



CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2019 AND 2018
(EXPRESSED IN CANADIAN DOLLARS)



Independent Auditor's Report

To the Shareholders of Enforcer Gold Corp.

Opinion

We have audited the consolidated financial statements of Enforcer Gold Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows 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 April 30, 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 April 30, 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 Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
August 27, 2019

Enforcer Gold Corp
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at April 30, 2019 \$	As at April 30, 2018 \$ (Note 16)	As at April 30, 2017 \$ (Note 16)
Assets				
Current assets				
Cash and cash equivalents	7	146,606	1,421,413	4,583,171
Taxes and other receivables	6, 10	109,893	581,026	101,726
Prepaid expenses		6,473	9,257	19,269
Total Current Assets		262,972	2,011,696	4,704,166
Non-Current assets				
Property, plant and equipment		7,290	7,290	-
Total Non-Current Assets		7,290	7,290	-
Total Assets		270,262	2,018,986	4,704,166
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities	9	441,974	307,452	108,183
Flow-through share premium liability		-	313,838	1,072,231
Total Current Liabilities		441,974	621,290	1,180,414
Total Liabilities		441,974	621,290	1,180,414
Shareholders' Equity (Deficiency)				
Capital stock	11b	9,123,733	9,119,567	8,867,417
Subscriptions Receivables		-	-	(2,715,583)
Contributed surplus		3,073,904	3,073,904	2,358,726
Shares to be issued		-	-	19,763
Deficit		(12,369,349)	(10,795,775)	(5,006,571)
Total Shareholders' Equity (Deficiency)		(171,712)	1,397,696	3,523,752
Total Liabilities and Shareholders' Equity (Deficiency)		270,262	2,018,896	4,704,166

Nature of Business and Going Concern (Note 1)
Commitments and Contingencies (Notes 8 and 14)
Subsequent Events (Note 17)

These consolidated financial statements are authorized for issuance by the Board of Directors on August 27, 2019.

Approved on behalf of the Board of Directors: (Signed) "Stephen Dunn" (Signed) "Christian Scovenna"
Director Director

The accompanying notes are an integral part of these Consolidated Financial Statements.

Enforcer Gold Corp
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the years ended April 30,	
	Notes	2019	2018
		\$	\$ (Note 16)
Expenses			
Exploration expense	8, 10, 16	1,616,843	4,316,692
Office and general	10, 15	144,339	508,223
Advertising and promotion		25,172	276,396
Professional fees	10, 15	58,743	592,204
Management fees	10	28,000	-
Communications and travel		10,621	116,238
Share-based compensation	10, 11c	-	749,438
Loss before the undernoted		(1,883,718)	(6,559,191)
Foreign exchange gain or loss		237	-
Interest income		-	11,594
Finance expense		(3,931)	-
Flow-through share premium		313,838	758,393
Net loss and comprehensive loss		(1,573,574)	(5,789,204)
Loss per share - basic and diluted	13	(0.22)	(0.83)
Weighted average number of common shares outstanding		7,157,576	7,007,515

The accompanying notes are an integral part of these Consolidated Financial Statements.

Enforcer Gold Corp
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Common Shares	Capital Stock	Shares to be Issued	Contributed Surplus	Subscriptions Receivable	Deficit	Total
		\$	\$	\$	\$	\$	\$
Balance at April 30, 2017 (Note 16)	6,884,857	8,867,417	19,763	2,358,726	(2,715,583)	(5,006,571)	3,523,752
Issue of shares	247,222	189,125	-	-	-	-	189,125
Shares to be issued	-	19,763	(19,763)	-	-	-	-
Exercise of options	22,222	74,260	-	(34,260)	-	-	40,000
Transaction costs on April private placement	-	(30,998)	-	-	-	-	(30,998)
Share subscriptions received	-	-	-	-	2,715,583	-	2,715,583
Share-based compensation	-	-	-	749,438	-	-	749,438
Net loss for the year	-	-	-	-	-	(5,789,204)	(5,789,204)
Balance as at April 30, 2018 (Note 16)	7,154,301	9,119,567	-	3,073,904	-	(10,795,775)	1,397,696
Issue of shares	27,777	4,166	-	-	-	-	4,166
Net loss for the year	-	-	-	-	-	(1,573,574)	(1,573,574)
Balance at April 30, 2019	7,182,078	9,123,733	-	3,073,904	-	(12,369,349)	(171,712)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Enforcer Gold Corp
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended April 30	
Notes	2019	2018
	\$	\$
		(Note 16)
Operating activities		
Net loss for the year	(1,573,574)	(5,789,204)
Items not affecting cash:		
Share-based compensation	-	749,438
Shares issued for property option	8b 4,166	189,125
Flow-through share premium	(313,838)	(758,393)
Net change in non-cash working capital items:		
Taxes and other receivables	471,133	(479,300)
Prepaid expenses	2,784	10,012
Accounts payable and accrued liabilities	134,522	199,269
Net cash used in operating activities	(1,274,807)	(5,879,053)
Investing activities		
Purchase of property, plant and equipment	-	(7,290)
Net cash used in investing activities	-	(7,290)
Financing activities		
Exercise of options	-	40,000
Cost of issuance	-	(30,998)
Share subscriptions	-	2,715,583
Net cash provided by financing activities	-	2,724,585
Change in cash and cash equivalents	(1,274,807)	(3,161,758)
Cash and cash equivalents, beginning of year	1,421,413	4,583,171
Cash and cash equivalents, end of year	146,606	1,421,413

The accompanying notes are an integral part of these Consolidated Financial Statements.

Enforcer Gold Corp.
Notes for the Consolidated Financial Statements
(Expressed in Canadian dollars, unless otherwise noted)
For the Years ended April 30, 2019 and 2018

1. Nature of Business and Going Concern

Enforcer Gold Corp. (the "Company") was incorporated on August 18, 2010 under the *Business Corporations Act* of British Columbia. On January 31, 2013, the Company entered into an agreement to acquire all the issued and outstanding common shares of Bethlehem Iron Ore Corp. ("Bethlehem"), a private company incorporated in Nevada. On April 19, 2013, the Company completed its Qualifying Transaction, and as a result, the Company ceased to be a CPC and commenced trading as a Tier 2 Mining Issuer on the TSX-V under the new trading symbol "NRL.V". In early 2017, the ticker was changed to "VEIN".

The principal business of the Company is the acquisition, exploration and development of mineral properties located in Quebec, Canada.

The Company's head office, principal address, and registered and records office is 725 Evans Court, Kelowna, British Columbia, V1X 6G4.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the next 12 months. At April 30, 2019, the Company had an accumulated deficit of \$12,369,349 since inception (April 30, 2018 - \$10,795,775), expects to incur further losses in the development of its business, and had a net working capital deficit of \$179,002 (April 30, 2018 - \$1,390,406).

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from raising equity capital and/or borrowing sufficient funds to meet current and future obligations. In order to continue as a going concern and meet its corporate objective, the Company will require additional financing through debt or equity issuances or other available means. However, there is no assurance that the Company will continue to be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Preparation

These consolidated financial statements are prepared in accordance with IFRS, including International Accounting Standards ("IAS") 34, Financial Reporting, as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a going concern basis, under historical cost convention. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The principal accounting policies and critical estimate and judgements used when compiling these financial statements are set out below. These consolidated financial statements were approved by the Board of Directors on August 27, 2019.

3. Significant Accounting Policies

a) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Bethlehem. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiary after eliminating inter-entity balances and transactions.

b) Functional and Presentation Currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"), which was determined to be Canadian dollars. The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. Transactions in currencies other than the Canadian dollar are translated at rates at the time of the transactions as follows:

- (i) Monetary assets and liabilities are translated at current rates of exchange at each reporting date with the resulting gain or losses recorded in foreign exchange gain/loss in the consolidated statement of loss;
- (ii) Non-monetary items are translated at historical exchange rates and are not retranslated; and
- (iii) Expense items are translated at the rates of exchange prevailing on the dates of the transactions.

c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on deposit with banks and cash held in escrow with the Company's legal counsel.

d) Flow-through Shares

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 flow-through common shares are offered. The allocation is made based on the difference ("premium") 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

3. Significant Accounting Policies (continued)

d) Flow-through Shares (continued)

and is then derecognized which is recorded in the consolidated statement of loss, in the period the eligible expenditures are incurred.

e) Exploration Expenditures

Mineral property acquisition costs are expensed as incurred. Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. All exploration expenditures are expensed as incurred.

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures incurred subsequent to this date related to development and construction are capitalized as construction-in-process and classified as a component of property, plant and equipment.

f) Loss per Common 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 period. The diluted loss per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. All the Company's outstanding stock options and warrants were anti-dilutive for the years ended April 30, 2019 and 2018.

g) Share-based Compensation

Share-based compensation transactions with employees are measured based on the fair value of the share-based compensation issued. The Company grants stock options to certain employees under the terms of the Company's Stock Option Plan or Share Awards Plan. Each tranche in an option award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires estimates for the expected life of options and stock price volatility which can materially affect the fair value estimate. Volatility and expected life of option is estimated based on an analysis of factors such as the Company's historical price trends, history of option holder activity, and peer and industry benchmarks for similar transactions.

Share-based compensation expense is recognized over the vesting period of the grant by increasing contributed surplus based on the number of awards expected to vest. This number is reviewed at least annually, with any change in estimate recognized immediately in share-based compensation expense with a corresponding adjustment to contributed surplus.

Share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3. Significant Accounting Policies (continued)

h) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between the financial statement carrying values of assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be used.

The determination of the ability of the Company to use tax loss carry-forwards to offset deferred tax payable involves judgment and certain assumptions about the future performance of the Company. Assessment is required about whether it is "probable" that the Company will benefit from the prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of using the losses.

i) Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

j) Equipment

Equipment is stated at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. Amortization is provided on a declining balance basis over the estimated useful lives of the equipment using the following rate:

- Computer equipment – 30%

k) 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. The liability is initially recognized at the present value of the estimated cost. 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 recognized in the statement of loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to rehabilitation liability when they occur. When applicable for closed sites, changes to estimated costs are recognized immediately in the consolidated statement of loss.

3. Significant Accounting Policies (continued)

l) Financial Instruments

Accounting policy under IFRS 9 applicable from May 1, 2018

Financial assets and liabilities

Accounting policy under IFRS 9 as applicable from May 1, 2018

Effective May 1, 2018, the Company adopted IFRS 9, Financial Instruments with respect to financial assets and financial liabilities.

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of loss and comprehensive loss. The Company’s cash and cash equivalents and other receivables are measured at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss and comprehensive loss. The Company’s does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of loss and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss and comprehensive loss when the right to receive payments is established.

3. Significant Accounting Policies (continued)

I) Financial Instruments (continued)

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are other receivables, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of loss and comprehensive loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss and comprehensive loss.

Accounting policy under IAS 39 applicable prior to May 1, 2018

The accounting policy under IAS 39 for the comparative information presented in respect of financial assets and liabilities, was as follows:

Fair Value Through Profit or Loss ("FVTPL"): Financial assets are classified as FVTPL when acquired principally for trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statement of loss. The Company has no financial assets classified as FVTPL.

Loans and Receivables: Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. After initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company's cash and cash equivalents and other receivables are classified as loans and receivables.

3. Significant Accounting Policies (continued)

l) Financial Instruments (continued)

Other Financial Liabilities: Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

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, because 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 except for 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.

m) Critical Accounting Judgements and Estimates

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

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, if actual results differ from assumptions made, relate, but are not limited to, the following:

3. Significant Accounting Policies (continued)

m) Critical Accounting Judgements and Estimates (continued)

Stock options and warrants

The Black-Scholes option valuation model used by the Company to determine fair values for stock-based compensation was developed for use in estimating the fair value of freely traded options. This model requires input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate.

Asset acquisition

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgment. If deemed to be a business combination, applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. Any excess of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The acquisition of a business generally has three elements: Input – an economic resource that creates outputs when one or more processes are applied to it; Process – a system, standard, protocol, convention or rule that when applied to an input or inputs, creates outputs; Output – the result of inputs and processes applied to those inputs.

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.

Contingencies

Refer to Notes 8 and 14.

n) New Accounting Standards Issued but Not Yet Applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2019. Many are not applicable or are not expected to have a significant impact to the Company and have been excluded. The Company has not yet assessed the potential impact, if any, that these standards may have on its consolidated financial statements. The following have not yet been adopted:

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

3. Significant Accounting Policies (continued)

n) New Accounting Standards Issued but Not Yet Applied (continued)

IFRS 16 - Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Company's operating leases. The Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for financial years commencing on or after January 1, 2019.

IFRIC 23 – Uncertainty Over Income Tax Treatments

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 applicable for annual periods beginning on or after January 1, 2019.

o) New and Amended Standards Adopted by the Company

IFRS 9, Financial Instruments

Effective May 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which resulted in changes in accounting policies as described below. In accordance with the transitional provisions in both standards, the Company adopted these standards retrospectively without restating comparatives, with the cumulative impact adjusted in the opening balances as at May 1, 2018. There were no effects on opening balances at May 1, 2018 with respect to the adoption of this policy.

IFRS 9 replaces International Accounting Standard ("IAS") 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets and requires that there be a demonstrated economic relationship between the hedged item and hedging instrument.

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3. Significant Accounting Policies (continued)

o) New and Amended Standards Adopted by the Company (continued)

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	Under IFRS 9
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Other receivables	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended April 30, 2018 was accounted for in accordance with the Company's previous accounting policy under IAS 39.

IFRS 6, Exploration and evaluation of mineral resources

During 2019, the Company changed its accounting policy of capitalizing exploration expenditures. See Note 16 for details of the impact on the consolidated financial statements.

4. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its capital stock, warrants, and contributed surplus components of its shareholders' equity. The properties in which the Company currently has an interest are in the early exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration activity and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended April 30, 2019 and 2018.

5. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, other receivables and accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair values due to their short-term nature. The three levels of 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 assets or liabilities, either directly or indirectly; and

Level 3 - Inputs for assets or liabilities that are not based on observable market data

The Company had no financial instruments to classify in the fair value hierarchy at April 30, 2019 and 2018.

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6. Financial Risks Factors

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents consist of cash on deposits with banks and cash held in escrow with the Company's legal counsel. Included in taxes and other receivables is \$94,293 (April 30, 2018 - \$437,729) relating to sales taxes receivable from various Canadian governments. The remaining balance of \$15,600 (April 30, 2018 - \$143,297) relates to expense reimbursements due from third parties. Management believe 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 enough liquidity to meet liabilities when due. As at April 30, 2019, the Company had cash and cash equivalents and taxes and other receivable balances of \$256,499 (April 30, 2018 - \$2,002,439) to settle current liabilities of \$441,974 (April 30, 2018 - \$621,290). All the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company remains dependent upon financing from capital markets.

Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk, as it only holds cash and does not have any interest-bearing debt.

ii) Foreign Currency Risk:

The Company also holds a bank account denominated in United States dollars; therefore, it is subject to risk in fluctuations in the exchange rate of the United States dollar. However, as at April 30, 2019 and 2018, the Company had a minimal balance in its US bank balance; therefore, any change in the Canadian dollar versus the United States would be insignificant.

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7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	April 30, 2019	April 30, 2018
	\$	\$
Cash deposit	141,692	259,488
Cash held in escrow	4,914	1,161,925
	146,606	1,421,413

8. Mineral Properties

Exploration and evaluation expenditures incurred during the years ended April 30, 2019 and 2018 are as follows:

	April 30, 2019	April 30, 2018
(a) <u>Montalembert Property</u>		
Exploration expenditures	152,184	3,974,004
(b) <u>Roger Property</u>		
Exploration expenditures	1,464,659	342,688
Total Exploration expenses	1,616,843	4,316,692

During the year ended April 30, 2019, the Company decided to change its accounting policy and expense all exploration expenditures. See note 16.

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all its exploration and evaluation assets and, to the best of its knowledge, title to all its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Realization of assets

Realization of the Company's investment in these properties is dependent upon the establishment of legal ownership, obtaining of permits, satisfaction of governmental requirements and possible aboriginal claims, and attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards of an ore body if discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

8. Mineral Properties (continued)

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation and believes its operations are materially in compliance with all applicable laws and regulations. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

a) Montalembert Gold Property

On November 17, 2016, the Company announced that it had entered into an option agreement with Globex Mining Enterprises (“Globex”) to acquire a 100% interest in the Montalembert Gold Property located 120 kilometres west of Chibougamau in central Quebec. On October 30, 2017 the Company and Globex entered into an amended agreement as follows:

Terms of the Option

Pursuant to the amended agreement, the Company shall have the option to earn an undivided 100% right, title, and interest in the Property (the “Option”), subject to a Gross Metal Royalty, by making aggregate cash payments to Globex of \$2,700,000, issuing an aggregate of 944,444 common shares and incurring aggregate exploration expenditures of \$10,000,000 on the Property as follows:

- (i) Paying \$2,700,000 in cash to Globex as follows:
 - \$300,000 on or before November 16, 2016 (paid);
 - \$300,000 on or before November 16, 2017 (paid);
 - \$500,000 on or before November 16, 2018; and
 - \$1,600,000 on or before November 16, 2019.
- (ii) Issuing 944,444 common shares of Enforcer to Globex as follows:
 - 166,667 common shares on or before the tenth business day after TSX Venture Exchange acceptance of this Option Agreement but no later than November 16, 2016 (issued);
 - 222,222 common shares on or before November 16, 2017 (issued);
 - 222,222 common shares of on or before November 16, 2018; and
 - 333,333 common shares of on or before November 16, 2019.
- (iii) Incurring aggregate exploration expenditures of \$10,000,000 on the Property as follows:
 - \$1,000,000 in exploration expenditures to be completed on or before November 16, 2017 (incurred);
 - An additional \$1,000,000 in exploration expenditures to be completed on or before November 16, 2018; incurred
 - an additional \$1,000,000 in exploration expenditures to be completed on or before November 16, 2019;
 - an additional \$2,000,000 in exploration expenditures to be completed on or before November 16, 2020; and
 - an additional \$5,000,000 in exploration expenditures to be completed on or before November 16, 2021.

The cash and share payments to be made by the Company prior to November 16, 2017 and the exploration expenditure to be incurred prior to November 16, 2018, are firm commitments and must be made even in the event that the Company terminates this Option Agreement and chooses not to exercise the Option. As at April 30, 2018, all firm commitments have been met.

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8. Mineral Properties (continued)

a) Montalembert Gold Property

On August 17, 2018 the Company announced that it has terminated its option to acquire an interest in the Montalembert Gold Property.

b) Roger Property

On January 11, 2018, the Company announced that it had entered into an option and joint venture agreement with SOQUEM Inc. ("SOQUEM") to acquire a 50% interest in the Roger Property 5 km from Chibougamau, Quebec.

Terms of the Agreement

Under the terms of the option agreement (the "Option"), the Company can earn a 50% undivided interest in the property after an investment of \$2,000,000 is made in a work program over 3 years and 111,111 common shares of the Company are issued to SOQUEM as follows:

- (i) Financing \$2,000,000 in work program as follows:
 - \$500,000 on or before January 8, 2019 (incurred);
 - \$750,000 on or before January 8, 2020 (incurred); and
 - \$750,000 on or before January 8, 2021.
- (ii) Issuing a total of 111,111 common shares of Enforcer to SOQUEM as follows:
 - 27,778 on or before January 8, 2019 (issued during 2019 with an estimated value of \$4,166 based on the quoted market price of the Company's shares on the date of issuance);
 - 27,778 on or before January 8, 2020; and
 - 55,555 on or before January 8, 2021.

The option can be earned prior to the end of the 3-year period if the Company completes the work requirement and issues the common shares earlier.

SOQUEM will act as the sole manager of the Property prior to the exercise of the Option and will add a 10% management fee to the funds they manage, or in the case of third party work a 5% management fee. Upon exercise of the Option, a joint venture (the "Joint Venture") will be established to continue the exploration and potential development, construction, commercial production, mine closure and rehabilitation. Prior to the establishment of the Joint Venture, it is deemed that each party has contributed \$2,000,000 to the Property.

Subsequent contributions to the Property will determine the interest of each party moving forward. If both parties agree to spend their relative proportion, the Joint Venture will continue as a 50-50 basis.

9. Accounts Payable and Accrued Liabilities

	April 30, 2019	April 30, 2018
	\$	\$
Accounts payable	305,674	188,470
Accrued liabilities	136,300	118,982
	441,974	307,452

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10. Related Party Transactions

During the years ended April 30, 2019 and 2018, the Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

Summary compensation of key management:

	April 30, 2019	April 30, 2018
	\$	\$
Salaries	64,614	250,817
Management fees	28,000	-
Professional fees	-	235,110
Exploration expenditures	62,749	-
Share-based compensation	-	196,995
	155,363	682,922

As at April 30, 2019, key management includes 3 directors and 2 members of the executive management team. Included in taxes and other receivables at April 30, 2019 is \$15,600 (April 30, 2018 - \$139,964) owing from a corporation with certain directors and officers in common with the Company. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

As at April 30, 2019, the Company has a balance payable of \$33,250 to certain directors (April 30, 2018 - \$6,023) which is due on demand, unsecured and non-interest bearing.

11. Capital Stock

- a) Authorized – Unlimited common shares without par value.
- b) Issued – 7,182,078 common shares
 - i) On November 26, 2018, the Company consolidated its outstanding common shares on a one-new-for-three-old basis. On July 25, 2019, the Company consolidated its outstanding common shares on a one-for-three basis. All share and per share figures in these consolidated financial statements have been presented on a retroactive basis showing the effect of both share-consolidations.
 - ii) On November 16, 2017, the Company issued 222,222 common shares to Globex pursuant to the Montalembert Gold Property option agreement. The Company also issued 25,000 common shares in satisfaction of finder's fees for the introduction of the Company to the project. The fair value of these shares is estimated to be \$189,125 based on the quoted market price of the shares on the date of issuance.
- c) Stock options

The Company has adopted a stock option plan (the "Option Plan"), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase common shares. The expiry date for each option shall be set by the Board of Directors at the time of issue and shall not exceed ten years. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. During any twelve-month period, the number of shares issuable to any one optionee shall not exceed 5% of the total number of issued and outstanding shares of the Company. The number of shares that may be reserved for issuance shall not exceed 20% of the total number of issued and outstanding shares of the Company.

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11. Capital Stock

During the year ended April 30, 2019, 177,778 stock options expired. Subsequent to April 30, 2019, all remaining stock options were cancelled. See Note 17.

The weighted-average remaining contractual life and weighted average exercise price of options outstanding and options exercisable as at April 30, 2019, are as follows:

Number of Stock Options Outstanding	Black-Scholes Value	Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Stock Options Exercisable	Expiry Date
463,888	\$ 715,178	\$1.80	1.41	463,888	June 28, 2020
463,888	\$ 715,178	\$1.80	1.41	463,888	

The following table summarizes the stock option transactions during the years ended April 30, 2019 and 2018:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2017	188,888	\$1.80
Granted	486,111	\$1.80
Expired	(11,111)	\$1.80
Exercised	(22,222)	\$1.80
Balance, April 30, 2018	641,666	\$1.80
Expired	(177,778)	\$1.80
Balance, April 30, 2019	463,888	\$1.80

Additional information regarding warrants outstanding and exercisable as at April 30, 2019 is as follows:

Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
\$ 2.70	236,748	0.34	\$ 2.70
2.70	38,422	0.41	2.70
	275,170	0.38	\$ 2.70

During the year ended April 30, 2019, 1,314,066 non-exercised warrants expired. No warrants were granted or exercised during the years ended April 30, 2018 and 2019.

12. Income Taxes

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

	2019	2018
Net loss for the year	\$ (1,573,574)	\$ (5,789,204)
Canadian statutory income tax rate	26.5%	26.5%
Income tax recovery computed at Canadian statutory rates	(417,000)	(1,534,000)
Non-deductible items	26,000	202,000
Impact of flow-through shares	333,000	804,000
Benefits of tax assets not recognized	58,000	528,000
	-	-

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12. Income Taxes (continued)

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

	2019	2018
Share issuance costs	512,000	684,000
Mineral properties	1,681,000	1,732,000
Non-capital losses	5,300,000	4,859,000
	<u>7,493,000</u>	<u>7,275,000</u>

The Company has accumulated non-capital losses for Canadian income tax purposes of approximately \$5,300,000 expiring between 2028 and 2039.

As at April 30, 2019, the Company had approximately \$1,681,000 of Canadian exploration and development expenditures which, under certain circumstances, may be utilized to reduce taxable income of future years.

The potential future benefit of these deferred tax assets has not been recognized in the consolidated financial statements because it is not probable that future taxable profit will be available against which the Company can use the benefits.

13. Loss Per Share

	April 30, 2019	April 30, 2018
Loss attributable to common shareholders	<u>(1,573,574)</u>	<u>(5,178,204)</u>
Weighted average number of shares outstanding – basic and diluted	7,157,576	7,007,515
Loss per share – basic and diluted	\$ (0.22)	\$ (0.83)

14. Commitments and Contingencies

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder because of the Company not meeting its expenditure commitments.

Under the terms of the Company's lease agreement for office space, the Company is obligated to minimum annual rent and lease payments of \$57,400 in 2019 and \$33,700 in 2020.

15. Supplementary Expense Information

Office and General:	April 30, 2019	April 30, 2018
	\$	\$
Salaries	13,520	339,344
Administration and other expenses	75,235	129,353
Regulatory and shareholder filing fees	55,584	39,526
	<u>144,339</u>	<u>508,223</u>

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15. Supplementary Expense Information (continued)

Professional Fees:	April 30, 2019	April 30, 2018
	\$	\$
Corporate secretary fees	9,972	-
Consulting fees	18,032	510,084
Legal and audit fees	30,739	82,120
	58,743	592,204

16. Change in Policy

During the year ended April 30, 2019, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts. The consolidated financial statements for the year ended April 30, 2018 have been restated to reflect adjustments made as a result of this change in accounting policy. The accumulated effect of the change \$1,636,621 has been reflected in the opening deficit of the consolidated financial statements as at April 30, 2018.

The following is a reconciliation of the Company's consolidated financial statements as at April 30, 2018 and 2017:

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16. Change in Policy (continued)

Consolidated Statements of Financial Position	April 30, 2018 as previously reported	Adjustment	April 30, 2018 as restated	April 30, 2017 as previously reported	Adjustment	April 30, 2017 as restated
Assets						
Current assets						
Cash and cash equivalents	1,421,413	-	1,421,413	4,583,171	-	4,583,171
Taxes and other receivables	581,026	-	581,026	101,726	-	101,726
Prepaid expenses	9,257	-	9,257	19,269	-	19,269
Total Current Assets	2,011,696	-	2,011,696	4,704,166	-	4,704,166
Non-Current assets						
Property, plant and equipment	7,290	-	7,290	-	-	-
Mineral properties	342,688	(342,688)	-	1,636,621	(1,636,621)	-
Total Non-Current Assets	349,978	(342,688)	7,290	1,636,621	(1,636,621)	-
Total Assets	2,361,674	(342,688)	2,018,986	6,340,787	(1,636,621)	4,704,166
Liabilities and Shareholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	307,452	-	307,452	108,183	-	108,183
Flow-through share premium liability	313,838	-	313,838	1,072,231	-	1,072,231
Total Current Liabilities	621,290	-	621,290	1,180,414	-	1,180,414
Total Liabilities	621,290	-	621,290	1,180,414	-	1,180,414
Shareholders' Equity						
Capital stock	9,119,567	-	9,119,567	8,867,417	-	8,867,417
Subscriptions receivable	-	-	-	(2,715,583)	-	(2,715,583)
Contributed surplus	3,073,904	-	3,073,904	2,358,726	-	2,358,726
Shares to be issued	-	-	-	19,763	-	19,763
Deficit	(10,453,087)	(342,688)	(10,795,775)	(3,369,950)	(1,636,621)	(5,006,571)
Total Shareholders' Equity (Deficiency)	1,740,384	(342,688)	1,397,696	5,160,373	(1,636,621)	3,523,752
Total Liabilities and Shareholders' Equity	2,361,674	(342,688)	2,018,986	6,340,787	(1,636,621)	4,704,166

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16. Change in Policy (continued)

Consolidated Statement of Loss and Comprehensive Loss

	For the year ended April 30, 2018 as previously reported	Adjustment	For the year ended April 30, 2018 as restated
Expenses			
Exploration expense	-	4,316,692	4,316,692
Office and general	508,223	-	508,223
Advertising and promotion	276,396	-	276,396
Professional fees	592,204	-	592,204
Communications and travel	116,238	-	116,238
Share-based compensation	749,438	-	749,438
Loss before the undernoted	(2,242,499)	(4,316,692)	(6,559,191)
Interest income	11,594	-	11,594
Write-off of mineral properties	(5,610,625)	5,610,625	-
Flow-through share premium	758,393	-	758,393
Net loss and comprehensive loss	(7,083,137)	1,293,933	(5,789,204)
Loss per share - basic and diluted	1.01	(0.18)	0.83

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16. Change in Policy (continued)

Consolidated Statement of Cash Flows

	For the year ended April 30, 2018 as previously reported	Adjustment	For the year ended April 30, 2018 as restated
Operating activities			
Net loss for the year	(7,083,137)	1,293,933	(5,789,204)
Items not affecting cash:			
Write-off of mineral properties	5,610,625	(5,610,625)	-
Share-based compensation	749,438	-	749,438
Shares issued for property option	-	189,125	189,125
Flow-through share premium	(758,393)	-	(758,393)
Net change in non-cash working capital items:			
Taxes and other receivables	(479,300)	-	(479,300)
Prepaid expenses	10,012	-	10,012
Accounts payable and accrued liabilities	28,747	170,522	199,269
Net cash used in operating activities	(1,922,008)	(3,957,045)	(5,879,053)
Investing activities			
Purchase of property, plant and equipment	(7,290)	-	(7,290)
Expenditures on mineral properties	(3,957,045)	3,957,045	-
Net cash used in investing activities	(3,964,335)	3,957,045	(7,290)
Financing activities			
Exercise of options	40,000	-	40,000
Cost of issuance	(30,998)	-	(30,998)
Share subscriptions	2,715,583	-	2,715,583
Net cash provided by financing activities	2,724,585	-	2,724,585
Change in cash and cash equivalents	(3,161,758)	-	(3,161,758)
Cash and cash equivalents, beginning of year	4,583,171	-	4,583,171
Cash and cash equivalents, end of year	1,421,413	-	1,421,413

17. Subsequent Events

On July 25, 2019, the Company announced that that it received approval from the TSX Venture Exchange for a share consolidation (the "Consolidation") on the basis of three (3) pre-Consolidation common shares (the "Shares") for one (1) post-Consolidation Share as previously announced on June 20, 2019. Post-Consolidation, the Company has 7,182,078 shares issued and outstanding.