

DECADE RESOURCES LTD.

FINANCIAL STATEMENTS

April 30, 2019 and 2018

(Stated in Canadian Dollars)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of
Decade Resources Ltd.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Decade Resources Ltd. (the "Company"), which comprise the statements of financial position as at April 30, 2019 and 2018, and the statements of comprehensive loss, cash flows and changes in equity for the years then, and the related notes, including a summary of significant accounting policies and other explanatory information including Schedule 1 (collectively referred to as the "financial statements").

In our opinion, the 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 as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 2(c) of the financial statements, which indicates the Company does not generate revenue or cash flows from operations, has a working capital deficit and relies on financing for its business activities. As stated in Note 2(c) these matters and other conditions indicate a material uncertainty exists that may cast significant doubt over the ability of the Company 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, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and does not and will not express any form of assurance conclusion thereon. In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indicators that the other information appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. 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 these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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 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 the 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, conclude 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 evaluate 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 audits.

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 Joseph Bonvillain, CPA, CA.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

August 27, 2019

DECADE RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
April 30, 2019 and 2018
(Stated in Canadian Dollars)

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 75,638 | \$ 93,835 |
| GST receivable | 8,822 | 6,524 |
| Accounts receivable – Notes 5(b) and 7 | 925,500 | 407,648 |
| Prepaid expenses | <u>-</u> | <u>500</u> |
| Total current assets | <u>1,009,960</u> | <u>508,507</u> |
| Non-current assets | | |
| Reclamation deposits | 60,485 | 60,485 |
| Property and equipment – Note 4 | 15,061 | 18,895 |
| Exploration advances – Note 7 | 2,000 | 10,000 |
| Exploration and evaluation assets – Note 5 and Schedule 1 | <u>11,767,493</u> | <u>12,304,631</u> |
| Total non-current assets | <u>11,845,039</u> | <u>12,394,011</u> |
| Total assets | <u>\$ 12,854,999</u> | <u>\$ 12,902,518</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities – Note 7 | \$ 1,273,894 | \$ 537,464 |
| Non-current liabilities | | |
| Deferred tax liabilities – Note 11 | <u>655,854</u> | <u>1,302,602</u> |
| Total liabilities | <u>1,929,748</u> | <u>1,840,066</u> |
| EQUITY | | |
| Share capital – Note 6 | 23,381,350 | 21,286,057 |
| Contributed surplus | 2,017,501 | 2,017,501 |
| Deficit | <u>(14,473,600)</u> | <u>(12,241,106)</u> |
| Total equity | <u>10,925,251</u> | <u>11,062,452</u> |
| Total liabilities and equity | <u>\$ 12,854,999</u> | <u>\$ 12,902,518</u> |

APPROVED ON BEHALF OF THE BOARD

“Ed Kruchkowski” Director

“Randy Kasum” Director

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
STATEMENTS OF COMPREHENSIVE LOSS
For the years ended April 30, 2019 and 2018
(Stated in Canadian Dollars)

| | <u>2019</u> | <u>2018</u> |
|---|-----------------------|-----------------------|
| General and administrative expenses | | |
| Accounting and audit fees – Note 7 | \$ 39,625 | \$ 48,856 |
| Consulting fees – Note 7 | 378,880 | 236,888 |
| Depreciation | 3,834 | 11,238 |
| Filing fees | 20,860 | 48,436 |
| Interest and bank charges | 2,055 | 3,139 |
| Legal fees | 40,043 | 76,807 |
| Management fees – Note 7 | 240,000 | 112,000 |
| Office and telephone | 22,843 | 23,163 |
| Property investigation cost | 21,892 | 5,196 |
| Property taxes | 3,822 | 3,415 |
| Shareholder communications | 71,212 | 56,343 |
| Share-based payments – Notes 6 and 7 | - | 676,000 |
| Transfer agent fees | 9,175 | 10,140 |
| Travel and promotions | <u>-</u> | <u>6,650</u> |
| Loss before other items and income taxes | (854,241) | (1,318,271) |
| Other items | | |
| Other income – Notes 6 and 7 | 99,012 | 10,476 |
| Gain on sale of property and equipment – Note 4 | - | 14,434 |
| Write-off of exploration and evaluation assets – Note 5 | <u>(2,124,013)</u> | <u>(13,124)</u> |
| Loss before income taxes | (2,879,242) | (1,306,485) |
| Income taxes | | |
| Deferred income tax recovery (expense) – Note 11 | <u>646,748</u> | <u>(347,102)</u> |
| Net and comprehensive loss | <u>\$ (2,232,494)</u> | <u>\$ (1,653,587)</u> |
| Basic and diluted loss per share | <u>\$ (0.01)</u> | <u>\$ (0.01)</u> |
| Weighted average number of shares outstanding | <u>156,815,850</u> | <u>113,680,918</u> |

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
STATEMENTS OF CASH FLOWS
For the years ended April 30, 2019 and 2018
(Stated in Canadian Dollars)

| | <u>2019</u> | <u>2018</u> |
|--|--------------------|--------------------|
| OPERATING ACTIVITIES | | |
| Net loss | \$ (2,232,494) | \$ (1,653,587) |
| Add items not affecting cash: | | |
| Deferred income tax expense (recovery) | (646,748) | 347,102 |
| Depreciation | 3,834 | 11,238 |
| Write-off of exploration and evaluation assets | 2,124,013 | 13,124 |
| Settlement of flow-through premium liability | (90,462) | - |
| Share-based payments | - | 676,000 |
| Gain on sale of property and equipment | - | (14,434) |
| | <u>(841,857)</u> | <u>(620,557)</u> |
| Changes in working capital items related to operations: | | |
| GST receivable | (2,298) | 9,959 |
| Accounts receivable | - | (319,486) |
| Prepaid expenses | 500 | 2,967 |
| Accounts payable and accrued liabilities | <u>67,213</u> | <u>799</u> |
| | <u>(776,442)</u> | <u>(926,318)</u> |
| FINANCING ACTIVITIES | | |
| Shares issued for cash | 2,185,755 | 2,753,624 |
| Share issue costs | <u>-</u> | <u>(26,475)</u> |
| | <u>2,185,755</u> | <u>2,727,149</u> |
| INVESTING ACTIVITIES | | |
| Proceeds on sale of property and equipment | - | 175,799 |
| Reclamation deposits | - | (44,000) |
| Exploration advances | 8,000 | 30,000 |
| Option proceeds received | 200,000 | - |
| Exploration and evaluation assets | <u>(1,635,510)</u> | <u>(1,870,951)</u> |
| | <u>(1,427,510)</u> | <u>(1,709,152)</u> |
| Change in cash | (18,197) | 91,679 |
| Cash, beginning | <u>93,835</u> | <u>2,156</u> |
| Cash, ending | <u>\$ 75,638</u> | <u>\$ 93,835</u> |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for: | | |
| Interest | <u>\$ -</u> | <u>\$ -</u> |
| Income taxes | <u>\$ -</u> | <u>\$ -</u> |

Non-cash Transactions – Note 9

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
STATEMENTS OF CHANGES IN EQUITY
For the years ended April 30, 2019 and 2018
(Stated in Canadian Dollars)

| | Share Capital | | Share Subscriptions | Contributed Surplus | Deficit | Total Equity |
|---------------------------------------|--------------------|----------------------|---------------------|---------------------|------------------------|----------------------|
| | Number of Shares | Amount | | | | |
| Balance at April 30, 2017 | 85,584,654 | \$ 17,728,798 | \$ 84,000 | \$ 1,630,311 | \$ (10,587,519) | \$ 8,855,590 |
| For cash: | | | | | | |
| Private placement at \$0.06 | 10,700,000 | 642,000 | (84,000) | - | - | 558,000 |
| Private placement at \$0.065 | 1,000,000 | 65,000 | - | - | - | 65,000 |
| Private placement at \$0.08 | 5,680,000 | 454,400 | - | - | - | 454,400 |
| Private placement at \$0.085 | 4,622,350 | 392,900 | - | - | - | 392,900 |
| Private placement at \$0.10 | 5,450,000 | 545,000 | - | - | - | 545,000 |
| Share purchase warrants at \$0.08 | 1,418,333 | 113,467 | - | - | - | 113,467 |
| Share purchase warrants at \$0.10 | 2,373,571 | 237,357 | - | - | - | 237,357 |
| Stock options at \$0.06 | 1,500,000 | 90,000 | - | - | - | 90,000 |
| Stock options at \$0.08 | 3,400,000 | 272,000 | - | - | - | 272,000 |
| Stock options at \$0.085 | 300,000 | 25,500 | - | - | - | 25,500 |
| Share issuance costs | - | (26,475) | - | - | - | (26,475) |
| Shares issued for property | 2,700,000 | 418,500 | - | - | - | 418,500 |
| Shares issued for property | 280,000 | 23,800 | - | - | - | 23,800 |
| Shares issued for property | 300,000 | 15,000 | - | - | - | 15,000 |
| Transfer on exercise of stock options | - | 288,810 | - | (288,810) | - | - |
| Shares-based payments – Note 6 | - | - | - | 676,000 | - | 676,000 |
| Net and comprehensive loss | - | - | - | - | (1,653,587) | (1,653,587) |
| Balance at April 30, 2018 | <u>125,308,908</u> | <u>\$ 21,286,057</u> | <u>\$ -</u> | <u>\$ 2,017,501</u> | <u>\$ (12,241,106)</u> | <u>\$ 11,062,452</u> |
| For cash: | | | | | | |
| Private placement at \$0.05 | 32,195,000 | 1,609,750 | - | - | - | 1,609,750 |
| Private placement at \$0.065 | 8,861,614 | 576,005 | - | - | - | 576,005 |
| Flow-through share premium | - | (90,462) | - | - | - | (90,462) |
| Net and comprehensive loss | - | - | - | - | (2,232,494) | (2,232,494) |
| Balance at April 30, 2019 | <u>166,365,522</u> | <u>\$ 23,381,350</u> | <u>\$ -</u> | <u>\$ 2,017,501</u> | <u>\$ (14,473,600)</u> | <u>\$ 10,925,251</u> |

The accompanying notes form an integral part of these financial statements

DECADE RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
April 30, 2019 and 2018
(Stated in Canadian Dollars)

Note 1 Corporate Information

Decade Resources Ltd. (the “Company”) is an exploration stage company incorporated on March 3, 2006, under the laws of the Province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol “DEC”.

The Company’s head office and principal business address is 611 – 8th Street, Box 211, Stewart, British Columbia, Canada, V0T 1W0.

Note 2 Basis of Preparation

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue on August 27, 2019 by the directors of the Company.

b) Basis of Measurement

These financial statements have been prepared using the historical cost basis except for financial instruments that have been measured at fair value.

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

c) Going Concern

At April 30, 2019, the Company has not generated revenue or cash flow from operations, has an accumulated deficit of \$14,473,600, a working capital deficiency of \$263,934 and expects to incur further costs in the exploration and evaluation of its mineral properties. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company’s ability to obtain adequate financing to develop the reserves, and its ability to commence profitable operations in the future. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

Decade Resources Ltd.

Notes to the Financial Statements

April 30, 2019 and 2018

(Stated in Canadian Dollars)

Note 2 Basis of Preparation – (cont'd)

c) Going Concern – (cont'd)

The Company has been able to fund operations and mineral property exploration through equity financings. The continued uncertainty in the financial equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

d) Critical Accounting Estimates and Judgements

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

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 comprehensive income 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 accounting estimates and judgments 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 Company's financial statements within the next financial year are discussed below:

i. 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 expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Note 2 Basis of Preparation – (cont'd)

d) Critical Accounting Estimates and Judgements – (cont'd)

ii. Title to Mineral Properties

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

iii. Rehabilitation Provisions

Rehabilitation provisions have been determined to be \$Nil based on the Company's internal estimates. 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.

iv. Share-Based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

v. Recognition of Deferred Income Tax Assets and Liabilities

The carrying amount of deferred income tax assets and liabilities is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable profit can materially affect the amount of deferred income tax assets and liabilities recognized from period to period.

vi. Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to Note 2(c) for additional information.

Note 3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

a) ***Financial Instruments***

All financial assets and liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

Financial Assets

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company classifies its accounts receivable as a financial asset at amortized cost.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings upon derecognition. The Company currently has no financial assets designated as FVTOCI.

By default, all other financial assets are measured subsequently at FVTPL, which includes the Company's cash.

Financial Liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments at below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. Financial liabilities at amortized cost include accounts payable.

Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments. The Company did not recognize any impairment losses during the year ended April 30, 2019.

Note 3 Significant Accounting Policies – (cont'd)

b) *Mineral Exploration and Evaluation Expenditures*

Pre-Exploration Costs

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

Exploration and Evaluation Costs

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 period in which they occur.

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

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

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

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

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

Mineral exploration and evaluation expenditures are classified as intangible assets.

Note 3 Significant Accounting Policies – (cont'd)

c) ***Government Grants***

From time to time the Company receives government incentive programs such as investment tax credits. Government incentives are accrued when there is reasonable assurance of realization and reflected as a reduction of the related asset or expense. In the event the investment tax credits received are less than the accrued amount claimed, the difference will be reflected in profit or loss or credited against exploration and evaluation assets in the year in which it is determined.

d) ***Property and Equipment***

Property and equipment are recorded at historical cost, being the purchase price and directly attributed 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 future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property and equipment is subsequently measured at cost less accumulated depreciation, less accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property 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 comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation is provided for based on the estimated useful lives of the assets using the declining balance method and at the following rates:

| | |
|-------------------------|-----|
| Building | 5% |
| Computer equipment | 30% |
| Furniture and fixtures | 20% |
| Machinery and equipment | 20% |
| Vehicles | 30% |

The Company provides depreciation at one-half the above rates in the year of acquisition.

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

Note 3 Significant Accounting Policies – (cont'd)

e) ***Basic and Diluted Loss Per Share***

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing the 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. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share. Potentially dilutive common shares related to warrants and options outstanding were not included in the computation of loss per share because their effect was anti-dilutive.

f) ***Income Taxes***

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

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

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

Note 3 Significant Accounting Policies – (cont'd)

g) ***Share-based Payments***

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the financial statements. The fair value determined at the grant date of the equity-settled share based payments is expensed on a graded vesting basis over the vesting period based on the Company's estimate of shares that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. 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 Black-Scholes Option Pricing Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

h) ***Flow-through Shares***

The Company will, from time to time, issue flow-through 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 the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the "premium" the investor attributes to a flow-through share versus an ordinary share.

When the expenditures are renounced, the Company records a deferred tax liability and deferred tax expense (renounced expenditures multiplied by the effective corporate tax rate).

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 Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Note 3 Significant Accounting Policies – (cont'd)

i) ***Provisions***

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of tangible long-lived assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to the amount of the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related asset.

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

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

As of April 30, 2019 and 2018, the Company does not have any restoration and environmental obligations.

Other Provisions

Provisions are recognized for liabilities that have arisen as a result of past transactions, including legal or constructive obligations, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

j) ***Impairment of Assets***

The Company's assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in the statement of comprehensive income (loss) for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Note 3 Significant Accounting Policies – (cont'd)

j) ***Impairment of Assets*** – (cont'd)

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) ***New Accounting Standards***

The following standards were adopted by the Company effective May 1, 2018:

IFRS 9 Financial Instruments

On May 1, 2018, the Company adopted IFRS 9 – Financial Instruments (“IFRS 9”), which replaced IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss (“ECL”) impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after May 1, 2018.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively. The change did not result in a change in carrying value of any of our financial instruments on the transition date. The adoption of the ECL impairment model did not have an impact on the Company's financial statements. IFRS 9 does not require restatement of comparative periods.

| | May 1, 2018 | |
|------------------------------|--------------------------------|----------------|
| | IAS 39 | IFRS 9 |
| <u>Financial Assets</u> | | |
| Cash | FVTPL | FVTPL |
| Accounts receivable | Loans and receivables | Amortized cost |
| <u>Financial Liabilities</u> | | |
| Accounts payable | Other financial liabilities | Amortized cost |

The adoption of IFRS 9 did not have any impact on the carrying amounts of the Company's financial assets and liabilities.

Note 3 Significant Accounting Policies – (cont'd)

k) *New Accounting Standards* – (cont'd)

IFRS 15 Revenue from Contracts with Customers

On May 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 Revenue, IAS 11 Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for the Company's annual period beginning May 1, 2018. The adoption of IFRS 15 did not have any impact on the Company's financial statements.

l) *Accounting Standards and Amendments Issued But Not Yet Effective*

The following standards will be adopted effective May 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16, *Leases* which establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financing leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The adoption of this standard is not expected to have a material effect on the Company's future results and financial position.

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Note 4 Property and Equipment

| | <u>Land</u> | <u>Building</u> | <u>Computer Equipment</u> | <u>Furniture and Fixtures</u> | <u>Machinery and Equipment</u> | <u>Vehicles</u> | <u>Total</u> |
|--|-----------------|------------------|-------------------------------|---------------------------------------|--|------------------|------------------|
| Cost | | | | | | | |
| Balance April 30, 2017 | \$ 56,689 | \$ 131,297 | \$ 6,177 | \$ 12,911 | \$ 68,997 | \$ 160,767 | \$ 436,838 |
| Disposals | <u>(56,689)</u> | <u>(131,297)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(160,767)</u> | <u>(348,753)</u> |
| Balance April 30, 2018 and April 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,177</u> | <u>\$ 12,911</u> | <u>\$ 68,997</u> | <u>\$ -</u> | <u>\$ 88,085</u> |
| Accumulated depreciation | | | | | | | |
| Balance April 30, 2017 | \$ - | \$ 38,529 | \$ 5,398 | \$ 9,103 | \$ 49,868 | \$ 142,442 | \$ 245,340 |
| Disposals | - | (42,008) | - | - | - | (145,380) | (187,388) |
| Depreciation | <u>-</u> | <u>3,479</u> | <u>233</u> | <u>762</u> | <u>3,826</u> | <u>2,938</u> | <u>11,238</u> |
| Balance April 30, 2018 | - | - | 5,631 | 9,865 | 53,694 | - | 69,190 |
| Depreciation | <u>-</u> | <u>-</u> | <u>164</u> | <u>609</u> | <u>3,061</u> | <u>-</u> | <u>3,834</u> |
| Balance April 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,795</u> | <u>\$ 10,474</u> | <u>\$ 56,755</u> | <u>\$ -</u> | <u>\$ 73,024</u> |
| Net book value | | | | | | | |
| Balance April 30, 2018 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 546</u> | <u>\$ 3,046</u> | <u>\$ 15,303</u> | <u>\$ -</u> | <u>\$ 18,895</u> |
| Balance April 30, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 382</u> | <u>\$ 2,437</u> | <u>\$ 12,242</u> | <u>\$ -</u> | <u>\$ 15,061</u> |

During the year ended April 30, 2018, the Company sold land, a building and vehicles for total proceeds of \$175,799 resulting in a gain on disposal of \$14,434.

Note 5 Exploration and Evaluation Assets

The Company's exploration and evaluation assets are described below. Also refer to Schedule 1 attached to the end of these financial statements.

a) ***Silver Crown***

By an option agreement dated December 1, 2006 and an amending agreement dated November 1, 2008, the Company was granted the option to acquire a 100% interest in the Silver Crown Property, which consists of one mineral claim situated in the Skeena Mining Division in the Province of British Columbia. The property is subject to a 2% net smelter return royalty. Consideration to earn the 100% interest is as follows:

Cash payments:

- i) \$10,000 to be paid on the execution of this letter agreement (paid);
- ii) a further \$15,000 to be paid on or before November 17, 2007 (paid);
- iii) a further \$45,000 to be paid on or before November 17, 2009 (paid);
- iv) a further \$30,000 to be paid on or before November 17, 2010 (paid).

Common share issuances:

- i) 20,000 common shares (issued); and
- ii) an additional 40,000 common shares on or before November 17, 2010 (issued).

Exploration expenditures:

- i) \$100,000 before December 31, 2007 (incurred);
- ii) \$300,000 in aggregate before December 31, 2008 (incurred); and
- iii) \$1,500,000 in aggregate on or before December 31, 2019.

On January 9, 2012, the Company paid an extension fee of \$10,000 to the optionor and the parties agreed on an amendment of the terms of the exploration expenditures commitment contained in the original option agreement. During the year ended April 30, 2015, the Company and the optionor agreed to further extend the exploration expenditures date to December 31, 2015. During the year ended April 30, 2016 the Company and the optionor agreed to further extend the exploration expenditures date to December 31, 2016. During the year ended April 30, 2017 the Company and the optionor agreed to further extend the exploration expenditures date to December 31, 2017.

On February 29, 2019, the Company entered into an amended agreement with the optionor to extend the exploration expenditures from December 31, 2017 to December 31, 2019 in consideration of a cash payment of \$10,000 due prior to August 31, 2019 and the Company agreeing to forego the buyback of 50% of the net smelter royalty as outlined in the original agreement.

Note 5 Exploration and Evaluation Assets – (cont'd)

b) ***Red Cliff***

On October 28, 2008, the Company entered into an option agreement with Mountain Boy Minerals Ltd. (“Mountain Boy”), a public company with directors in common with the Company, to acquire a 60% interest in the Red Cliff property located 25 miles north of Stewart, British Columbia. In order to earn the 60% interest the Company was required to incur exploration expenditures on the property of \$1,250,000 over three years. The Company incurred all the required exploration expenditures to earn its 60% interest and entered into a joint venture agreement with Mountain Boy to operate the property on a 60/40 joint venture basis.

At October 31, 2011, the Company was informed by Mountain Boy that it would not be funding its share of the Red Cliff exploration expenditures and thereby would have its interest diluted under the formula set out in the joint venture agreement. As at October 31, 2011, the Company was owed \$548,285 in exploration expenditures by Mountain Boy. Effective November 1, 2011, Mountain Boy agreed to dilute its interest in the Red Cliff property by 5% in lieu of the \$435,785 and consequently the Red Cliff joint venture is now run on a 65/35 joint venture basis.

On October 16, 2017, the Company entered into a Royalty Purchase Agreement to acquire 65% of the 1% net smelter return (“NSR”) royalty on certain mineral claims on the Red Cliff property. In consideration, the Company paid \$6,500 and committed to issue 280,000 common shares to the vendor. On November 13, 2017, the Company issued the 280,000 common shares fair valued at \$0.085 per common share totalling \$23,800 and the NSR was cancelled.

On March 28, 2019, the Company and Mountain Boy entered into an amending agreement which revised the amount recoverable from Mountain Boy as of the date of the agreement to \$925,000. As a result, the Company recorded a decrease of \$210,255 in the recoverable amount from Mountain Boy which is reflected in the net cost recovery in exploration expenditures.

During the year ended April 30, 2019, the Company charged a net amount of \$517,852 (April 30, 2018: \$693,056) in exploration expenditures to Mountain Boy.

At April 30, 2019, Mountain Boy owed the Company \$925,000 (April 30, 2018: \$428,273) in exploration expenditures which is included in accounts receivable of which \$500,000 was received subsequent to year-end.

c) ***Goat***

On January 28, 2010, the Company purchased a 100% interest in three mineral claims known as the Goat claims located north of Stewart, British Columbia for \$55,000 and 50,000 common shares.

d) ***Bow #1***

On October 11, 2013, the Company entered into an agreement with a company with directors in common with the Company to purchase an 80% interest in the Bow #1 and Bow extension mineral claims located in the Skeena Mining District of British Columbia for \$280,000.

Note 5 Exploration and Evaluation Assets – (cont'd)

d) **Bow #1** – (cont'd)

During the year ended April 30, 2018, the Company acquired the remaining 20% interest in the Bow#1 and Bow extension mineral claims for \$250,000 from a Company with common directors of which \$50,000 is included in accounts payable as at April 30, 2018 and was subsequently paid.

The property is subject to a 3% net smelter return royalty on mineral products removed from the property, being reduced to a 1% net smelter return upon having paid a sum of \$600,000 pursuant to the royalty.

On December 12, 2018, the Company entered into an option agreement with Scottie Resources Corp. (formerly Rotation Minerals Ltd.) (“Scottie Resources”), a company connected by way of a common director, whereby the Company has granted an exclusive option to Scottie Resources to acquire a 100% interest in the Bow claims, situated in the Skeena mining district in British Columbia. As consideration the Company will receive a total of \$1,000,000 in five equal instalments, and subject to a 3% net smelter return royalty, as follows:

Cash payments to the Company:

- i) \$200,000 on signing (received);
- ii) a further \$200,000 on or before June 12, 2019; (subsequently received)
- iii) a further \$200,000 on or before December 12, 2019;
- iv) a further \$200,000 on or before June 12, 2020; and
- v) a further \$200,000 on or before December 12, 2020.

In the event all the payments are not made, Scottie Resources will have no interest in the Bow property.

As a result of the option agreement with Scottie Resources, the Company recorded an impairment on the balance of \$1,971,233 to write-down the property to its estimated recoverable amount of \$1,000,000.

e) **PCU Claims**

On September 19, 2016, the Company staked 6 mineral claims known as the PCU claims situated in the Skeena Mining Division in the Province of British Columbia for \$13,124. During the year ended April 30, 2018, the Company abandoned the PCU claims and recorded a write-off of exploration and evaluation assets of \$13,124.

Note 5 Exploration and Evaluation Assets – (cont'd)

f) ***Georgia River***

By an option agreement dated April 10, 2017, the Company was granted the option to acquire a 75% interest in the Georgia River Property, situated 13 kilometres south of Stewart, British Columbia. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 75% interest is as follows:

Cash payments:

- i) \$50,000 on execution of the option agreement (paid);
- ii) a further \$75,000 on or before April 10, 2018 (paid);
- iii) a further \$150,000 on or before April 10, 2019;
- iv) a further \$200,000 on or before April 10, 2020.

Exploration expenditures:

- i) \$250,000 on or before April 10, 2018 (deemed incurred);
- i) a further \$500,000 on or before April 10, 2019;
- iii) a further \$750,000 on or before April 10, 2020;
- iv) a further \$1,000,000 on or before April 10, 2021.

As at April 30, 2019, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$127,780 to write-off the carrying value of the property.

g) ***Treasure Mountain***

On July 31, 2017, the Company entered into a property purchase agreement to acquire a 100% interest in 37 mineral claims in northern British Columbia for 2,700,000 common shares. The Company received TSX-V acceptance of the property purchase agreement on August 10, 2017 and issued the vendor 2,700,000 common shares with a fair value of \$418,500 on August 14, 2017. The Company received a reclamation deposit refund of \$28,200 from the vendor which was offset against the acquisition costs of the property and staked three additional claims at a cost of \$7,326. During the year ended April 30, 2019, the Company staked five additional claims at a cost of \$10,231.

h) ***Surprise Creek***

On September 7, 2017, the Company was granted the option to acquire a 60% interest in the Surprise Creek Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 60% interest is as follows:

Cash payments:

- i) \$5,000 (paid) and \$300,000 portable assessment credits on signing;
- ii) a further \$15,000 on or before September 7, 2019;
- iii) a further \$20,000 on or before September 7, 2020.

Exploration expenditures:

- i) \$50,000 on or before September 7, 2019;
- ii) a further \$70,000 on or before September 7, 2020.

Note 5 Exploration and Evaluation Assets – (cont'd)

i) ***Red Cliff Extension***

On September 7, 2017, the Company was granted the option to acquire a 80% interest in the Red Cliff Extension Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 80% interest is as follows:

Cash payments:

- i) \$5,000 (paid) and \$300,000 portable assessment credits on signing;
- ii) a further \$10,000 on or before September 7, 2019;
- iii) a further \$20,000 on or before September 7, 2020.

Exploration expenditures:

- i) \$30,000 on or before September 7, 2019;
- ii) a further \$50,000 on or before September 7, 2020.

On October 19, 2017, the Company paid \$1,263 to the Minister of Finance in lieu of exploration work.

j) ***Starpower Claim***

On March 23, 2018, the Company was granted the option to acquire a 100% interest in the Starpower Claim Property, situated in the Omineca Mining Division, British Columbia. The property is subject to a 2.5% net smelter return upon exercise of the option, and after the sixth anniversary the Company shall make advance royalty payments of \$50,000 per year, until such time as payments equalling \$2,500,000 has been paid to the Optionor. The Company may also purchase the royalty from the Optionor at any time for \$2,500,000, less any advance royalty payment. Consideration to earn the 100% interest is as follows:

Cash payments:

- i) \$10,000 on signing (paid);
- ii) a further \$15,000 on or before March 23, 2019;
- iii) a further \$20,000 on or before March 23, 2020;
- iv) a further \$25,000 on or before March 23, 2021;
- v) a further \$30,000 on or before March 23, 2022; and
- vi) a further \$50,000 on or before March 23, 2023.

Common share issuances:

- i) 300,000 common shares (issued) within five Business Days of March 23, 2018;
- ii) an additional 400,000 common shares on or before March 23, 2019;
- iii) an additional 500,000 common shares on or before March 23, 2020;
- iv) an additional 500,000 common shares on or before March 23, 2021;
- v) an additional 500,000 common shares on or before March 23, 2022 ; and
- vi) an additional 500,000 common shares on or before March 23, 2023.

As at April 30, 2019, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$25,000 to write-off the carrying value of the property.

Note 5 Exploration and Evaluation Assets – (cont'd)

k) Cressy property

On November 6, 2018, the Company staked 19 claims totalling approximately 158 hectares in the Hyder mining division in Alaska for \$10,000. These claims are situated along the international border and are adjacent to the Premier mine property located on the Canadian side of the border.

Note 6 Share Capital

a) **Authorized:**

Unlimited number of common shares without par value.

b) **Issued:**

Year ended April 30, 2019:

On June 15, 2018, the Company issued 26,810,385 common shares pursuant to a private placement for gross proceeds of \$1,409,750. The private placement was comprised of 4,615,385 flow-through units at \$0.065 per unit for proceeds of \$300,000 with each unit containing one flow-through common share and one transferable non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.08 expiring on December 14, 2020. The private placement was also comprised of 22,195,000 non-flow through units at a price of \$0.05 per non-flow through unit for gross proceeds of \$1,109,750. Each non-flow-through unit is comprised of one common share and one transferable warrant being exercisable for the purchase of one additional common share at a price of \$0.07 per share expiring on December 14, 2020. No finders' fees were paid in connection with the private placement. The Company recognized a flow-through premium of \$69,231 on the private placement. As at April 30, 2019, the Company had incurred the exploration expenditures and have reversed the flow-through premium of \$69,231 to other income.

On September 18, 2018, the Company issued 2,503,845 common shares pursuant to a private placement for gross proceeds of \$162,750. The private placement was comprised of 2,503,845 flow-through units at \$0.065 per unit for proceeds of \$162,750 with each unit containing one flow-through common share and one transferable non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.08 expiring on September 18, 2020. No finders' fees were paid in connection with the private placement. The Company recognized a flow-through premium of \$12,519 on the private placement. As at April 30, 2019, the Company had incurred the exploration expenditures and have reversed the flow-through premium of \$12,519 to other income.

On October 4, 2018, the Company issued 10,000,000 common shares pursuant to a private placement for gross proceeds of \$500,000. The private placement was comprised of 10,000,000 non-flow through units at a price of \$0.05 per non-flow through unit for gross proceeds of \$500,000. Each non-flow-through unit is comprised of one common share and one transferable warrant being exercisable for the purchase of one additional common share at a price of \$0.055 per share expiring on October 4, 2021. No finders' fees were paid in connection with the private placement.

Note 6 Share Capital – (cont'd)

b) **Issued:** - (cont'd)

Year ended April 30, 2019: – (cont'd)

On November 5, 2018, the Company closed a second tranche of its non-brokered private placement for a total of 1,742,384 flow-through units at a price of \$0.065 per unit for total proceeds of \$113,255. Each unit consists of one flow-through common shares of the Company and one transferable non-flow-through common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.08 expiring on November 5, 2020. No finders' fees were paid in connection with the private placement. The Company recognized a flow-through premium of \$8,712 on the private placement. As at April 30, 2019, the Company had incurred the exploration expenditures and have reversed the flow-through premium of \$8,712 to other income.

Year Ended April 30, 2018:

On May 18, 2017, the Company issued 10,700,000 common shares pursuant to the private placement of 10,700,000 flow-through units at \$0.06 per unit for proceeds of \$642,000. Each unit contained one flow-through common share and one non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.08 until May 18, 2019. At April 30, 2017, the Company had received advance share subscriptions of \$84,000 with respect to this private placement.

On May 25, 2017, the Company issued 525,000 common shares pursuant to the exercise of 150,000 stock options at \$0.06 for proceeds of \$9,000 and the exercise of 375,000 stock options at \$0.08 for proceeds of \$30,000.

On July 12, 2017, the Company issued 910,000 common shares pursuant to the exercise of 200,000 stock options at \$0.06 for proceeds of \$12,000, the exercise of 525,000 stock options at \$0.08 for proceeds of \$42,000 and the exercise of 185,000 share purchase warrants at \$0.10 for proceeds of \$18,500.

On July 19, 2017, the Company issued 1,333,333 common shares pursuant to the exercise of 500,000 stock options at \$0.08 for proceeds of \$40,000 and the exercise of 833,333 warrants at \$0.08 for proceeds of \$66,666.

On July 21, 2017, the Company issued 5,622,350 common shares pursuant to a private placement for gross proceeds of \$457,900. The private placement was comprised of 2,898,823 flow-through units at \$0.085 per unit for proceeds of \$246,400, with each flow-through unit containing one flow-through common share and one non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.11 until July 21, 2019. The private placement was also comprised of 1,000,000 non flow-through units at \$0.065 per unit for proceeds of \$65,000, with each unit containing one common share and one common share purchase warrant entitling the holder to purchase an additional common share at \$0.09 until July 21, 2019. The private placement was also comprised of 1,723,527 non flow-through units at \$0.085 per unit for proceeds of \$146,500, with each unit containing one common share and one common share purchase warrant entitling the holder to purchase an additional common share at \$0.11 until July 21, 2019. There was no flow-through premium on the private placement.

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Note 6 Share Capital – (cont'd)

b) **Issued:** - (cont'd)

Year Ended April 30, 2018: - (cont'd)

On July 25, 2017, the Company issued 893,571 common shares pursuant to the exercise of 335,000 share purchase warrants at \$0.08 for proceeds of \$26,800 and the exercise of 558,571 share purchase warrants at \$0.10 for proceeds of \$55,857.

On August 3, 2017, the Company issued 900,000 common shares pursuant to the exercise of 900,000 stock options at \$0.06 for proceeds of \$54,000.

On August 8, 2017, the Company issued 235,000 common shares pursuant to the exercise of 235,000 warrants at \$0.10 for proceeds of \$23,500.

On August 15, 2017, the Company issued 100,000 common shares pursuant to the exercise of 100,000 warrants at \$0.10 for proceeds of \$10,000.

On August 18, 2017, the Company issued 800,000 common shares pursuant to the exercise of 800,000 stock options at \$0.08 for proceeds of \$64,000.

On August 21, 2017, the Company issued 300,000 common shares pursuant to the exercise of 300,000 stock options at \$0.085 for proceeds of \$25,500.

On August 24, 2017, the Company issued 220,000 common shares pursuant to the exercise of 220,000 warrants at \$0.10 for proceeds of \$22,000.

On August 29, 2017, the Company issued 800,000 common shares pursuant to the exercise of 800,000 stock options at \$0.08 for proceeds of \$64,000 and 250,000 common shares pursuant to the exercise of 250,000 stock options at \$0.06 for proceeds of \$15,000.

On September 6, 2017, the Company issued 310,000 common shares pursuant to the exercise of 310,000 warrants at \$0.10 for proceeds of \$31,000.

On September 7, 2017, the Company issued 400,000 common shares pursuant to the exercise of 400,000 stock options at \$0.08 for proceeds of \$32,000.

On September 8, 2017, the Company issued 400,000 common shares pursuant to the exercise of 400,000 warrants at \$0.10 for proceeds of \$40,000.

On September 18, 2017, the Company issued 275,000 common shares pursuant to the exercise of 275,000 warrants at \$0.10 for proceeds of \$27,500 and 250,000 common shares pursuant to the exercise of 250,000 warrants at \$0.08 for proceeds of \$20,000.

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Note 6 Share Capital – (cont'd)

b) **Issued:** - (cont'd)

Year Ended April 30, 2018: - (cont'd)

On October 20, 2017, the Company issued 5,450,000 common shares pursuant to the private placement of 5,450,000 flow-through units at \$0.10 per unit for proceeds of \$545,000. Each unit contained one flow-through common share and one non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.11 until October 20, 2019. No finders' fees were paid in connection with the private placement. There was no flow-through premium on the private placement.

On October 30, 2017, 2017, the Company issued 90,000 common shares pursuant to the exercise of 90,000 warrants at \$0.10 for proceeds of \$9,000.

On December 22, 2017, the Company issued 5,680,000 common shares pursuant to the private placement of 5,680,000 flow-through units at \$0.08 per unit for proceeds of \$454,400. Each unit contained one flow-through common share and one non flow-through share purchase warrant entitling the holder to purchase an additional common share at \$0.10 until December 22, 2019. No finders' fees were paid in connection with the private placement. There was no flow-through premium on the private placement.

c) **Commitments:**

Share Purchase Warrants:

A summary of share purchase warrant activity for the years ended April 30, 2019 and 2018 is presented below:

| | <u>Year ended April 30, 2019</u> | | <u>Year ended April 30, 2018</u> | |
|--------------------------------|--------------------------------------|--|--------------------------------------|--|
| | <u>Warrants</u> | <u>Weighted Average Exercise Price</u> | <u>Warrants</u> | <u>Weighted Average Exercise Price</u> |
| Outstanding, beginning of year | 33,900,207 | \$0.10 | 10,239,761 | \$0.10 |
| Issued | 41,056,614 | \$0.07 | 27,452,350 | \$0.10 |
| Exercised | - | \$ - | (3,791,904) | \$0.09 |
| Expired | <u>(6,697,857)</u> | <u>\$0.10</u> | <u>-</u> | <u>\$ -</u> |
| Outstanding, end of year | <u>68,258,964</u> | <u>\$0.08</u> | <u>33,900,207</u> | <u>\$0.10</u> |

Decade Resources Ltd.
Notes to the Financial Statements
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Note 6 Share Capital – (cont'd)

c) **Commitments:** - (cont'd)

Share Purchase Warrants: - (cont'd)

At April 30, 2019, the Company had 68,258,964 share purchase warrants outstanding entitling the holders the right to purchase one common share for each warrant held as follows:

| <u>Number of Warrants</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|-------------------------------|---------------------------|--------------------|
| 10,450,000 | \$0.08 | May 18, 2019* |
| 1,000,000 | \$0.09 | July 21, 2019* |
| 4,622,350 | \$0.11 | July 21, 2019* |
| 5,450,000 | \$0.11 | October 20, 2019 |
| 5,680,000 | \$0.10 | December 22, 2019 |
| 2,503,845 | \$0.08 | September 18, 2020 |
| 4,615,385 | \$0.08 | December 14, 2020 |
| 22,195,000 | \$0.07 | December 14, 2020 |
| 1,742,384 | \$0.08 | November 5, 2020 |
| <u>10,000,000</u> | \$0.055 | October 4, 2021 |
| <u>68,258,964</u> | | |

At April 30, 2019, the outstanding share purchase warrants had a weighted average remaining contractual life of 1.20 years.

*Subsequent to April 30, 2019, these 16,072,350 share purchase warrants expired unexercised.

Share-based Compensation Plan:

The Company has a Stock Option Plan (“the Plan”) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% of the number of issued and outstanding common shares of the Company at the date of grant. The exercise price of options granted under the Plan may not be less than the market value of the Company’s common shares on the date of grant. Options granted under the Plan have a maximum life of five years and vest on the date of grant or over periods determined by management.

There were no stock options granted during the year ended April 30, 2019.

Decade Resources Ltd.
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Note 6 Share Capital – (cont'd)

c) **Commitments:** - (cont'd)

Share-based Compensation Plan: - (cont'd)

On March 1, 2018, the Company granted 11,900,000 stock options to directors, officers and consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at \$0.06 until March 1, 2020 or March 1, 2023 and vested on the grant date. The fair value of the stock options of \$676,000 or \$0.06 per option was determined using the Black Scholes option valuation model with the following assumptions:

| | |
|---------------------------|----------------|
| Risk-free interest rate | 1.86% to 2.06% |
| Expected life of options | 2 to 5 years |
| Annualized volatility | 169% to 200% |
| Dividend rate | 0% |
| Forfeiture rate | 0% |
| Share price on grant date | \$ 0.06 |

At April 30, 2019, the Company had 12,500,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

| <u>Number of Options</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|--------------------------|-----------------------|----------------------|
| 600,000 | \$0.08 | February 23, 2020 |
| 3,800,000 | \$0.06 | March 1, 2020 |
| <u>8,100,000</u> | <u>\$0.06</u> | <u>March 1, 2023</u> |
| <u>12,500,000</u> | | |

A summary of stock option activity for the years ended April 30, 2019 and 2018 is presented below:

| | <u>Number</u> | <u>Weighted Average Exercise Price</u> | <u>Weighted Average Remaining Contractual Life</u> |
|--|-------------------|--|--|
| Outstanding, April 30, 2017 | 5,800,000 | \$0.08 | 3.00 years |
| Exercised | (5,200,000) | \$0.07 | |
| Granted | <u>11,900,000</u> | <u>\$0.06</u> | |
| Outstanding and exercisable, April 30, 2018 and April 30, 2019 | <u>12,500,000</u> | <u>\$0.06</u> | 3.78 years 2.78 years |

Decade Resources Ltd.
Notes to the Financial Statements
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Note 7 Related Party Transactions

The Company incurred the following charges by directors of the Company, by companies with directors in common with the Company and by a company managed by a director of the Company for the years ended April 30, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Accounting | \$ - | \$ 3,000 |
| Consulting fees | 96,000 | 53,000 |
| Exploration and evaluation assets – drilling | 1,735,200 | 989,575 |
| Exploration and evaluation assets – equipment rental | 41,738 | 130,424 |
| Exploration and evaluation assets – field supplies | 7,000 | - |
| Exploration and evaluation assets – geological | 2,000 | 80,200 |
| Exploration and evaluation assets - labour | 20,000 | - |
| Exploration and evaluation assets - acquisition | 10,000 | - |
| Exploration and evaluation assets – supervision | 109,800 | 162,450 |
| Management fees | 240,000 | 112,000 |
| Share-based payments | <u>-</u> | <u>486,000</u> |
| | <u>\$ 2,261,738</u> | <u>\$ 2,016,649</u> |

On December 12, 2018, the Company entered into an option agreement with Scottie Resources, a company connected by way of a common director, whereby the Company has granted an exclusive option to Scottie Resources to acquire a 100% interest in the Bow claims, situated in the Skeena mining district in British Columbia (see Note 5(d)).

During year ended April 30, 2019, the Company rendered services to a company with a common director for \$8,300 which is included in other income.

At April 30, 2019, accounts receivable includes \$925,000 (April 30, 2018: \$407,148) due from Mountain Boy, a public company with former directors in common with the Company.

At April 30, 2019, exploration advances includes \$2,000 (April 30, 2018: \$10,000 – paid to a director of the Company) paid to a company with directors in common.

At April 30, 2019, accounts payable and accrued liabilities includes \$869,147 (April 30, 2018: \$84,000) due to a director of the Company, to companies with directors in common with the Company and to a company managed by a director of the Company for unpaid fees and drilling cost.

During the year ended April 30, 2018, the Company acquired the remaining 20% interest in the Bow#1 and Bow extension mineral claims for \$250,000 from a company with common directors of which \$50,000 is included in accounts payable as at April 30, 2018 and was subsequently paid (see Note 5(d)).

During the year ended April 30, 2018, the Company sold its land, building and vehicles to companies with common directors for total proceeds of \$175,799 resulting in a gain on disposal of \$14,434.

Amounts due to/from related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

Decade Resources Ltd.
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Note 7 Related Party Transactions – (cont'd)

Key management compensation

The Company considers its Chief Executive Officer and Chief Financial Officer to be key management. During the years ended April 30, 2019 and 2018, the Company incurred the following key management charges:

| | <u>2019</u> | <u>2018</u> |
|---------------------|-------------------|-------------------|
| Management fees | \$ 240,000 | \$ 112,000 |
| Share based payment | <u>-</u> | <u>342,000</u> |
| | <u>\$ 240,000</u> | <u>\$ 454,000</u> |

Note 8 Financial Instruments and Risk Management

The carrying amounts of financial assets and liabilities approximate their fair value.

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts receivable and accounts payable. Cash is classified and measured at FVTPL. Accounts receivable and account payable are classified and measured at amortised cost.

The fair value of the Company's cash was measured using level one of the fair value hierarchy.

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

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. The Company's cash and accounts receivable are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with large financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's considers its exposure to interest rate risk to be not significant.

Note 8 Financial Instruments and Risk Management – (cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it always has sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. When future cash flows are uncertain, the liquidity risk increases.

The Company budgets with a plan to have sufficient cash on demand to meet expected operational expenses for a period of 30 days. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The Company prepares monthly operating expenditure budgets, which are regularly monitored and updated as considered necessary. The Company intends to meet its current obligations through funds to be raised via the private placement of shares and through related party loans.

Note 9 Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions have been excluded from the statements of cash flows:

For the year ended April 30, 2019:

- Included in accounts receivable are \$925,000 of cost recoveries for exploration and evaluation assets expenditures from its joint venture partner on the Red Cliff property.
- Included in accounts payable and accrued liabilities are \$719,217 in exploration and evaluation assets expenditures.

For the year ended April 30, 2018:

- The Company issued an aggregate of 3,280,000 common shares with a fair value of \$457,300 pursuant to the terms of property purchase agreements.
- Included in accounts receivable are \$407,148 of cost recoveries for exploration and evaluation assets expenditures from its joint venture partner on the Red Cliff property.
- Included in accounts payable and accrued liabilities are \$50,000 in exploration and evaluation assets expenditures.

Decade Resources Ltd.
Notes to the Financial Statements
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Note 10 Capital Disclosures

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to explore its mineral properties.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets.

Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest.

The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There has been no change in the Company's approach to capital management during the years ended April 30, 2019 and 2018.

Note 11 Income Taxes

| | <u>2019</u> | <u>2018</u> |
|---------------------------------|---------------------|-------------------|
| Current tax expense | \$ - | \$ - |
| Deferred tax expense (recovery) | <u>(646,748)</u> | <u>347,102</u> |
| | \$ <u>(646,748)</u> | \$ <u>347,102</u> |

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-----------------------|
| Loss before tax per the accounts | \$ <u>(2,879,242)</u> | \$ <u>(1,306,485)</u> |
| Canadian statutory income tax rate | 27.00% | 26.36% |
| Income tax expense (recovery) at statutory rates | \$ (777,395) | \$ (344,334) |
| Effect of change in tax rates | - | 44,155 |
| Flow-through shares | 155,282 | 491,027 |
| Other differences | <u>(24,635)</u> | <u>156,254</u> |
| Deferred income tax expense (recovery) | \$ <u>(646,748)</u> | \$ <u>347,102</u> |

Decade Resources Ltd.
Notes to the Financial Statements
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Note 11 Income Taxes – (cont'd)

The nature and tax effect of the taxable temporary differences giving rise to deferred tax liabilities are summarized as follows:

| | <u>2019</u> | <u>2018</u> |
|----------------------------|---------------------|-----------------------|
| Non-capital losses | \$ 1,728,821 | \$ 1,492,239 |
| Undeducted financing costs | 5,199 | 14,270 |
| Resource properties | (2,409,590) | (2,827,792) |
| Property and equipment | <u>19,716</u> | <u>18,681</u> |
| | \$ <u>(655,854)</u> | \$ <u>(1,302,602)</u> |

At April 30, 2019, the Company has estimated non-capital losses for tax purposes that may be carried forward to reduce taxable income of future years, as summarized below:

| Year of Expiry | |
|----------------|---------------------|
| 2027 | \$ 31,000 |
| 2028 | 177,000 |
| 2029 | 238,000 |
| 2030 | 626,000 |
| 2031 | 874,000 |
| 2032 | 705,000 |
| 2033 | 675,000 |
| 2034 | 392,000 |
| 2035 | 466,000 |
| 2036 | 241,000 |
| 2037 | 253,000 |
| 2038 | 849,000 |
| 2039 | <u>875,000</u> |
| | \$ <u>6,402,000</u> |

Flow-through Shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended April 30, 2019, the Company received \$576,005 (2018: \$1,887,800) from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. The Company renounced \$575,119 (2018: \$1,863,071) to the subscribers.

DECADE RESOURCES LTD.
SCHEDULE OF EXPLORATION AND EVALUATION ASSETS
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| | Silver Crown | Red Cliff | Goat | Bow #1 | Treasure Mountain | Georgia River | Surprise Creek | Red Cliff Extension | Starpower | Cressy Property | Total |
|-----------------------------|-------------------|---------------------|-------------------|-------------------|----------------------|------------------|-------------------|------------------------|-------------|--------------------|---------------------|
| Property acquisition costs | | | | | | | | | | | |
| Balance, April 30, 2018 | \$ 178,000 | \$ 466,085 | \$ 107,500 | \$ 530,000 | \$ 397,626 | \$ 125,000 | \$ 5,000 | \$ 6,264 | \$ 25,000 | \$ - | \$ 1,840,475 |
| Cash paid | - | - | - | - | - | - | - | - | - | - | - |
| Shares issued | - | - | - | - | - | - | - | - | - | - | - |
| Staking – Note 7 | - | - | - | - | 10,231 | - | - | - | - | 10,000 | 20,231 |
| Impairment | - | - | - | - | - | (125,000) | - | - | (25,000) | - | (150,000) |
| Balance, April 30, 2019 | <u>178,000</u> | <u>466,085</u> | <u>107,500</u> | <u>530,000</u> | <u>407,857</u> | <u>-</u> | <u>5,000</u> | <u>6,264</u> | <u>-</u> | <u>10,000</u> | <u>1,710,706</u> |
| Deferred exploration costs | | | | | | | | | | | |
| Balance, April 30, 2018 | 599,192 | 10,590,094 | 316,200 | 2,433,420 | 26,165 | 1,100 | 1,688 | - | - | - | 13,967,859 |
| Assays – Note 7 | - | 83,538 | - | - | - | - | - | - | - | - | 83,538 |
| Drilling – Note 7 | 1,400 | 1,737,310 | - | - | - | - | - | - | - | - | 1,738,710 |
| Equipment rental – Note 7 | - | 27,891 | 16,250 | - | - | 1,523 | - | - | - | - | 45,664 |
| Field and supplies – Note 7 | 191 | 80,382 | 6,901 | 5,419 | 19,258 | 107 | - | - | - | - | 112,258 |
| Geological – Note 7 | 500 | 9,100 | - | - | 95,915 | 50 | - | - | - | - | 105,565 |
| Helicopter | - | - | - | - | 21,978 | - | - | - | - | - | 21,978 |
| Labour – Note 7 | 800 | 43,539 | 20,000 | 2,394 | - | - | - | - | - | - | 66,733 |
| Supervision – Note 7 | - | 98,300 | - | - | 11,500 | - | - | - | - | - | 109,800 |
| Surveying | - | 250 | - | - | - | - | - | - | - | - | 250 |
| Impairment | - | - | - | (1,971,233) | - | (2,780) | - | - | - | - | (1,974,013) |
| Balance, April 30, 2019 | <u>602,083</u> | <u>12,670,404</u> | <u>359,351</u> | <u>470,000</u> | <u>174,816</u> | <u>-</u> | <u>1,688</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,278,342</u> |
| Cost recoveries | | | | | | | | | | | |
| Balance, April 30, 2018 | (70,251) | (3,433,452) | - | - | - | - | - | - | - | - | (3,503,703) |
| Option proceeds | - | - | - | (200,000) | - | - | - | - | - | - | (200,000) |
| Joint venture – Note 5 | - | (517,852) | - | - | - | - | - | - | - | - | (517,852) |
| Balance, April 30, 2019 | <u>(70,251)</u> | <u>(3,951,304)</u> | <u>-</u> | <u>(200,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,221,555)</u> |
| Totals | <u>\$ 709,832</u> | <u>\$ 9,185,185</u> | <u>\$ 466,851</u> | <u>\$ 800,000</u> | <u>\$ 582,673</u> | <u>\$ -</u> | <u>\$ 6,688</u> | <u>\$ 6,264</u> | <u>\$ -</u> | <u>\$ 10,000</u> | <u>\$11,767,493</u> |

DECADE RESOURCES LTD.
SCHEDULE OF EXPLORATION AND EVALUATION ASSETS
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| | <u>Silver Crown</u> | <u>Red Cliff</u> | <u>PCU Claims</u> | <u>Goat</u> | <u>Bow #1</u> | <u>Treasure Mountain</u> | <u>Georgia River</u> | <u>Surprise Creek</u> | <u>Red Cliff Extension</u> | <u>Starpower</u> | <u>Total</u> |
|-----------------------------------|-------------------------|---------------------|-----------------------|-------------------|---------------------|------------------------------|--------------------------|---------------------------|--------------------------------|------------------|---------------------|
| Property acquisition costs | | | | | | | | | | | |
| Balance, April 30, 2017 | \$ 178,000 | \$ 435,785 | \$ 13,124 | \$ 107,500 | \$ 280,000 | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 1,064,409 |
| Cash paid | - | 6,500 | - | - | 250,000 | (20,874) | 75,000 | 5,000 | 6,264 | 10,000 | 331,890 |
| Shares issued | - | 23,800 | - | - | - | 418,500 | - | - | - | 15,000 | 457,300 |
| Write-off – Note 5 | - | - | (13,124) | - | - | - | - | - | - | - | (13,124) |
| Balance, April 30, 2018 | <u>178,000</u> | <u>466,085</u> | <u>-</u> | <u>107,500</u> | <u>530,000</u> | <u>397,626</u> | <u>125,000</u> | <u>5,000</u> | <u>6,264</u> | <u>25,000</u> | <u>1,840,475</u> |
| Deferred exploration costs | | | | | | | | | | | |
| Balance, April 30, 2017 | 556,857 | 8,609,933 | - | 202,432 | 2,433,420 | - | - | - | - | - | 11,802,642 |
| Assays | 2,500 | 96,322 | - | 3,720 | - | 2,500 | - | - | - | - | 105,042 |
| Drilling – Note 7 | 26,495 | 1,186,660 | - | - | - | - | - | - | - | - | 1,213,155 |
| Equipment rental – Note 7 | 11,040 | 92,364 | - | 38,782 | - | - | - | - | - | - | 142,186 |
| Field and supplies | - | 158,169 | - | 21,967 | - | 3,083 | - | 1,688 | - | - | 184,907 |
| Geological | 2,300 | 133,478 | - | 22,874 | - | 13,150 | 1,100 | - | - | - | 172,902 |
| Helicopter | - | 8,342 | - | - | - | 7,432 | - | - | - | - | 15,774 |
| Labour – Note 7 | - | 139,340 | - | 26,425 | - | - | - | - | - | - | 165,765 |
| Supervision – Note 7 | - | 162,450 | - | - | - | - | - | - | - | - | 162,450 |
| Surveying | - | 3,036 | - | - | - | - | - | - | - | - | 3,036 |
| Balance, April 30, 2018 | <u>599,192</u> | <u>10,590,094</u> | <u>-</u> | <u>316,200</u> | <u>2,433,420</u> | <u>26,165</u> | <u>1,100</u> | <u>1,688</u> | <u>-</u> | <u>-</u> | <u>13,967,859</u> |
| Cost recoveries | | | | | | | | | | | |
| Balance, April 30, 2017 | (70,251) | (2,740,396) | - | - | - | - | - | - | - | - | (2,810,647) |
| Joint venture – Note 5 | - | (693,056) | - | - | - | - | - | - | - | - | (693,056) |
| Balance, April 30, 2018 | <u>(70,251)</u> | <u>(3,433,452)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,503,703)</u> |
| Totals | <u>\$ 706,941</u> | <u>\$ 7,622,727</u> | <u>\$ -</u> | <u>\$ 423,700</u> | <u>\$ 2,963,420</u> | <u>\$ 423,791</u> | <u>\$ 126,100</u> | <u>\$ 6,688</u> | <u>\$ 6,264</u> | <u>\$ 25,000</u> | <u>\$12,304,631</u> |