – 6.03 years and \$0.50).

Year ended April 30, 2019

No options were granted or exercised during the year ended April 30, 2019. 2,000 Options issued at \$1.00 per share expired on August 15, 2018.

Year ended April 30, 2018

On January 11, 2018, the Company granted 550,000 Options, including 520,000 Options to directors and officers and 30,000 Options to consultants. These Options vest 1/2 on the grant date and 1/2 at 12 months, have an exercise price of \$0.39 per share, and expire on January 11, 2025. The fair value of the stock based compensation options was estimated on the grant date in the amount of \$191,966 (\$181,495 was related to directors and officers, and \$50,609 of this was allocated to exploration and evaluation assets) using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.39; ii) expected share price volatility of 119.65%; iii) risk free interest rate of 2.19%; iv) expected life of 7 years; and v) no dividend yield.

During the year ended April 30, 2018, 100,745 Options granted on various dates expired. These Options had a weighted average exercise price of \$0.86 per share.

d) Warrants Outstanding

A summary of the status of the Company's warrants as at April 30, 2019 and 2018 were as follows:

	Warrants	Weighted Average Exercise Price
Balance, April 30, 2017	4,106,500	\$ 1.17
Expired	(2,566,500)	1.20
Granted	3,466,038	0.30
Balance, April 30, 2018	5,006,038	0.55
Expired	(5,006,038)	0.55
Granted	756,276	0.30
Balance, April 30, 2019	756,276	\$ 0.30

Rogue Resources Inc.
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8. Share Capital (Continued)

d) Warrants Outstanding

A summary of the Company's warrants outstanding as at April 30, 2019 were as follows:

Expiry Date	Exercise Price	Number of Warrants
September 5, 2020	\$0.30	756,276
Balance, April 30, 2019		756,276

As at April 30, 2019, the weighted average remaining contractual life of the Company's share purchase warrants is 1.35 years and the weighted average exercise price is \$0.30 (2018 – 0.58 years and \$0.55).

e) Compensation Warrants Outstanding

A summary of the status of the Company's compensation warrants as at April 30, 2019 and 2018 were as follows:

	Compensation Warrants	Weighted Average Exercise Price
Balance, April 30, 2017	270,588	\$ 1.47
Granted	67,148	0.25
Expired	(192,538)	1.50
Balance, April 30, 2018	145,198	0.87
Expired	(145,198)	0.87
Balance, April 30, 2019	-	\$ -

The Company had no compensation warrants outstanding as at April 30, 2019 (2018 – 145,198 compensation warrants at a weighted average remaining contractual life of 0.41 years and a weighted average exercise price of \$0.87 per share).

Year ended April 30, 2018

In November 2017, the Company granted 67,148 compensation warrants at a price of \$0.25 per warrant with an expiry date of November 9, 2018. The fair value of the share based compensation warrants was estimated to be \$4,773 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.25; ii) expected share price volatility of 85.77%; iii) risk free interest rate of 1.41%; iv) expected life of 12 months; and v) no dividend yield.

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9. Related Party Balances and Transactions

a) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors, President and Chief Executive Officer, VP Technical and Corporate Secretary, and Chief Financial Officer. Compensation of the directors, officers and/or companies controlled by these individuals for the years ended April 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Key management compensation	\$ 439,225*	\$ 533,983*
Stock based compensation	49,344**	240,597**
Total compensation of key management personnel	<u>\$ 488,569</u>	<u>\$ 774,580</u>

*Key management compensation of \$194,099 (2018 - \$230,777) have been capitalized under exploration and evaluation assets (see Note 5)

**Stock based compensation of \$16,623 (2018 - \$76,301) have been capitalized under exploration and evaluation assets (see Note 5).

b) Related party balances

Amounts due to related parties amounted to \$381,646 (2018 - \$93,730). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms. Amounts due from related parties related to rent deposit total \$1,519 (2018 - \$1,519).

c) Other related party transactions

During the year ended April 30, 2019, the Company incurred rent of \$18,596 (2018 - \$18,393) to companies related by common officers and directors.

During the year ended April 30, 2019, the Company incurred a total of \$79,032 (2018 - \$49,271) related to legal services to a law firm in which a director of the Company is a partner.

The above transactions were in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Supplemental Cash Flow Information

	Years ended	
	April 30,	
	<u>2019</u>	<u>2018</u>
Interest received	\$ 1,159	\$ 4,389
Non-cash investing and financing activities:		
Share capital issued for exploration and evaluation assets	\$ 51,250	\$ 47,450
Stock based compensation to management	\$ 50,000	\$ 50,000
Stock based compensation capitalized to exploration and evaluation assets	\$ 16,623	\$ 76,301
Compensation warrants granted	\$ -	\$ 4,773
Change in accounts payable in exploration and evaluation assets	<u>\$ 43,689</u>	<u>\$ (122,121)</u>

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair values of cash, marketable securities, loans receivable, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short-term nature of these instruments.

Financial risk factors

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is primarily associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. As of April 30, 2019, the Company had a cash balance of \$74,203 (2018 - \$647,415) to settle current liabilities of \$482,979 (2018 - \$171,012).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and other price risk. The Company is not exposed to significant market risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

12. Capital Management

In the definition of capital, the Company includes cash and equity, comprising issued common shares and reserves.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

13. Commitments

The Company entered into flow-through share subscription agreements whereby it was obligated to incur

- a. on or before December 31, 2017 a total of \$880,000 plus the mining exploration tax credits recoverable of \$80,091 (incurred);
- b. on or before December 31, 2018 a total of \$363,340 plus the mining exploration tax credits recoverable of \$16,920 (incurred); and
- c. on or before December 31, 2019 a total of \$250,000 (\$217,500 incurred as at April 30, 2019) plus the mining exploration tax credits recoverable of \$35,043.

In May 2016, the Company signed a 5-year sublease agreement to rent office space for the Company's Toronto office from a company related by a common officer/director. Rent was \$1,519 per month and increased to \$1,550 per month on January 1, 2018. The sublease term expires on April 30, 2021.

Rogue Resources Inc.
Notes to the Financial Statements
Years Ended April 30, 2019 and 2018
(Expressed in Canadian Dollars)

14. Income Taxes

	2019	2018
Statutory Canadian corporate tax rate	27%	26%
Expected current income tax recovery	\$ (139,000)	\$ (216,000)
Non-deductible permanent differences	14,000	74,000
Share issuance costs	-	(3,000)
Change in estimate and other	81,567	(199,976)
Change in deferred tax assets not recognized	13,000	209,000
Deferred income tax recovery	\$ (30,433)	\$ (135,976)

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

	2019	2018
Loss carry forwards	\$ 3,740,000	\$ 3,585,000
Share issue costs	20,000	46,000
Equipment	9,000	9,000
Other	(1,000)	-
Deferred income tax assets	3,768,000	3,640,000
Mineral properties and deferred exploration	847,000	962,000
Net deferred income tax assets	4,615,000	4,602,000
Unrecognized deferred tax assets	(4,615,000)	(4,602,000)
	\$ -	\$ -

The Company has not recorded deferred income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry-forward period to utilize these net deferred income tax assets.

The Company has available non-capital losses for Canadian income tax purposes of approximately \$13,839,000 which may be carried forward to reduce taxable income in future years, if not utilized, expiring as follows:

2026	737,000
2027	1,213,000
2028	1,393,000
2029	1,505,000
2030	1,909,000
2031	984,000
2032	1,443,000
2033	307,000
2034	496,000
2035	569,000
2036	916,000
2037	1,076,000
2038	716,000
2039	575,000
	<u>\$ 13,839,000</u>

At April 30, 2019, the Company had unclaimed resource deductions totaling \$13,783,000, share issue costs totaling \$74,000 and other undepreciated assets totaling \$33,000, which may be used to reduce taxable income in the future.

15. Subsequent Events

Subsequent to April 30, 2019, the Company announced that it has entered into agreements to acquire 100% of the Speiran Quarry and 85% of the Johnston Farm Quarry (together, the "Ontario Limestone Quarries"). As part of the agreements to acquire the Ontario Limestone Quarries, the Company has secured a \$700,000 Vendor Takeback Mortgage with an annual rate of 5.25% interest secured against the Johnston Farm Quarry and an \$850,000 term loan with a fixed interest rate of 5.25% with a major Canadian bank secured against the Speiran Quarry.

Subsequent to April 30, 2019, the Company announced its plan to issue up to 8,000,000 units of the Company at a price of \$0.10 per Unit for aggregate gross proceeds of \$800,000. Each Unit will consist of one common share of Rogue and one common share purchase warrant, entitling the holder thereof to purchase one common share at an exercise price of \$0.20 per share until one year from the date of closing.