MINNOVA CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MARCH 31, 2019 AND 2018

(Expressed in Canadian Dollars)

McGovern Hurley LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@mcgovernhurley.com
Web mcgovernhurley.com

Independent Auditor's Report

To the Shareholders of Minnova Corp.

Opinion

We have audited the consolidated financial statements of Minnova Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018, and the consolidated statements of operations and comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated 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 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 consolidated financial statements

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

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

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 26, 2019

MINNOVA CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	March 31, 2019	March 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 33,973	$ 73,353
Amounts receivable (Note 19)	127,977	188,627
Prepaid expenses	-	80,209
TOTAL CURRENT ASSETS	**161,950**	**342,189**
NON-CURRENT ASSETS		
Restricted cash equivalents (Note 6)	75,000	75,000
Equipment (Note 7)	287,653	315,724
Exploration properties and deferred exploration expenditures (Note 8)	18,688,124	18,081,618
TOTAL NON-CURRENT ASSETS	**19,050,777**	**18,472,342**
TOTAL ASSETS	**$ 19,212,727**	**$ 18,814,531**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 9 and 15)	$ 1,519,494	$ 1,775,948
Hydro contract accrual	277,533	277,533
TOTAL CURRENT LIABILITIES	**1,797,027**	**2,053,481**
NON-CURRENT LIABILITIES		
Provision for closure and reclamation (Note 10)	3,078,834	2,940,254
TOTAL LIABILITIES	**4,875,861**	**4,993,735**
EQUITY		
Share capital (Note 12(b))	21,008,745	20,406,831
Share-based payment reserves (Notes 11 and 13)	3,057,400	2,999,687
Shares to be issued (Note 12(c))	258,499	-
Deficit	(9,987,778)	(9,585,722)
TOTAL EQUITY	**14,336,866**	**13,820,796**
TOTAL LIABILITIES AND EQUITY	**$ 19,212,727**	**$ 18,814,531**

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 6, 8, 10,17 and 18)
SUBSEQUENT EVENTS (Note 19)

APPROVED ON BEHALF OF THE BOARD:

Signed *"James White"* , Director
Signed *"Gorden Glenn"* , Director

See accompanying notes to the consolidated financial statements

MINNOVA CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(Expressed in Canadian Dollars)

For the Years Ended March 31,	2019	2018
EXPENSES		
Stock-based payments (Notes 11 and 13(a))	$ 298,314	$ 342,279
General and administrative (Note 14)	160,224	359,131
Management and directors' compensation (Note 15(b))	119,687	156,000
Professional and consulting fees (Note 15(a))	159,243	204,181
Amortization (Note 7)	28,071	32,782
LOSS BEFORE BELOW ITEMS	**(765,539)**	**(1,094,373)**
Reversal of flow-through premium liability	-	232,648
Debt settlement (Notes 12(c) and 15)	383,917	-
Foreign exchange gain	4,876	-
Finance cost (Note 10)	(62,502)	(68,620)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$ (439,248)**	**$ (930,345)**
Net loss per common share - basic and diluted	$ (0.01)	$ (0.03)
Weighted average number of shares outstanding - basic and diluted	31,121,559	29,141,068

MINNOVA CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

Years ended March 31,	2019	2018
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the year	$ (439,248)	$ (930,345)
Items not involving cash:		
Amortization	28,071	32,782
Accretion of provision for closure and reclamation	62,502	58,870
Gain on settlement of debt	383,917	-
Reversal of flow-through premium liability	-	(232,648)
Stock-based payments	298,314	342,279
	333,556	(729,062)
Changes in non-cash working capital balances:		
Amounts receivable	60,650	(26,681)
Prepaid expenses	80,209	252,575
Accounts payable and accrued liabilities	(67,942)	(344,273)
	72,917	(118,379)
Cash flows used in operating activities	**406,473**	**(847,441)**
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in exploration properties and deferred exploration expenditures	(592,608)	(1,393,501)
Cash flows used in investing activities	**(592,608)**	**(1,393,501)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	-	1,346,300
Share issue costs	-	(64,390)
Proceeds from exercise of stock options	57,000	27,000
Proceeds from exercise of warrants and broker warrants	89,755	131,850
Cash flows from financing activities	**146,755**	**1,440,760**
Decrease in cash and cash equivalents	(39,380)	(800,182)
Cash and cash equivalents, beginning of year	73,353	873,535
Cash and cash equivalents, end of year	**$ 33,973**	**$ 73,353**
Supplemental Information:		
Cash, end of year	$ 33,973	$ 73,353
Cash equivalents, end of year	-	-
Cash and cash equivalents, end of year	**$ 33,973**	**$ 73,353**
Shares issued for settlement of debt (Note 12(c))	$ 258,499	$ -
Change in accrued property expenditures	$ (180,930)	$ 609,262
Shares issued for exploration property	$ 118,750	$ -
Broker warrants issued (Note 12(b)(i)(ii)(iii))	$ -	$ 21,718

MINNOVA CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

			Share-based Payment Reserves					
	Number	Share Capital Amount	Shares to be issued	Stock options	Share purchase warrant reserve	DSU and RSU	Deficit	Total
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**	**-**	**$ 1,625,950**	**$ 920,280**	**$ 953,971**	**$ (9,588,985)**	**$ 12,984,014**
Flow-through common shares and warrants issued in private placements (Note 12(b)(i)(ii)(iii))	2,071,231	1,188,820	-	-	157,480	-	-	1,346,300
Broker and finder warrants issued in private placements (Note 12(b)(i)(ii)(iii))	-	(21,718)	-	-	21,718	-	-	-
Share issue costs (Note 12(b)(i)vii)(iii))	-	(64,390)	-	-	-	-	-	(64,390)
Premium liability for flow-through shares (Note 12(b)(iv))	-	(15,912)	-	-	-	-	-	(15,912)
Shares issued upon exercise of warrants and broker warrants	330,750	131,850	-	-	-	-	-	131,850
Reclassification of fair value of warrants and broker warrants exercised	-	61,581	-	-	(61,581)	-	-	-
Shares issued upon exercise of stock options	75,000	27,000	-	-	-	-	-	27,000
Reclassification of fair value of stock options exercised	-	26,802	-	(26,802)	-	-	-	-
Stock-based payments	-	-	-	-	-	342,279	-	342,279
Stock option expired	-	-	-	(466,048)	-	-	466,048	-
RSU expired	-	-	-	-	-	(467,560)	467,560	-
Loss and comprehensive loss for the year	-	-	-	-	-	-	(930,345)	(930,345)
Balance, March 31, 2018	**30,824,173**	**$ 20,406,831**	**$ -**	**$ 1,133,100**	**$ 1,037,897**	**$ 828,690**	**$ (9,585,722)**	**$ 13,820,796**
Shares issued upon exercise of warrants and broker warrants	122,700	89,755	-	-	-	-	-	89,755
Shares issued for exploration properties and deferred exploration expenditures (note 8)	250,000	118,750	-	-	-	-	-	118,750
Shares to be issued for settlement of accounts payable and accrued liabilities (note 12(c))	-	-	258,499	-	-	-	-	258,499
Reclassification of fair value of warrants and broker warrants exercised	-	18,978	-	-	(18,978)	-	-	-
Warrants issued upon exercise of broker warrants	-	(1,530)	-	-	1,530	-	-	-
Shares issued upon exercise of stock options	500,000	190,000	-	-	-	-	-	190,000
Stock-based payments	-	-	-	298,314	-	-	-	298,314
Reclassification of fair value of stock options exercised	-	185,961	-	(185,961)	-	-	-	-
Stock option expired	-	-	-	(37,192)	-	-	37,192	-
Loss and comprehensive loss for the year	-	-	-	-	-	-	(439,248)	(439,248)
Balance, March 31, 2019	**31,696,873**	**$ 21,008,745**	**$ 258,499**	**$ 1,208,261**	**$ 1,020,449**	**828,690**	**$ (9,987,778)**	**$ 14,336,866**

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Minnova Corp. (the "Company") is a public company incorporated on July 19, 1994 pursuant to the laws of the Companies Act of Barbados. Since the Company's management and the principal office of the Company are located in Toronto, Ontario, a continuance (the "Continuance") of the Company from the laws of Barbados to the laws of the Province of Ontario was filed on April 21, 2010. As a result of the Continuance, the corporate legislation that governs the Company ceased to be the Barbados Act and the Company is now governed by the Business Corporations Act (Ontario). The registered office of the Company is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2. On June 26, 2014, the Company changed its name to "Minnova Corp." and commenced trading on the Toronto Stock Venture Exchange ("TSX-V") on June 27, 2014 under the new symbol "MCI".

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been or will be applied for will be granted.

Major expenditures are required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to exploration properties and deferred exploration expenditures is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition.

Although the Company has taken steps to verify title to exploration properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to other licensing requirements or regulations, social licensing requirements unregistered prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory requirements.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The Company has a working capital deficiency of $1,635,077 (2018- $1,711,292) and a deficit of $9,987,778 (2018 - $9,585,722) as at March 31, 2019 and will require additional financing to fund its continuing exploration efforts. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms acceptable to the Company. These consolidated financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain its property interests. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Such adjustments could be material. Changes in future conditions could require material write downs of the carrying values of certain assets.

During the year ended March 31, 2019, the Company incorporated two fully-owned subsidiaries, Minnova Peru S.A.C. and Minnova Renewable Energy, incorporated in Peru and Manitoba Canada, respectively.

The consolidated financial statements were approved by the Board of Directors on July 26, 2019.

Continued...

2. BASIS OF PREPARATION

These financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS"), as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

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

Basis of Presentation:

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

Significant Accounting Judgments and Estimates:

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' Carrying Values and Impairment Charges

In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Capitalization of Exploration Properties and Deferred Exploration Expenditures

Management has determined that exploration properties and deferred exploration expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 8 for details of capitalized exploration properties and deferred exploration expenditures.

Continued...

2. BASIS OF PREPARATION (Continued)

Significant Accounting Judgments and Estimates (Continued):

Mineral Reserve Estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

Impairment of Exploration Properties and Deferred Exploration Expenditures

While assessing whether any indications of impairment exist for exploration properties and deferred exploration expenditures, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration properties and deferred exploration expenditures. Internal sources of information include the manner in which exploration properties and deferred exploration expenditures are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future pre tax cash flows expected to be derived from the Company's exploration properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write down of the carrying amounts of the Company's exploration properties and deferred exploration expenditures.

Estimation of Decommissioning and Restoration Costs and the Timing of Expenditures

The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company’s provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Continued...

2. BASIS OF PREPARATION (Continued)

Significant Accounting Judgments and Estimates (Continued):

Share-based Payments

Management determines costs for share based payments using market based valuation techniques. The fair value of the market based and performance based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies

Refer to Notes 17 and 18.

3. ACCOUNTING POLICIES

Basis of Consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Minnova Peru S.A.C. and Minnova Renewable Energy. These are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The Company controls an investee if the Company has:

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including but not limited to:

(i) the contractual arrangement with the other vote holders of the investee;
(ii) rights arising from other contractual arrangements; and
(iii) the Company's potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in loss and comprehensive loss from the date that the Company gains control until the date that the Company ceases to control the subsidiary. All inter-company account balances and transactions have been eliminated upon consolidation.

Continued...

(Expressed in Canadian Dollars)

3. ACCOUNTING POLICIES (Continued)

Financial Instruments:

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on January 1, 2018.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on April 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on April 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash and cash equivalents	Fair value through profit or loss	FVTPL
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Hydro contract accrual	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

Continued...

3. ACCOUNTING POLICIES (Continued)

Financial Instruments (continued):

Impairment of Financial Assets:

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

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

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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

Financial Instruments Recorded at Fair Value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature other than restricted cash equivalents which represent a guaranteed investment certificate. The Company had no financial instrument to classify in the fair value hierarchy at March 31, 2019 and 2018.

Continued...

3. ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents:

The Company defines cash and cash equivalents as cash and investments with maturity dates of less than ninety days. The Company invests cash in term deposits maintained in high credit quality institutions. As at March 31, 2019, the cash and cash equivalents balance was comprised of cash of $33,973 and cash equivalents of $nil (2018 - $73,353 and $nil, respectively).

Equipment:

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Mine equipment	20%	Declining balance
Mine buildings	5%	Declining balance

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

Exploration Properties and Deferred Exploration Expenditures:

Exploration and Evaluation Properties:

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities, net of government assistance received, are capitalized to exploration properties and deferred exploration expenditures. Amortization of equipment is not capitalized. Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within mineral properties and deferred exploration expenditures.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

Continued...

3. ACCOUNTING POLICIES (Continued)

Mineral Properties and Deferred Exploration Expenditures (Continued):

Development Properties:

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to construction are capitalized as construction-in-progress and classified as a component of mineral properties and deferred exploration expenditures. Costs associated with the commissioning of new assets, in the period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues.

Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

Production Properties:

When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions or improvements, underground mine development or mineable reserve development.

Depletion:

Accumulated mine development costs are depleted on a unit-of-production basis over the estimated economically recoverable reserves of the mine concerned.

Impairment of Non-Financial Assets:

The carrying values of exploration properties and deferred exploration expenditures, and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets. This generally results in the Company evaluating its non-financial assets on a geographical basis.
If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of operations so as to reduce the carrying amount to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of operations.

Continued...

3. ACCOUNTING POLICIES (Continued)

Provisions:

General:

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Rehabilitation Provision:

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, dismantling operating facilities, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the consolidated statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. When applicable for closed sites, changes to estimated costs are recognised immediately in the consolidated statement of operations.

Flow-Through Shares:

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditure is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the consolidated statement of operations.

Foreign Currency Translation:

The Canadian dollar is the functional currency of the Company's operations and those of its subsidiaries. The financial statements, the results of operations and financial position are expressed in Canadian dollars. In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Gains/losses on translation are recorded in the consolidated statement of operations.

Continued...

3. ACCOUNTING POLICIES (Continued)

Stock-Based Payments:

Stock options

The fair value of stock options granted is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate for those options that do not vest immediately. Amounts recorded for expired unexercised stock options and warrants are transferred to deficit on expiry.

Restricted stock unit and deferred stock unit

The Company operates a restricted stock unit (“RSU”) plan and deferred stock unit (“DSU”) plan for directors, executive officers, employees and consultants of the Company. The vesting conditions of the RSUs and DSUs may be based on a required service period or the achievement of performance targets. RSUs that have been vested will be payable, at the holder’s option, in common shares. Vested DSUs are payable in common shares. The share-based remuneration expense of the RSUs and DSUs is based on the fair value at grant date and the awards expected to vest over the vesting period. A corresponding compensation liability is recorded in the equity.

Loss Per Share:

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, options RSUs and DSUs outstanding that may add to the total number of common shares. The Company's diluted loss per share for all years presented does not include the effect of stock options, warrants, RSUs and DSUs as they are anti-dilutive.

Income Taxes:

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of 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 year-end 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.

Continued...

3. ACCOUNTING POLICIES (Continued)

Change in Accounting Policies

IFRS 2 – Share-based Payment ("IFRS 2")

IFRS 2 was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. On April 1, 2018, the Company adopted this amendment and has determined that the adoption of this new amendment does not have a significant impact on its consolidated financial statements.

IFRS 9 Financial Instruments ("IFRS 9").

See note 3 Financial Instruments section above.

Recent Accounting Pronouncements:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 3 – Business Combinations ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 3 – Business Combinations ("IFRS 3") and IFRS 11 – Joint Arrangements ("IFRS 11") were amended in December 2017. IFRS 3 was amended to clarify that when a party to a joint arrangement obtains control of a business that is a joint operation, it re-measures previously held interests in that business. IFRS 11 was amended to clarify that when a party that participates in, but does not have joint control of, a joint operation obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

Continued...

3. ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued):

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

4. MANAGING CAPITAL

The Company manages its capital with the following objectives:

- to ensure sufficient flexibility to achieve the ongoing business objectives including funding of future resource based exploration and investment initiatives; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties for the mining of gold, nickel and copper. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be total shareholders' equity (managed capital) which at March 31, 2019 totaled $14,336,866 (2018 - $13,820,796).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, as well as other investing and financing activities. The forecast is regularly updated based on activities related to the acquisition, exploration and development of its mineral properties. The Board of Directors regularly reviews the Company's capital management approach. The Company's capital management objectives, policies and processes have remained unchanged during the years ended March 31, 2019 and 2018.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of March 31, 2019, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Continued...

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Categories of Financial Instruments

	As at March 31, 2019	As at March 31, 2018
Financial Assets		
Amortized cost		
Cash	$ 33,973	$ 73,353
Restricted cash equivalents	75,000	75,000
Amounts receivable	108,703	169,352
Due from related company	19,274	19,274
Financial Liabilities		
Amortized cost		
Accounts payable and accrued liabilities	$ 1,519,494	$ 1,775,948
Hydro contract accrual	277,533	277,533

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended March 31, 2019 and 2018.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and restricted cash equivalents. Restricted cash equivalents consists of a GIC which has been invested with a reputable Canadian financial institution. The Company does not hold any non-bank asset backed commercial paper. Management believes that the credit risk concentration with respect to its financial instruments is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company did not have sufficient cash and cash equivalents to settle current liabilities of $1,797,027 (2018 - $2,053,481). Management believes that additional financing will be available to discharge current liabilities.

Most of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Continued...

5. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk

The Company has cash and cash equivalents balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The debentures bear fixed interest rates and therefore are not subject to interest rate risk. Currently, the Company does not hedge against interest rate risk.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken by the Company. Management believes commodity price risk to be remote as the Company is not a producing entity.

Fair Value

The Company has, for accounting purposes, designated its cash equivalents as fair value through profit or loss and cash and amounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and hydro contract accrual are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As of March 31, 2019 and 2018, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the limited term of these instruments.

Continued...

(Expressed in Canadian Dollars)

6. RESTRICTED CASH EQUIVALENTS

The Company has guaranteed by pledge of a guaranteed investment certificate an irrevocable standby letter of credit for $75,000 to the Government of Manitoba as a financial assurance guarantee in connection with the PL Property closure plan (see Note 10).

7. EQUIPMENT

Cost

	Equipment	Buildings	Total
Balance, March 31, 2018 and March 31, 2019	**$ 105,000**	**$ 305,096**	**$ 410,096**

Accumulated Amortization

	Equipment	Buildings	Total
Balance, March 31, 2018	**$ 23,100**	**$ 71,272**	**$ 94,372**
Amortization for the year	16,380	11,691	28,071
Balance, March 31, 2019	**$ 39,480**	**$ 82,963**	**$ 89,661**

Carrying Amount

	Equipment	Buildings	Total
Balance, March 31, 2018	**$ 81,900**	**$ 233,824**	**$ 315,724**
Balance, March 31, 2019	**$ 65,520**	**$ 222,133**	**$ 287,653**

Continued...

(Expressed in Canadian Dollars)

8. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

As at March 31, 2019

	March 31, 2018	Additions	Changes for closure and reclamation	March 31, 2019
Exploration and Evaluation Properties				
Nokomis Property	$ 2,781,772	$ 22,500	$ -	$ 2,804,272
PL Property	15,299,846	287,607	76,078	15,663,531
La Esperanza Gold Property	-	220,321	-	220,321
	$ 18,081,618	**$ 530,428**	**$ 76,078**	**$ 18,688,124**

As at March 31, 2018

	March 31, 2017	Additions	Changes for closure and reclamation	March 31, 2018
Exploration and Evaluation Properties				
Nokomis Property	$ 2,704,117	$ 77,655	$ -	$ 2,781,772
PL Property	13,454,740	1,934,961	(89,855)	15,299,846
	$ 16,158,857	**$ 2,012,616**	**$ (89,855)**	**$ 18,081,618**

PL Project (PL Property and Nokomis Property)

The Company owns a 100% interest in the PL Mine and contiguous Nokomis property, located in Manitoba, subject to a 3% net smelter royalty (NSR) that reduces to 2.5% and 2% if gold is below US$1,000/oz and US$750/oz, respectively

La Esperanza Gold Property

On October 11, 2018, the Company entered into an option agreement to acquire a 100% interest in the Media Quebrada mining concession and adjacent claim, collectively called the La Esperanza Gold Property.

Details with respect to the consideration payable for this acquisition are as follows: on signing: cash payments of US$50,000 (paid) and common shares payments of 250,000 (issued) valued at $118,750 based on the quoted market value of the common shares at the time of issue; first anniversary: cash payments of US$100,000 and common shares payments of $250,000 and second anniversary: cash payments of US$500,000.

Continued...

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2019	March 31, 2018
Trade payables	$ 1,260,835	$ 899,968
Accrued and payroll liabilities	258,659	875,980
Total	**$ 1,519,494**	**$ 1,775,948**

The following is an aged analysis of the accounts payable and accrued liabilities:

	March 31, 2019	March 31, 2018
Less than 1 month	$ 279,753	$ 949,192
1 to 3 months	-	479,112
Over 3 months	1,239,741	347,644
Total	**$ 1,519,494**	**$ 1,775,948**

10. PROVISION FOR CLOSURE AND RECLAMATION

The Company has provided a letter of credit in the amount of $75,000 to the Government of Manitoba under the terms of the closure plan on the PL Property (see Note 6). The Company further provided all assets, goods and personal property involved in the operation of the PL Property, as a security of up to $5,000,000 for the performance of the closure plan and the rehabilitation program.

The Company's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred. The Company has estimated its total provision for closure and reclamation to be $3,078,834 at March 31, 2019, based on a total future liability of approximately $3,073,000 (March 31, 2018 - $3,073,000), an inflation rate of 1.65% (March 31, 2018 - 1.18%) and a discount rate of 1.62% (March 31, 2018 -2.11%). Reclamation is expected to occur in approximately 10 years.

The following is an analysis of the provision for closure and reclamation:

Balance, March 31, 2017	**$ 2,971,239**
Effect of changes in the inflation and discount rate	(89,855)
Accretion incurred in the year	58,870
Balance, March 31, 2018	**$ 2,940,254**
Effect of changes in the inflation and discount rate	76,078
Accretion incurred in the period	62,502
Balance, March 31, 2019	**$ 3,078,834**

During the year ended March 31, 2019, the Company expensed $62,502 as accretion which was recorded in finance cost on the consolidated statements of operations (2018 - $58,870).

Continued...

(Expressed in Canadian Dollars)

11. DEFERRED STOCK UNITS AND RESTRICTED STOCK UNITS

On January 12, 2017, the Company announced that it issued a total of 300,000 Deferred Stock Units ("DSUs") to non-executive directors as an annual award as outlined in the DSU Plan adopted in August 2016.

The Company also granted 1,500,000 Restricted Share Units ("RSUs") to executives and consultants. The RSUs were granted in accordance with the Company's Restricted Share Unit Plan and are subject to vesting provisions. More specifically, the grant consists of a base amount of 500,000 units with vesting subject to retention while the remaining bonus units are subject to performance conditions.

The DSUs vested immediately on the date of grant and the RSUs vest as to one-third on the date of grant, one-third in six months and one-third in twelve months.

During the year ended March 31, 2019, 825,000 RSU have been forefeited or expired. As at March 31, 2019, the DSUs and the RSUs had fully vested. For the year ended March 31, 2019, stock-based compensation of $nil (2018 - $342,279) was recorded in the consolidated statements of operations in relation to the RSUs based on the quoted market stock price of the Company's common shares of $0.85 on January 12, 2017, the grant date.

Under the DSU and RSU plan, the maximum number of common shares subject to issuance is 2,160,307.

	DSU	RSU
Balance, March 31, 2017	**300,000**	**1,500,000**
Forefeited	-	(275,000)
Expired	-	(550,000)
Balance, March 31, 2018 and March 31, 2019	**300,000**	**675,000**

Continued...

(Expressed in Canadian Dollars)

12. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Common Shares Issued:

	Number of Shares	Amount
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**
Flow-through common shares issued in private placements (i)(ii)(iii)	2,071,231	1,188,820
Broker warrants issued in private placements (i)(ii)(iii)	-	(21,718)
Premium liability for flow-through shares (iv)	-	(15,912)
Common shares issued upon exercise of warrants and broker warrants	330,750	131,850
Reclassification of fair value of broker warrants	-	61,581
Transaction costs (i)(ii)(iii)	-	(64,390)
Common shares issued upon exercise of stock options	75,000	27,000
Reclassification of fair value of stock options	-	26,802
Balance, March 31, 2018	**30,824,173**	**$ 20,406,831**
Shares issued upon exercise of warrants and broker warrants	122,700	89,755
Reclassification of fair value of warrants and broker warrants exercised	-	18,978
Warrants issued upon exercise of broker warrants (v)(vi)(vii)	-	(1,530)
Shares issued for exploration property and deferred exploration expenditures (note 8)	250,000	118,750
Shares issued upon exercise of stock options	500,000	190,000
Reclassification of fair value of stock options exercised	-	185,961
Balance, March 31, 2019	**31,696,873**	**$ 21,008,745**

(i) On December 1, 2017, the Company completed the first tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 612,000 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $397,800. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 1, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $42,044 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 1.50% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 34,800 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 1, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $5,872, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 1.5% and an expected life of 1.5 years.

Continued...

12. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(ii) On December 6, 2017, the Company completed the second tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 450,000 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $292,500. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 6, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $27,283 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 76%, risk-free interest rate of 1.47% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 12,000 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 6, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $2,532, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 76%, risk-free interest rate of 1.47% and an expected life of 1.5 years.

(iii) On December 11, 2017, the Company completed the third tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 1,009,231 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $656,000. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 11, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $88,153 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 77%, risk-free interest rate of 1.49% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 50,953 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 11, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $13,314, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 77%, risk-free interest rate of 1.49% and an expected life of 1.5 years.

(iv) In connection with the issuances of Flow-Through shares, a flow-through premium of $15,912 was calculated. This amount has been presented as a current liability in the statements of financial position. During the three and nine months ended December 31, 2017, $3,030 of the flow-through premium was reversed as expenditure requirements were met and recognized in the statements of operations.

(v) During the year ended March 31, 2019, the Company issued 6,000 warrants expiring on June 9, 2019 upon the exercise of 12,000 broker warrants. The grant date fair value assigned to these warrants was $1,165, estimated using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 64%, risk-free interest rate of 1.68% and an expected life of 1.09 years.

(vi) During the year ended March 31, 2019, the Company issued 2,500 warrants expiring on May 4, 2019 upon the exercise of 5,000 broker warrants. The grant date fair value assigned to these warrants was $180, estimated using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 55%, risk-free interest rate of 1.69% and an expected life of 0.64 years.

Continued...

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(vii) During the year ended March 31, 2019, the Company issued 2,850 warrants expiring on May 4, 2019 upon the exercise of 5,700 broker warrants. The grant date fair value assigned to these warrants was $185, estimated using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of $52%, risk-free interest rate of 1.87% and an expected life of 0.59 years.

(c) Shares to be issued

On February 4, 2019, the Company settled total accounts payable and accrued liabilities of $362,416 with 574,443 common shares of the Company to be issued valued at $258,499 based on the price of the Company's common shares on the date of the settlement, resulting a gain on settlement of debt of $103,917. See note 19(iii).

13. SHARE-BASED PAYMENT RESERVES

(a) Stock Options

The Company has granted options for the purchase of common shares to its directors, officers, employees and certain consultants. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. These options are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The maximum number of options to be issued under the plan shall not exceed 10% of the total number of common shares issued and outstanding.

Share-based payments were $298,314 for the year ended March 31, 2019 (2018 - $342,279).

The following table shows the continuity of stock options for the years ended March 31, 2019 and 2018:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2017	**2,805,000**	**$ 0.64**
Expired	(455,000)	(1.28)
Exercised	(75,000)	(0.36)
Balance, March 31, 2018	**2,275,000**	**$ 0.52**
Exercised	(500,000)	(0.38)
Expired	(100,000)	(0.38)
Granted (i)	1,000,000	0.43
Balance, March 31, 2019	**2,675,000**	**$ 0.52**

(i) On January 31, 2019, the Company granted 1,000,000 stock options to certain directors, officers and consultants to purchase common shares of the Company exercisable at a price of $0.43 per common share for a period of 5 years. These options vested immediately upon grant. The grant date fair value of $298,314 was assigned to the stock options as estimated by using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 93% based on historical prices of the Company's stock, risk-free rate of return of 1.78% and an expected life of 5 years.

Continued...

(Expressed in Canadian Dollars)

13. SHARE-BASED PAYMENT RESERVES (Continued)

(a) Stock Options (continued)

The following are the stock options outstanding at March 31, 2019:

Number of Options Issued	Grant Date Fair Value ($)	Number of Options Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
725,000	287,608	725,000	0.40	0.49	September 26, 2019
225,000	80,405	225,000	0.36	1.92	March 1, 2021
300,000	217,316	300,000	0.75	2.32	July 25, 2021
425,000	324,617	425,000	0.85	2.82	January 22, 2022
1,000,000	298,314	1,000,000	0.43	4.84	January 31, 2024
2,675,000	**1,208,260**	**2,675,000**	**0.52**	**2.81**	

(b) Share Purchase Warrants

The following table shows the continuity of share purchase warrants for the years ended March 31, 2019 and 2018:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2017	**3,172,093**	**$ 0.82**
Granted (Notes 12(b)(i)(ii)(iii))	1,035,614	0.75
Exercised	(241,950)	(0.40)
Balance, March 31, 2018	**3,965,757**	**$ 0.82**
Exercised	(100,000)	0.75
Granted (Note 12(b)(v)(vi)(vii))	11,350	0.80
Balance, March 31, 2019	**3,877,107**	**0.83**

The following are the share purchase warrants outstanding at March 31, 2019:

Number of Warrants Issued	Grant Date Fair Value ($)	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
2,157,743	528,411	0.85	0.09	May 4, 2019
777,750	192,518	0.85	0.17	June 2, 2019
306,000	42,044	0.75	0.17	June 1, 2019
130,999	16,322	0.75	0.18	June 6, 2019
504,615	88,153	0.75	0.20	June 11, 2019
3,877,107	**867,448**	**0.83**	**0.13**	

Continued...

(Expressed in Canadian Dollars)

13. SHARE-BASED PAYMENT RESERVES (Continued)

(c) Broker Warrants

The following table shows the continuity of broker warrants for the years ended March 31, 2019 and 2018:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, March 31, 2017	**431,117**	**$ 0.60**
Granted (Notes 12(b)(i)(ii)(iii))	97,753	0.65
Exercised	(88,800)	(0.39)
Balance, March 31, 2018	**440,070**	**$ 0.65**
Exercised	(22,700)	(0.65)
Balance, March 31, 2019	**417,370**	**$ 0.65**

The following are the broker warrants outstanding at March 31, 2019:

Number of Broker Warrants Issued	Grant Date Fair Value ($)	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
247,587	97,427	0.65	0.09	May 4, 2019
84,030	33,856	0.65	0.17	June 2, 2019
34,800	5,872	0.65	0.17	June 1, 2019
50,953	13,314	0.65	0.20	June 11, 2019
417,370	**150,469**	**0.65**	**0.13**	

Continued...

(Expressed in Canadian Dollars)

14. GENERAL AND ADMINISTRATIVE

Years ended March 31,		**2019**		**2018**
Office and general	$	15,757	$	8,507
Salaries and benefits		32,670		17,713
Travel		11,350		28,767
Business development		68,347		255,999
Stock exchange and transfer agent fees		26,165		32,821
Shareholder information		5,935		15,324
General and administrative	**$**	**160,224**	**$**	**359,131**

15. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties recorded as professional and consulting fees and share issue costs:

Years ended March 31,		**2019**		**2018**
Irwin Lowy LLP (i) - professional and consulting fees	$	6,861	$	68,777

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and the fees relate to professional services provided by the firm. As at March 31, 2019, the Company owed $8,917 (March 31, 2018 - $nil) to this firm and this amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(ii) As at March 31, 2019, the Company owed $400,654 (March 31, 2018 - $454,587) to a corporation controlled by the Chief Executive Officer ("CEO") of the Company and this amount is included in accounts payable and accrued liabilities. During the year ended March 31, 2019, $180,000 (2018- $150,000) of these fees were recorded as capitalized exploration and evaluation costs and $60,000 (2018 - $90,000) were recorded in management and directors' compensation on the statements of operations and comprehensive loss. During the year ended March 31, 2019, the corporation controlled by the CEO of the Company forgave $280,000 owed by the Company. This recovered amount has been included as debt settlement on the consolidated statements of operations and comprehensive income for the year ended March 31, 2019.

(iii) As at March 31, 2019, the Company had $19,247 (March 31, 2018 - $19,247) receivable from Geodex Minerals Ltd, a company with which the Company shares the common management team.

(iv) 444,444 common shares were issued to directors to settle $303,916 of accrued director fees. See note 12 (c).

Continued...

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS (Continued)

(b) Remuneration of directors and key management personnel of the Company was as follows:

Years ended March 31,		**2019**		**2018**
Directors fees	$	48,000	$	66,000
Amounts paid or accrued to CEO for salaries, consulting and benefits	$	240,000	$	240,000
Stock-based payments	$	202,854	$	182,409

Director fees - the Board of Directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services. As at March 31, 2019, the Company owed $nil (March 31, 2018 - $257,914) to the directors and $400,654 (March 31, 2018 - $454,587) to the CEO of the Company which was included in the accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing with no fixed term of repayment.

Salaries and benefits - officers are entitled to stock options, consulting fees or salaries and benefits where employment or service contracts are in place with the Company for their services.

During the year ended March 31, 2019, stock-based compensation of $nil (2018 - $182,409) for the RSUs awarded to officers and directors of the Company was recorded in the consolidated statement of operations and comprehensive loss.

As at March 31, 2019, $12,718 (March 31, 2018 - $1,735) of cash was held in the Irwin Lowy LLP trust account, a law firm, where the interim CFO is a partner.

Continued...

(Expressed in Canadian Dollars)

16. INCOME TAXES

(a) Provision for income taxes:

Major items causing the Company's effective income tax rate to differ from the Canadian combined and provincial statutory rates of approximately 26.5% (2018 - 26.5%) are as follows:

	2019	2018
Loss before income taxes	$ (439,248)	$ (930,345)
Expected income tax (recovery)	(116,000)	(246,500)
Stock based payments	79,100	90,700
Share issue costs	(24,200)	(17,100)
Flow-through expenditures renounced	-	356,800
Change in deferred tax benefits not recognised	38,800	(368,000)
Other	22,300	184,100
Deferred income tax recovery	$ -	$ -

(b) Deferred tax assets

Year Ended March 31,	2019	2018
Deferred income tax assets have been recognized as follows:		
Non-capital loss carry-forwards	$ 119,000	$ 98,000
Exploration properties	(119,000)	(98,000)
Total	$ -	$ -

Year Ended March 31,	2019	2018
Deferred income tax assets have not been recognized in respect of the following deductibel temporary differences:		
Non-capital loss carry-forwards	$ 1,232,000	$ 1,166,000
Share issue costs	183,000	275,000
Total	$ 1,415,000	$ 1,441,000

Deferred tax assets have not been recognized in respect of these temporary differences because it is not probable that future taxable profits will be available against which the Company can utilize the benefits.

Continued...

(Expressed in Canadian Dollars)

16. INCOME TAXES (Continued)

(c) As at March 31, 2019, the Company had approximately $15,080,331 (2018 - $14,770,000) of Canadian exploration and development expenditures, which, under certain circumstances may be utilized to reduce taxable income of future years. The Company has $10,335 non-capital losses in Peru which do not expire. The Company also has approximately $1,670,764 of non-capital losses in Canada, which can be used to reduce taxable income in future years. The Canadian non-capital losses expire as follows:

2034	$ 512,982
2035	210,347
2036	332,818
2037	364,837
2038	114,714
2039	135,066
	$ 1,670,764

17. ENVIRONMENTAL CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

18. COMMITMENTS AND CONTINGENCIES

The Company is party to a management contract. This contract contains clauses requiring additional payments of up to $480,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not occurred, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreement are approximately $480,000, of which $240,000 is due within one year.

19. SUBSEQUENT EVENTS

(i) On April 3, 2019, the Company has received conditional approval from the TSXV to settle an aggregate of $500,000 in debt with arm's length and non-arm's length parties. Of this amount, $241,501 of the indebtedness relates to the provision of management and director consulting services and fees for an aggregate of up to 536,668 common shares, at a deemed price of $0.45 per common share, which will be issued to the Company's CEO in full or partial settlement, as the case may be, of the outstanding indebtedness. All securities issued pursuant to the Concurrent Debt Settlement will be subject to a four-month statutory hold period in accordance with applicable securities legislation.

(ii) Subsequent to March 31, 2019, 3,877,107 warrants and 417,370 broker warrants expired unexercised.

(iii) Subsequent to March 31, 2019, the Company issued 574,443 common shares to settle against the shares to be issued. See note 12 (c).