ePower Metals Inc.

(formerly Argus Metals Corp.)

Consolidated Financial Statements

Year Ended April 30, 2018

Expressed in Canadian Dollars

Address:	Suite 1507 – 1030 West Georgia Street Vancouver, BC V6E 2Y3
Contact:	Michael Collins President and Chief Executive Officer
Telephone number:	(604) 428-6128
Email address:	info@epowermetals.com
Website:	www.epowermetals.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
ePower Metals Inc. (formerly Argus Metals Corp.)

We have audited the accompanying consolidated financial statements of ePower Metals Inc. (formerly Argus Metals Corp.), which comprise the consolidated statements of financial position as at April 30, 2018 and 2017 and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of ePower Metals Inc. (formerly Argus Metals Corp.) as at April 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about ePower Metals Inc. (formerly Argus Metals Corp.)'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

August 17, 2018

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ePower Metals Inc.
(formerly Argus Metals Corp.)
Consolidated Statements of Financial Position

	Notes	April 30, 2018	April 30, 2017
		$	$
ASSETS			
Current assets			
Cash		1,177,271	35,220
Receivables	5	32,452	1,028
Prepaid expenses		20,221	-
Total current assets		1,229,944	36,248
Non-current assets			
Deposits		33,640	-
Exploration and evaluation assets	6	4,543,387	50,000
Equipment	7	51,180	-
Total non-current assets		4,628,207	50,000
Total assets		5,858,151	86,248
LIABILITIES			
Current liabilities			
Payables and accruals		68,999	21,116
Advances from related party	15	-	5,000
Flow-through share premium liability		-	1,288
Loans payable	8	-	161,754
Current lease liabiltiy	10	3,190	-
Total current liabilities		72,189	189,158
Non-current liabilities			
Convertible debenture	9	-	52,356
Non-current lease liabiltiy	10	14,789	-
Total liabilities		86,978	241,514
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	11	37,442,533	30,973,775
Reserves	11	4,209,714	3,214,264
Equity component of convertible debenture		-	8,560
Deficit		(35,881,074)	(34,351,865)
Total shareholders' equity (deficiency)		5,771,173	(155,266)
Total liabilities and shareholders' equity (deficiency)		5,858,151	86,248

Nature and continuance of operations (note 1)
Commitment (note 18)
Subsequent events (note 21)

These consolidated financial statements are approved by the Board of Directors on August 17, 2018:

"Michael Collins" Director
Michael Collins

"Fred Tejada" Director
Fred Tejada

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

ePower Metals Inc.
(formerly Argus Metals Corp.)
Consolidated Statements of Comprehensive Loss

For the year ended April 30,	Notes	2018	2017
		$	$
General and administrative expenses			
Depreciation	7	2,331	-
Consulting services		17,800	-
Investor relations		80,827	1,705
Interest expense	8, 9, 10	8,480	18,851
Personnel	15	125,892	3,750
Property investigation and due diligence		181,256	16,334
Professional fees		75,130	29,547
Office		15,020	3,317
Rent		35,807	2,800
Regulatory and shareholder services		34,509	18,989
Share-based compensation	12, 15	957,050	-
Travel		18,944	2,869
		(1,553,046)	(98,162)
Interest income		39	42
Forgiveness of debt	8	3,752	-
Gain on debt settlement	11	15,000	-
Recovery of rent and administrative expenses		19,473	-
Settlement of flow-through share premium liability		7,348	11,712
Impairment of exploration and evaluation assets	6	(21,775)	-
Loss and total comprehensive loss for the year		(1,529,209)	(86,408)
Loss per share - basic and diluted	14	(0.08)	(0.01)
Weighted average common shares outstanding - basic and diluted	14	20,004,041	8,594,174

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

ePower Metals Inc.
(formerly Argus Metals Corp.)
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

	Common Shares	Share Capital $	Equity Component of Convertible Debenture $	Reserves $	Deficit $	Shareholders' Equity (Deficiency) $
Balance - April 30, 2016	7,932,067	30,856,665	-	3,214,264	(34,265,457)	(194,528)
Private placements, net of share issue costs	913,500	93,710	-	-	-	93,710
Warrants exercised	156,000	23,400	-	-	-	23,400
Equity component of convertible debenture	-	-	8,560	-	-	8,560
Loss for the year	-	-	-	-	(86,408)	(86,408)
Balance - April 30, 2017	9,001,567	30,973,775	8,560	3,214,264	(34,351,865)	(155,266)
Private placement, net of share issue costs	16,975,981	2,034,286	-	91,900	-	2,126,186
Stock options exercised	850,000	137,500	-	(52,500)	-	85,000
Warrants exercised	200,875	31,132	-	(1,000)	-	30,132
Flow-through share premium	-	(6,060)	-	-	-	(6,060)
Share-based compensation	-	-	-	957,050	-	957,050
Shares issued for debt settlement	1,000,000	85,000	-	-	-	85,000
Shares issued for property acquisition	5,500,000	4,125,000	-	-	-	4,125,000
Shares issued for convertible debenture	400,000	61,900	(8,560)	-	-	53,340
Loss for the year	-	-	-	-	(1,529,209)	(1,529,209)
Balance - April 30, 2018	33,928,423	37,442,533	-	4,209,714	(35,881,074)	5,771,173

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

ePower Metals Inc.
(formerly Argus Metals Corp.)
Consolidated Statements of Cash Flows

For the year ended April 30,		2018	2017
		$	$
Cash provided by (used in):			
Operating Activities:			
Loss for the year		(1,529,209)	(86,408)
Adjustments for:			
Depreciation	7	2,331	-
Interest income		(39)	(42)
Loss on sale of available-for-sale investments		-	-
Interest expense		8,480	18,851
Gain on settlement of debt		(15,000)	-
Forgiveness of debt		(3,752)	-
Share-based compensation	12	957,050	-
Impairment of exploration and evaluation assets	6	21,775	-
Flow-through share premium		(7,348)	(11,712)
Changes in non-cash working capital items			
Receivables		(31,424)	(207)
Prepaid expenses		(20,221)	-
Deposits		(33,640)	-
Payables and accruals		47,883	(22,915)
Cash used in operating activities		(603,114)	(102,433)
Financing Activities:			
Shares issued for cash		2,316,290	131,400
Share issue costs		(74,972)	(1,290)
Convertible debenture proceeds		-	60,000
Loan advanced		-	22,000
Loan repaid		(61,650)	(22,000)
Loan interest paid		(3,616)	(1,670)
Repayment of lease liability		(740)	-
Repayment of advances from related parties		(5,000)	(898)
Cash provided by financing activities		2,170,312	187,542
Investing Activities:			
Exploration and evaluation assets		(390,162)	(50,000)
Purchase of equipment	7	(35,024)	-
Interest received		39	42
Cash used in investing activities		(425,147)	(49,958)
Net increase in cash		1,142,051	35,151
Cash, beginning of year		35,220	69
Cash, end of year		1,177,271	35,220

Supplemental disclosure with respect to cash flows (note 16)

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

1. Nature and continuance of operations

ePower Metals Inc. (formerly Argus Metals Corp.) (the “Company”) acquires, explores and develops interests in mineral projects. The Company’s shares are traded on the TSX Venture Exchange (“TSXV” or the “Exchange”). In December 2017, the Company changed its name to ePower Metals Inc. The Company is engaged in mineral exploration with a focus on properties bearing cobalt, copper and other metals used to manufacture high-performance batteries.

The Company is incorporated under the laws of British Columbia. The head office and principal address of the Company is Suite 1507 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

In November 2017, the Company reinstated a Barbados subsidiary, Argus Metals (BGI) Inc. which had lapsed, and incorporated ePower Metalen under the laws of Suriname. In February 2018, the Company acquired a subsidiary in Mexico, ePower Metals SA de CV. These subsidiaries were substantially inactive through to April 30, 2018.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The Company has not generated revenue from operations. The Company recorded a loss of $1,529,209 during the year ended April 30, 2018 and, as of that date the Company’s deficit was $35,881,074. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $1,177,271 at April 30, 2018 (April 30, 2017 - $35,220). The Company expects however that it will undertake exploration and acquisitions that will require it to raise funds within 12 months.

2. Basis of preparation

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), by the International Accounting Standards Board (the “IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The policies applies to these consolidated financial statements are based on the IFRSs in effect as of April 30, 2018.

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments carried at fair value. The measurement bases are fully described in the accounting policies below. The consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2. Basis of preparation (continued)

These consolidated financial statements are authorized for issue by the Board of Directors on August 17, 2018.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Argus Metals (BGI) Inc., ePower Metalen, and ePower Metals SA de CV. All significant intercompany transactions and balances have been eliminated upon consolidation.

Foreign currency transactions

Foreign currency amounts are translated into each entity's functional currency as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the entity's functional currency by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income.

Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in profit or loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument and are included in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into the functional currency by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

The functional currency of the Company and its subsidiaries is the Canadian dollar and these financial statements are presented in Canadian dollars.

3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts. For the periods presented, the Company was only holding cash.

3. Summary of Significant Accounting Policies (continued)

b) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

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

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. 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 administrative overhead costs, are expensed in the year in which they occur.

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 comprehensive loss/income.

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. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

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.

c) Reclamation Deposits

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are classified as loans and receivables.

d) Equipment

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

3. Summary of Significant Accounting Policies (continued)

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent Costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Major Maintenance and Repairs

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. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Gains and Losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit and loss.

Depreciation

Depreciation is recognized in profit or loss and is provided on a declining-balance basis and on a straight-line basis over the estimated useful life of the assets as follows:

Computer equipment and software	30% - 100% declining balance
Office equipment	20% declining balance
Copier lease	Straight line over 5 Years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

e) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests 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.

Where it is not 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. The Company performs impairment testing on each cash-generating unit.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in accumulated other comprehensive loss/income.

3. Summary of Significant Accounting Policies (continued)

f) Financial Instruments

Financial Assets

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)

Financial assets are classified as FVTPL when the asset is either:

- held for trading; or
- designated as at FVTPL

Financial assets at FVTPL are stated at fair value, with any resulting gain or loss recognized in profit or loss.

Available-for-sale Financial Assets

An instrument classified as available-for-sale is a non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. They are initially recorded at their fair market value and subsequently measured at its fair market value, with gains or losses recognized as other comprehensive income.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

3. Summary of Significant Accounting Policies (continued)

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise payables and accruals. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

g) Provisions

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 year in which the obligation is incurred. The nature of the rehabilitation activities include 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 exploration properties. 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 year in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

h) Income Taxes

Income tax expense comprises current and deferred tax expense. Current tax and deferred tax expense are recognized in net income or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive loss/income.

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.

3. Summary of Significant Accounting Policies (continued)

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 year 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.

i) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

j) Flow-through Shares

The Company may from time to time, issue flow-through common shares to finance some of its exploration programs. 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 qualifying expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognised as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares may only be used for Canadian resource property exploration expenditures and should be used within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "lookback rule", in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

k) Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There are no potentially dilutive instruments outstanding for the periods presented.

3. Summary of Significant Accounting Policies (continued)

l) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

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

m) Standards, Amendments and Interpretations Not Yet Effective

IASB or the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting years beginning on or after May 1, 2018. None of these are expected to be relevant to the Company's financial statements, except for the following:

IFRS 9 Financial Instruments

IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 will be effective for the fiscal year beginning May 1, 2018. The Company does not expect that the new standard will have a material effect on the Company's financial statements.

3. Summary of Significant Accounting Policies (continued)

IFRS 16 - Leases

IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring that lessees recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and will be applicable to the Company's fiscal year beginning May 1, 2019, although early adoption is permitted. The Company has not yet assessed the impact of this standard.

4. Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates with future period amounts discounted to reflect the time value of money. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

4. Critical Accounting Estimates and Judgements (continued)

Income tax

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company may recognize deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 12.

5. Receivables

The Company's receivables consist of the following:

At April 30,	2018	2017
	$	$
Trade receivables	22,541	3,440
Allowance for doubtful account	(3,440)	(3,440)
GST/HST - value added tax	13,351	1,028
Total	32,452	1,028

6. Exploration and evaluation assets

	April 30, 2017	Expenditures	Impairment	April 30, 2018
	$	$		$
Panther Creek	-	4,470,617	-	4,470,617
Split Dome	-	21,775	(21,775)	-
Ike Block	50,000	22,770	-	72,770
	50,000	4,515,162	(21,775)	4,543,387

6. Exploration and evaluation assets (continued)

Panther Creek – Idaho

In October 2017, the Company entered into a mineral property option agreement with Utah Mineral Resources, LLC ("UMR") to earn up to a 100% interest in the Panther Creek cobalt project located in the Idaho cobalt belt. To earn an initial 50% interest in the property, the Company paid US$25,000 ($32,025) upon signing and, in December 2017, paid an additional US$150,000 ($193,875) in cash and issued 5,500,000 common shares with fair value of $4,125,000 (note 11).

To earn 100% interest in the property the Company needs to make the following additional payments and expenditures:

a) payment of an additional US$150,000, in cash or shares at the Company's option, and incurring at least US$75,000 of expenditures on the property on or before October 23, 2018;

b) payment of an additional US$150,000, in cash or shares at the Company's option, and incurring at least an additional US$100,000 of expenditures on the property on or before October 23, 2019; and

c) incurring at least an additional US$200,000 of expenditures on the property on or before October 23, 2020.

In addition, should the Company determine that proven and probable mineral resources, (as determined in compliance with NI 43-101), of at least 4,000,000 tonnes grading a minimum 0.25% cobalt, are contained within any portion of the property, on or before five years following the date of the agreement, the Company will issue to UMR an additional 2,000,000 shares.

Upon exercise of the option, UMR will retain and will be entitled to receive, a 2% NSR royalty on all product derived from the property.

	Panther Creek
	$
Balance, April 30, 2017 and 2016	-
Acquisition	
Cash	262,229
Shares issued	4,125,000
Contractors	33,760
Environmental	822
Geochemistry	17,696
Land maintenance	26,282
Travel and accomodation	4,828
Balance April 30, 2018	4,470,617

6. Exploration and evaluation assets (continued)

Split Dome

In June 2017, the Company staked certain claims located north-east of Hazelton, BC.

The Company completed surveying, geological, and geochemical expenses on the Split Dome as follows:

	Split Dome
	$
Balance, April 30, 2017 and 2016	-
Acquisition - staking	8,361
Contractors	9,300
Drilling and metalllurgical testing	760
Field supplies	1,550
Travel and accomodation	1,804
Impairment	(21,775)
Balance April 30, 2018	-

At April 30, 2018, the Company completed a review of the Split Dome project. Due to a combination of the large budget required to complete a thorough exploration program and the difficulty of raising capital to support such a program, the Company concluded that it was not able to continue exploration and that the project’s carrying value should be fully impaired.

6. Exploration and evaluation assets (continued)

Ike Block

The Company staked certain claims in the Selwyn Basin in the Yukon Territory of Canada.

The Company completed surveying, geological, and geochemical expenses on the Ike block as follows:

	Ike Block
	$
Balance, April 30, 2016	-
Contractors	20,742
Field supplies	2,163
Filing fees	1,958
Geochemistry	1,563
Helicopter	10,804
Labour	7,741
Travel and accomodation	5,029
Balance, April 30, 2017	50,000
Contractors	11,800
Field supplies	675
Geochemistry	1,569
Helicopter	5,415
Travel and accomodation	3,311
Balance April 30, 2018	72,770

7. Equipment

	Computer equipment	Office equipment	Software	Vehicles	Total
	$	$	$	$	$
Cost					
At April 30, 2017 and 2016	-	-	-	-	-
Additions	14,695	14,150	6,179	18,487	53,511
At April 30, 2018	14,695	14,150	6,179	18,487	53,511
Accumulated depreciation					
At April 30, 2017 and 2016	-	-	-	-	-
Charge for the year	589	354	772	616	2,331
At April 30, 2018	589	354	772	616	2,331
Net book value					
At April 30, 2017	-	-	-	-	-
At April 30, 2018	14,106	13,796	5,407	17,871	51,180

8. Loans payable

a) In June 2016, the Company entered into agreements to convert $150,677 of current liabilities to debt. The debt bore annual interest of 12% and had to be repaid on or before the maturity date of December 2, 2017. Of the amount converted, $123,025 was due to the Company's president and CEO and $2,000 was due to the Company's CFO. During the year ended April 30, 2017, the Company repaid $5,188 of debt to a non-related party. In May 2017, the Company settled $100,000 of debt with the Company's president and CEO through the issuance of 1,000,000 common shares. In October 2017, the Company repaid a further $20,461 of debt to a non-related party which agreed to forgive $3,752 of accrued interest. In December 2017, the Company repaid the remaining outstanding loans.

	$
Balance, April 30, 2016	-
Conversion of accounts payable to long-term debt	150,677
Interest accrued	16,265
Repayment	(5,188)
Balance, April 30, 2017	161,754
Issuance of shares for repayment	(100,000)
Interest accrued	3,648
Repayment	(61,650)
Forgiveness of interest accrued	(3,752)
Balance, April 30, 2018	-

b) In August 2016, the Company entered into an unsecured loan with a related party for $22,000 bearing annual interest of 12% and maturing on August 4, 2018. The Company repaid the loan in March 2017.

	$
Balance, April 30, 2016	-
Cash received	22,000
Interest accrued	1,670
Repayment	(23,670)
Balance, April 30, 2017	-

9. Convertible debenture

In March 2017, the Company borrowed $60,000 under a secured convertible debenture issued to a company controlled by a director of the Company. The debenture was due in March 2020 and bore interest at 8% calculated and payable semi-annually. The debenture was convertible into common shares at $0.15 per share, at any time at the election of the holder. At the date of issue $51,440 was attributed to the liability component of the convertible debenture and $8,560 to the equity component based on an effective interest rate of 8%.

In December 2017, the convertible debenture was converted into 400,000 common shares of the Company (note 11).

9. Convertible debenture (continued)

	Liability Component	Equity Component	Total Liability and Equity Component
	$	$	$
Balance at April 30, 2016	-	-	-
Convertible debenture issuance	51,440	8,560	60,000
Interest expense	916	-	916
Balance at April 30, 2017	52,356	8,560	60,916
Interest expense	2,700	-	2,700
Interest repaid	(3,616)	-	(3,616)
Accretion expense	1,900	-	1,900
Conversion of debenture	(53,340)	(8,560)	(61,900)
Balance at April 30, 2018	-	-	-

The accrued interest and accretion are included in interest expense on the statement of comprehensive loss.

10. Lease liability

The Company has entered into a lease for office equipment over a term of five years with monthly payments of $370 and an implicit interest rate of 8%.

Balance, April 30, 2017	-
New lease	18,487
Interest	232
Payments	(740)
Balance, April 30, 2018	17,979

Presentation:	
Current lease liability	3,190
Non-current lease liability	14,789
Total lease liabilty	17,979

11. Share capital and reserves

Authorized capital

Unlimited number of common shares without par value.

Issued capital

33,928,423 common shares (April 30, 2017 – 9,001,567).

11. Share capital and reserves (continued)

Common shares

Fiscal 2018

In May 2017, the Company settled $100,000 of debt with the Company's president and CEO through the issuance of 1,000,000 common shares at a value of $85,000 resulting in a $15,000 gain on settlement of debt.

In July 2017, the Company closed a private placement and issued 1,638,000 units at a price of $0.10 per unit and 302,981 flow-through shares at a price of $0.12 per flow-through share for gross proceeds of $200,158. Each unit consists of one common share and one-half of one common share purchase warrant. The Company recognized a flow-through premium liability of $6,060. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share until July 27, 2019. In connection with the private placement, the Company paid cash commissions totalling $1,925 and issued 35,000 common shares and 54,250 finder's warrants that are exercisable into common shares at $0.15 per share until July 27, 2019. The Company has spent all of the flow-through funds on exploration and there is no outstanding commitment at the financial statement date.

In December 2017 the Company closed two private placements consisting of 10,000,000 units at a price of $0.10 per unit ("First Private Placement") and 5,000,000 units at a price of $0.20 per unit ("Second Private Placement") for gross proceeds of $2,000,000. Each unit consists of one common share and one-half of one common share purchase warrant, of which one whole warrant entitles the holder to purchase one additional common share of the Company until December 7, 2019. The First Private Placement warrants are exercisable at a price of $0.30 per warrant. The Second Private Placement warrants are exercisable at a price of $0.45 per warrant.

In connection with the Second Private Placement, the Company paid cash commissions totalling $37,240 and issued 186,200 finder's warrants, each such finder's warrant entitling the holder to acquire one common share of the Company exercisable at $0.45 per share until December 7, 2019.

In December 2017, the Company issued 5,500,000 common shares with a fair value of $4,125,000 pursuant to the mineral property option agreement with UMR. (see note 6).

In December 2017, the Company issued 400,000 common shares pursuant to the convertible debenture (see note 9).

During the year ended April 30, 2018, the Company issued 850,000 common shares upon the exercise of stock options at a price of $0.10 per common share for total proceeds of $85,000.

During the year ended April 30, 2018, the Company issued 200,875 common shares upon the exercise of warrants at $0.15 per common share for proceeds of $30,132.

11. Share capital and reserves (continued)

Fiscal 2017

In August 2016, the Company closed a private placement, consisting of two tranches, and issued 580,500 units at a price of $0.10 per unit and 333,000 flow-through shares at a price of $0.15 per flow-through share for gross proceeds of $108,000. Each unit consists of one common share and one-half of one common share purchase warrant. The Company recognized a flow-through premium of $13,000. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.15 per share until August 2018.

In January 2017, 156,000 warrants were exercised for gross proceeds of $23,400.

The following is a summary of changes in common share capital from April 30, 2016 to April 30, 2018:

	Number of Shares	Issue Price $	Common Shares $
Balance - April 30, 2016	7,932,067		30,856,665
Private placement of units	580,500	0.10	58,050
Private placement of flow-through shares	333,000	0.15	49,950
Exercise of warrants	156,000	0.15	23,400
Liability to renounce exploration expenditures	-	-	(13,000)
Less share issue costs	-	-	(1,290)
Balance April 30, 2017	9,001,567		30,973,775
Shares for debt	1,000,000	0.085	85,000
Private placement of units	1,638,000	0.10	163,800
Private placement of flow-through shares	302,981	0.12	36,358
Finders' units	35,000	0.10	3,500
Private placement of units	10,000,000	0.10	1,000,000
Private placement of units	5,000,000	0.20	1,000,000
Exercise of warrants	200,875	0.15	30,132
Exercise of stock options	850,000	0.10	85,000
Issuance of shares for property acquisition	5,500,000	0.75	4,125,000
Issuance of shares for convertible debenture	400,000	0.15	61,900
Fair value of stock options exercised	-	-	52,500
Fair value of warrants exercised	-	-	1,000
Liability to renounce exploration expenditures	-	-	(6,060)
Less share issue costs	-	-	(169,372)
Balance April 30, 2018	33,928,423		37,442,533

11. Share capital and reserves (continued)

Reserves

Reserves recorded in equity comprise the fair value of share-based payments before exercise and unrecognized gains and losses on available-for-sale investments. The following is a summary of changes in reserves from April 30, 2016 to April 30, 2018

	$
Balance - April 30, 2016 and 2017	3,214,264
Share-based compensation	957,050
Fair value of stock options exercised	(52,500)
Fair value of warrants exercised	(1,000)
Fair value of finder's warrants granted	91,900
Balance - April 30, 2018	4,209,714

Warrants

Warrant activity for the respective years are as follows:

	April 30, 2018		April 30, 2017	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Warrants outstanding, beginning of year	134,250	0.15	1,600,000	0.10
Granted	8,559,450	0.33	290,250	0.15
Exercised	(200,875)	0.15	(156,000)	0.15
Expired	-	-	(1,600,000)	0.10
Warrants outstanding, end of year	8,492,825	0.33	134,250	0.15

Warrants outstanding and exercisable at April 30, 2018:

Number	Price	Expiry Date
25,000	0.15	August 17, 2018
781,625	0.15	July 27, 2019
5,000,000	0.30	December 7, 2019
2,500,000	0.45	December 7, 2019
186,200	0.45	December 7, 2019
8,492,825		

11. Share capital and reserves (continued)

The Company used the Black-Scholes option pricing model to estimate the fair value of the 54,250 finder's warrants granted at $1,000 and to estimate the fair value of the 186,200 finder's warrants granted at $90,900 using the following weighted average assumptions:

Risk-free interest rate	1.45%
Dividend yield	0%
Expected volatility	97%
Expected life	2

12. Share-based compensation

The Company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors may determine within the limitations set forth in the stock option plan. The maximum number of common shares issuable upon the exercise of options granted pursuant to the stock option plan is set at 10% of the total issued common shares. The board of directors may grant options with a life of up to ten years, however options granted to date have a maximum term of five years. Vesting terms may be set by the board of directors.

Stock options outstanding and exercisable for the respective periods are as follows:

	April 30, 2018		April 30, 2017	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Options outstanding, beginning of year	-	-	41,250	3.02
Granted	3,115,000	0.51	-	-
Exercised	(850,000)	0.10	-	-
Expired	(225,000)	0.68	(41,250)	3.02
Options outstanding, end of year	2,040,000	0.67	-	-
Exercisable, end of year	1,833,750	0.67	-	-

In May 2017, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase an aggregate of 890,000 shares at a price of $0.10 per share expiring May 5, 2020. Using the Black Scholes method the grant-date value of each option was $0.06.

In December 2017, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase an aggregate of 2,225,000 shares at a price of $0.68 per share expiring December 12, 2020. Options vested on grant except for 275,000 options issued to an investor relations provider that vest over a 12-month period ending in December 2018. Using the Black Scholes method, the grant-date value of each option was $0.42.

12. Share-based compensation (continued)

Share-based compensation expense to be recognized in the year ended April 30, 2018 was $957,050 (2017 - $nil).

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted using the following weighted average assumptions:

	2018
Risk-free interest rate	1.4%
Dividend yield	0.00%
Expected volatility	103%
Expected option life	3 years

13. Income taxes

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

Year ended April 30,	2018	2017
	$	$
Loss before income taxes	(1,529,209)	(86,408)
Expected Income tax recovery	(403,000)	(22,000)
Change in statutory, foreign tax, foreign exchange rates and other	(229,000)	(9,000)
Permanent difference	246,000	-
Impact of flow-through shares	11,000	12,000
Share issue cost	(20,000)	-
Adjustment to prior years provision versus statutory tax returns	71,000	(261,000)
Change in unrecognized temporary differences	324,000	280,000
Total income tax expense (recovery)	-	-

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

13. Income taxes (continued)

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

	2018	Expiry Date Range	2017	Expiry Date Range
	$		$	
Exploration pools	7,337,000	No expiry date	7,635,000	No expiry date
Investment tax credits	49,000	2029 to 2032	49,000	2028 to 2031
Property and equipment	22,000	No expiry date	19,000	No expiry date
Share issue costs	62,000	2035 to 2039	8,000	2034 to 2038
Allowable capital losses	8,110,000	No expiry date	8,110,000	No expiry date
Non-capital losses available for future period	7,173,000	2019 to 2038	6,563,000	2018 to 2037

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

14. Loss per share

The calculation of the basic and diluted loss per share for the years presented is based on the following data:

For the year ended April 30,	2018	2017
Loss for the year	($1,529,209)	($86,408)
Weighted average number of common shares outstanding	20,004,041	8,594,174
Loss per share, basic and fully diluted	($0.08)	($0.01)

Diluted loss per share for the years ended April 30, 2018 and 2017 is the same as basic loss per share as the exercise of the 2,040,000 options (April 30, 2017 – nil) and 8,492,825 warrants (April 30, 2017 – 134,250) would be anti-dilutive.

15. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes 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. The following are related party transactions not disclosed elsewhere in the financial statements.

At April 30, 2018, the Company had three employees and had arrangements with contractors to provide administrative, accounting and management services. In the prior year, management personnel waived their fees.

15. Related party transactions and balances (continued)

For the year ended April 30,	2018	2017
	$	$
Key management personnel compensation		
Management fees - expensed	95,660	-
Technical fees - capitalized	12,528	-
Share-based compensation	701,100	-
Total	809,288	-
Included in the above is compensation paid through companies:		
S2 Management Inc.	$ 8,160	-

S2 Management Inc. is controlled by the Company's CFO.

During the year ended April 30, 2018, the Company paid $12,528 (2017 - $nil) to an officer of the Company for capitalized exploration costs.

In fiscal 2018, the Company granted 2,340,000 stock options to officers and directors of the Company with a grant-date fair value of $701,100.

Included in the payables and accruals is $1,953 (April 30, 2017 - $2,017) owed to directors and officers of the Company. Advances from directors and officers of $nil (April 30, 2017 - $5,000) represent amounts paid to cover the Company’s operating expenses.

During the year ended April 30, 2017, the Company paid $23,225 to two former directors of the Company for capitalized exploration costs.

16. Supplemental disclosure with respect to cash flows

For the year ended April 30,	2018	2017
	$	$
Payables converted to loans payable	-	82,855
Advances from related parties converted to loans payable	-	67,822
Loan repayment settled by related party and included in payables	-	5,188
Shares issued for settlement of loan payable	85,000	-
Shares issued for property acquisition	4,125,000	-
Shares issued for convertible debenture	61,900	-
Fair value of warrants issued as finders' fees	91,900	-
Fair value of stock options exercised	52,500	-
Fair value of warrants exercised	1,000	-
Acquisition of leased equipment	18,487	-
Liability to renounce exploration expenditures	6,060	-

17. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At April 30, 2018 and 2017 all exploration and evaluation assets and equipment were located in Canada and the United States.

At April 30,	2018	2017
	$	$
Canada	127,854	50,000
United States	4,470,616	-
	4,598,470	50,000

18. Commitment

The Company is contractually committed to make payments regarding equipment and premises' leases as follows:

Year ending April 30	
	$
2019	82,560
2020	82,560
2021	82,560
2022	69,540
2023	3,700
	320,920

19. Financial instruments and risk management

Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At April 30, 2018, the Company was not subject to significant interest rate risk.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to money market investments.

The Company manages its credit risk by investing only in high quality financial institutions.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables.

19. Financial instruments and risk management (continued)

Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at April 30, 2018, the Company has activities in other countries which exposes the Company to foreign exchange risk.

As at April 30, 2018 with other variables unchanged, a 1% increase (decrease) in the Canadian dollar would increase (decrease) net earnings by approximately $6,122 (April 30, 2017 - $nil).

Exposure to the Canadian dollar on financial instruments is as follows:

Balances at April 30, 2018	
	$
Cash	612,233

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company attempts to ensure that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and match the maturity profile of financial assets to development, capital and operating needs.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

Cash is measured at fair value using Level 1. The carrying value of receivables, payables and accruals, and lease liability approximates their fair value due to the relatively current nature of those financial instruments.

20. Capital management

The Company manages its capital, being the components of shareholders' deficiency, 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.

20. Capital management (continued)

The Company has historically relied on the equity markets to fund its 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.

21. Subsequent events

a) In June 2018, the Company awarded options to directors and contractors to purchase up to 910,000 common shares at a price of $0.20 per share for a term of two years.

b) In May 2018, the Company agreed to transfer certain mineral rights to Electric Metals Inc. ("EVX") in which a director of ePower is an officer and director. The Company had only incurred nominal costs and the mineral property did not fit with the Company's current business plan. In the event that EVX successfully obtains exploration rights to the property, the Company will transfer its rights to EVX for consideration of US$20,000 and a 1% net smelter royalty, which royalty may be acquired by EVX at any time for US$1,000,000.

c) Subsequent to year end, 40,000 stock options were exercised at a price of $0.10 per stock option for gross proceeds of $4,000.