Frontier Lithium Inc.
Financial Statements
For the years ended March 31, 2019 and 2018

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Contents

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Frontier Lithium Inc.

Opinion

We have audited the financial statements of **Frontier Lithium Inc.** (the Company), which comprise the statement of financial position as at March 31, 2019 and March 31, 2018, and the statement of operations, comprehensive loss and deficit, statement of changes in shareholders' equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Howard Wolle.

S + W LLP

July 29, 2019
Toronto, Canada

S & W LLP
Chartered Professional Accountants, Licensed Public Accountants

Frontier Lithium Inc.
Statement of Financial Position

	March 31 2019	March 31 2018
Assets		
Current		
Cash and cash equivalents	**$ 659,791**	$ 502,154
Cash restricted for flow-through expenditures (Note 9)	**90,101**	-
Investments - FVTPL (Note 3)	**76,128**	124,286
HST receivable	**102,863**	96,307
Prepaid expenses	**16,472**	1,583
	945,355	724,330
Property, plant and equipment (Note 5)	**228,853**	80,968
Exploration and evaluation assets (Note 4)	**10,752,177**	8,257,120
	$ 11,926,385	$ 9,062,418
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 675,646**	$ 793,299
Deferred premium on issuance of flow-through shares	**26,511**	-
	702,157	793,299
Going concern (Note 1)		
Commitments (Note 12)		
Shareholders' equity		
Share capital (Note 8b)	**27,356,898**	23,793,678
Contributed surplus	**7,777,822**	6,742,475
Deficit	**(23,910,492)**	(22,267,034)
	11,224,228	8,269,119
	$ 11,926,385	$ 9,062,418

On behalf of the Board:

______________________ Director

______________________ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Frontier Lithium Inc.
Statement of Changes in Shareholders' Equity
For the years ended March 31, 2019 and 2018

	Share Capital		**Advances for Shares to be Issued**	**Contributed Surplus**	**Accumulated Other Comprehensive Loss**	**Deficit**
	Shares (#)	**$**	**$**	**$**	**$**	**$**
Balance April 1, 2017	**128,964,359**	**20,396,766**	**-**	**4,277,707**	**-**	**(18,494,717)**
Net loss and comprehensive loss for the year						(3,772,317)
Shares issued under private placement	2,267,951	907,180				
Less: share issue costs		(12,776)				
Less: value of warrants		(246,288)		246,288		
Less: flow through premium		-				
Less: warrants issued to brokers		(6,467)		6,467		
Shares issued to settle debt	1,114,797	312,250		-		
Loss on debt settlement		100,705				
Warrants issued to settle debt				63,044		
Exercise of options	3,090,000	672,630		(255,630)		
Less: value of warrants		-		-		
Exercise of warrants	4,893,266	1,669,678		(386,072)		
Stock based compensation				2,790,671		
Balance March 31, 2018	**140,330,373**	**23,793,678**	**-**	**6,742,475**	**-**	**(22,267,034)**
Net loss and comprehensive loss for the year						(1,643,458)
Shares issued under private placement	9,969,770	4,099,008				
Add: shares issued to brokers	117,900	47,160			-	
Less: share issue costs		(146,647)				
Less: value of warrants		(764,874)		764,874		
Less: flow-through premium		(145,020)				
Less: warrants issued to brokers		(27,810)		27,810		
Shares issued to settle debt	261,979	104,792				
Loss on debt settlement		27,717				
Exercise of options	1,539,375	368,894		(164,894)		
Stock based compensation				407,557		
Balance March 31, 2019	**152,219,397**	**27,356,898**	**-**	**7,777,822**	**-**	**(23,910,492)**

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Frontier Lithium Inc.
Statement of Operations, Comprehensive Loss and Deficit

For the years ended	March 31 2019	March 31 2018
Expenses		
Stock option compensation (Notes 7 and 8(e))	**$ 407,557**	$ 2,790,671
Consulting (Notes 7)	**383,263**	428,124
Wages and benefits	**155,826**	71,992
Vehicle and travel	**249,291**	105,024
General and administrative	**207,153**	135,393
Professional fees	**174,266**	62,119
Amortization (Note 5)	**53,253**	27,175
Shareholder and investor relations	**22,339**	6,725
Insurance	**20,638**	10,662
Telephone	**12,038**	11,060
Office rental (Note 7)	**9,000**	9,000
Bank charges and interest	**6,155**	4,183
Foreign exchange	**3,879**	9,091
	1,704,658	3,671,219
Net loss before items below	**(1,704,658)**	(3,671,219)
Investment income	**13,356**	-
Unrealized (loss) gain on investments - FVTPL (Note 3)	**(42,208)**	5,277
Realized loss on investments	**(740)**	(5,670)
Loss on extinguishment of debt (Note 8(f))	**(27,717)**	(100,705)
Net loss before income taxes	**(1,761,967)**	(3,772,317)
Income tax recovery		
Current (Note 6)	**-**	-
Deferred (Note 6)	**118,509**	-
	118,509	-
Net loss and comprehensive loss for the year	**$ (1,643,458)**	$ (3,772,317)
Deficit, beginning of year	**(22,267,034)**	(18,494,717)
Deficit, end of year	**(23,910,492)**	(22,267,034)
Basic and diluted loss per share	**$ (0.01)**	$ (0.03)
Weighted average number of shares	**148,124,619**	135,356,807

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Frontier Lithium Inc.
Statement of Cash Flows

For the years ended	March 31 2019	March 31 2018
Cash provided by (used in):		
Operating activities		
Net loss for the year	$ **(1,643,458)**	$ (3,772,317)
Items not involving cash		
Amortization	**53,253**	27,175
Unrealized loss (gain) on investments - FVTPL	**42,208**	(5,277)
Realized loss on investments	**740**	5,670
Deferred income tax recovery	**(118,509)**	-
Stock option compensation	**407,557**	2,790,671
Loss on extinguishment of debt	**27,717**	100,705
	(1,230,492)	(853,373)
Changes in non-cash working capital balances		
HST receivable and other receivables	**(6,556)**	30,459
Prepaid expenses	**(14,889)**	(43)
Accounts payable and accrued liabilities	**(12,861)**	676,512
	(1,264,798)	(146,445)
Investing activities		
Purchase of property, plant and equipment	**(201,138)**	(5,549)
Proceeds from sale of investments classified as FVTPL	**5,210**	90,274
Net addition to exploration and evaluation assets	**(2,495,057)**	(2,732,218)
Cash restricted for flow-through expenditures	**(90,101)**	-
	(2,781,086)	(2,647,493)
Financing activities		
Issuance of common shares	**3,334,134**	660,892
Share issue costs	**(99,487)**	(12,776)
Issuance of warrants	**764,874**	246,288
Proceeds from exercise of options	**204,000**	417,000
Proceeds from exercise of warrants	**-**	1,283,606
	4,203,521	2,595,010
Increase (decrease) in cash and cash equivalents in year	**157,637**	(198,928)
Cash and cash equivalents, beginning of year	**502,154**	701,082
Cash and cash equivalents, end of year	$ **659,791**	$ 502,154
Cash and Cash Equivalents		
Cash	$ **659,791**	$ 502,154
Cash equivalents	**-**	-

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

1. Nature of Operations and Going Concern

Nature of Operations

Frontier Lithium Inc. (the "Company" or "FL") was incorporated as 646215 Alberta Inc. by Certificate of Incorporation issued pursuant to the Business Corporations Act (Alberta) on March 13, 1995. The Company was formerly called Houston Lake Mining Inc. The name of the company was changed by Certificate of Amendment dated May 19, 2016.

The registered address of the Company is 2736 Belisle Drive, Val Caron, Ontario, P3N 1B3.

The Company is listed on the Toronto Venture Exchange ("TSX-V") under the symbol "FL".

The Company's principal activity is the acquisition, exploration and development of mining properties.

Going Concern

These financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2019. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reporting expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance it's exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

2. Significant Accounting Policies

(a) Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company operates in one segment defined as the cash generating unit (CGU) which is Canada.

The Company's IFRS accounting policies have been applied consistently in all periods in preparing the financial statements for the year ended March 31, 2019, and the comparative information for the year ended March 31, 2018. The policies applied in these audited financial statements are based on IFRS issued and outstanding as of July 29, 2019, the date of approval by the Company's Board of Directors.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value.

2. Significant Accounting Policies (continued)

(c) Application of new International Financial Reporting Standards ("IFRS")

The following standards were adopted on April 1, 2018:

IFRS 9 *Financial Instruments* ("IFRS 9"): This standard replaced IAS 39 Financial Instruments: Recognition and Measurement. This standard sets out revised guidance for classifying and measuring financial assets and liabilities and introduces a new expected credit loss model for calculating impairment of financial assets and includes a reformed approach to hedge accounting. The standard also requires that when financial liabilities measured at amortized cost are modified or exchanged, and where such modification or exchange does not result in derecognition, that the adjustment to the amortized cost of the financial liability be recognized in profit or loss.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 contains two principal classification categories for financial liabilities: amortized cost and fair value through profit or loss (FVTPL).

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial instruments. There were no financial assets or financial liabilities that were subject to reclassification, or to which the company elected to reclassify, upon adoption of IFRS 9.

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"): Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Since the company has no revenues, the application of this new standard had no impact on the reported results. There was no impact on the cash flows from operating activities as a result of adopting this standard.

(d) Presentation and functional currency

The Company's presentation currency and functional currency is the Canadian dollar.

2. Significant Accounting Policies (continued)

(e) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at statement of financial position date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred.

Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in Statement of Operations, Comprehensive Loss and Deficit, except for differences arising on the translation of available for sale equity instruments that are recorded in other accumulated comprehensive income.

(f) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes party to a contractual agreement.

Classification of Financial Assets

Financial assets are initially measured at fair value and classified into one of the following specified categories: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). Financial assets measured at amortized cost are initially recognized at fair value and subsequently are measured at amortized cost using an effective interest rate method. Financial assets measured at FVTPL are measured at fair value with unrealized gains and losses recognized in the Statement of Operations, Comprehensive Loss and Deficit.

Financial assets recognized in the statement of financial position include cash and cash equivalents, cash restricted for flow-through expenditures, HST receivable and investments.

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments in Canada with maturities of three months or less. Cash and cash equivalents are classified as fair value through profit or loss and are measured at fair value. Cash restricted for flow-through expenditures consist of bank balances and is classified as fair value through profit or loss.

HST receivable is initially recognized at fair value and is subsequently measured at amortized cost using an effective interest rate method.

2. Significant Accounting Policies (continued)

(f) Financial Instruments (Continued)

Investments reported at fair-value-through-profit-and-loss (FVTPL) are recorded at fair value with the difference between fair value and cost being recorded as unrealized gain or loss in value of investments on the Statement of Operations, Comprehensive Loss and Deficit.

Classification of Financial Liabilities

Financial liabilities are classified as either FVTPL or amortized cost. Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the Statement of Operations, Comprehensive Loss and Deficit unless the change in fair value is attributable to changes in credit risk in which case the change is reported in other comprehensive income. Financial liabilities reported at amortized cost, including borrowings, are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities consist of accounts payable and accrued liabilities. Accounts payable and accrued liabilities are initially recognized at fair value and classified as amortized cost, and subsequently measured at amortized cost.

Measurement of Fair Value

All financial instruments that are measured at fair value are categorized into one of three hierarchy levels, as described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.

Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments

Transaction Costs

Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities recorded at fair value through profit or loss for the period are recognized immediately in the Statement of Operations, Comprehensive Loss and Deficit.

2. Significant Accounting Policies (continued)

(f) Financial Instruments (Continued)

Offsetting

Financial assets and financial liabilities are offset and reported on the Statement of Financial Position only if there is an enforceable legal right to offset the recognized amounts, and an intention to realize the asset and settle the liability simultaneously.

Issuance of Equity Instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issuance costs.

A comparison of the classifications of financial assets and financial liabilities before and after implementation of IFRS 9 is shown in the table below:

	IAS 39	**IFRS 9**
Financial assets		
Cash and cash equivalents	FVTPL	FVTPL
Cash restricted for flow-through expenditures	FVTPL	FVTPL
Investments	FVTPL	FVTPL
HST receivable	loans and receivables	amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	other financial liabilities	amortized cost

2. Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price which includes the cash consideration and the fair market value of the shares issued for the acquisition of mineral properties and those directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within the provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in the Statement of Operations, Comprehensive Loss and Deficit.

2. Significant Accounting Policies (continued)

(g) Property, Plant and Equipment (continued)

Property, plant and equipment are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Exploration equipment	- 30 % diminishing balance basis
Furniture and fixtures	- 20 % diminishing balance basis
Vehicles	- 30 % diminishing balance basis
Computer equipment	- 55/45/30% diminishing balance basis
Computer software	- 20 % diminishing balance basis

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

(h) Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are split between interest and capital. The interest element is charged to the Statement of Operations, Comprehensive Loss and Deficit over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the Statement of Operations, Comprehensive Loss and Deficit on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognized as a reduction of the rental expense over the lease term on a straight-line basis.

2. Significant Accounting Policies (continued)

(i) Exploration and evaluation assets

Exploration assets

Exploration expenditures relating to resource properties in which a legal right to explore has been obtained and an interest is retained are deferred and are carried as an asset until the results of the projects are known. If a project is unsuccessful or if exploration has ceased because continuation is not economically feasible, the cost of the property is written off. The fair value of resource properties acquired in exchange for the issuance of the Company's shares is determined by the trading price of the Company's shares on the date the shares are issued.

Option payments paid by the Company are capitalized against resource property costs when paid. Option payments received by the Company are deducted from resource property costs when received. No gain or loss on disposition of a partial interest is recorded until all carrying costs of the interest have been offset by proceeds of sale or option payments received or paid.

Evaluation assets

Evaluation expenditures relating to the evaluation of resource properties are capitalized until properties brought into production, at which time costs are amortized on a unit-of-production basis over economically recoverable reserves, or abandoned or the interest is sold.

If a project is successful and production has occurred, the exploration expenditures and related deferred evaluation expenditures are first tested for impairment and reclassified to mine property and development, and then amortized by charges against income from future mining operations.

Exploration and evaluation expenditures, which are general in nature and cannot be associated with a specific group of mining claims, and general administrative expenses, are expensed in the year in which they are incurred.

2. Significant Accounting Policies (continued)

(j) General

Administrative, prospecting and general expenses are expensed in the year in which they are incurred.

(k) Income Taxes

Income taxes are calculated using the asset and liability method. Under this method deferred income tax assets and liabilities are recognized for timing differences between the tax and accounting basis of assets and liabilities, and for the recognition of accumulated capital and non-capital losses, which in the opinion of management are more likely than not to be realized before expiry. Deferred tax assets and liabilities are presented as a non-current item and measured at the tax rates that are expected to be in effect in the period when the asset is expected to be realized or the liability is expected to be settled, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. The effect on deferred income tax assets and liabilities resulting from a change in enacted or substantially enacted tax rates is included in income in the period in which the change is enacted or substantively enacted.

(l) Flow-Through Shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the Company agrees to incur qualifying expenditures and renounce the tax deductions associated with these qualifying expenditures to the flow-through subscribers at an agreed upon date.

Flow-through shares are reported at issue price. If the flow-through shares are issued at a premium to the market price of non-flow through or hard dollar shares at the date of announcement, such premium or excess proceeds is reported as a liability on the Statement of Financial Position. When the related expenditures are incurred, and the tax deductions renounced to the unit holders, the Company reverses the related premium liability on the Statement of Financial Position, and reduces the deferred tax expense on the Statement of Operations, Comprehensive Loss and Deficit.

2. Significant Accounting Policies (continued)

(m) Provisions

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

The Company did not have a rehabilitation provision as at March 31, 2019 or March 31, 2018.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the Company is virtually certain that some or all of a provision will be reimbursed, for example under an insurance contract, such reimbursement is recognized as a separate asset. Provisions may be discounted using a current pre-tax rate that reflects the risks specific to the liability. The expense relating to any provision is presented in the Statement of Operations, Comprehensive Loss and Deficit.

(n) Share capital

Financial instruments issued by the Company are defined as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and warrants are classified as equity instruments.

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

2. Significant Accounting Policies (continued)

(o) Use of Estimates

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

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

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

Rehabilitation provisions

Rehabilitation provisions are based on internal estimates. Assumptions, based on the current economic environment, are made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the recognized provisions may be higher or lower than currently provided for.

As at March 31, 2019 there were no rehabilitation provisions.

Exploration and evaluation assets

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

2. Significant Accounting Policies (continued)

(o) Use of Estimates (continued)

Title to mineral property interests

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

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

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

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Company uses the Black-Scholes model to value stock options. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Notes 8(c) and 8(e).

2. Significant Accounting Policies (continued)

(p) Stock Based Payments

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

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Statement of Operations, Comprehensive Loss and Deficit over the remaining vesting period. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

When equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the stock based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management`s best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. All equity-settled stock based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

The Company values stock options using the Black-Scholes model.

2. Significant Accounting Policies (continued)

(q) Income Recognition

IFRS 15 introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the provision of goods (or the completion of services) to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with the customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transactoin price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

Income from the sale of mineral products, when they occur, are generally recorded on a gross basis when title passes to an external party. The Company recognizes income when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection of the related receivable is reasonably assured. Title and risk of loss generally pass to the customer at the time of control of the product passes to the customer.

Interest income is accrued as earned.

2. Significant Accounting Policies (continued)

(r) Comprehensive Income

Comprehensive income is the change in equity (net assets) of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners. Comprehensive income is comprised of net income for the period and other comprehensive income. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize in net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Statement of Operations, Comprehensive Loss and Deficit, nor has the Company accumulated other comprehensive income during the reporting periods.

(s) Loss Per Share

Basic earnings (loss) per share is computed by dividing income (loss) and comprehensive income (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The assumed conversion of outstanding common share options and warrants has an anti-dilutive impact in 2019 and 2018.

(t) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. The amount of the provision is the difference between the asset`s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

A previously recognized impairment loss may be reversed, to the extent of previously recorded losses, if the asset subsequently recovers.

2. Significant Accounting Policies (continued)

(t) Impairment (continued)

Non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Indications of impairment such as significant decrease in its market price, evidence of obsolescence and physical damage, carrying amount of the net assets is more than its market capitalization, or significant adverse change in use.

Where the carrying value of an asset exceeds its recoverable amount, which is the greater of value in use and fair value less disposal costs, the asset is written down accordingly. If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down and the impairment loss is recognized in the Statement of Operations, Comprehensive Loss and Deficit.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the smallest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

A previously recognized impairment loss may be reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset. If this is the case, the carrying amount of the asset is increased to its recoverable amount and is recognized in the Statement of Operations, Comprehensive Loss and Deficit. The increased amount cannot exceed the carrying amount that would have been determined had no impairment been recognized for the asset.

3. Investments - FVTPL

The Company holds securities that have been designated as fair value through profit or loss (FVTPL) as follows:

	March 31, 2019		March 31, 2018	
	Market Value	Cost	Market Value	Cost
Long-term:				
Common shares in public companies	$76,128	$620,126	$124,286	$625,726

Market value is based on the quoted closing bid price of the securities at March 31, 2019 and 2018. The fair value of these securities may differ from the quoted trading price due to the effect of market fluctuations and adjustment for quantities traded.

4. Exploration and Evaluation Assets

Year Ending March 31, 2019

	Dogpaw Lake (a)	West Cedartree (b)	North Block (c)	Tib Lake (d)	Pakeagama Lake (e)	Dubenski (f)	Total
Acquisition costs							
Balance at April 1, 2018	$ -	$ -	$ -	$ -	$ 426,250	$ -	$ 426,250
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Balance at March 31, 2019	-	-	-	-	426,250	-	426,250
Deferred exploration costs							
Balance at April 1, 2018	-	-	-	-	7,830,870	-	7,830,870
Additions	-	-	-	-	2,495,057	-	2,495,057
Disposals	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Balance at March 31, 2019	-	-	-	-	10,325,927	-	10,325,927
	$ -	**$ -**	**$ -**	**$ -**	**$10,752,177**	**$ -**	**$10,752,177**

4. Exploration and Evaluation Assets (continued)

Year Ending March 31, 2018

	Dogpaw Lake (a)	West Cedartree (b)	North Block (c)	Tib Lake (d)	Pakeagama Lake (e)	Dubenski (f)	Total
Acquisition costs							
Balance at April 1, 2017	$ -	$ -	$ -	$ -	$ 426,250	$ -	$ 426,250
Additions	-	-	-	-	-	-	-
Dispositions (Note 4g)	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Balance at March 31, 2018	-	-	-	-	426,250	-	426,250
Deferred exploration costs							
Balance at April 1, 2017	-	-	-	-	5,098,652	-	5,098,652
Additions	-	-	-	-	2,732,218	-	2,732,218
Dispositions (Note 4g)	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Balance at March 31, 2018	-	-	-	-	7,830,870	-	7,830,870
	$ -	**$ -**	**$ -**	**$ -**	**$ 8,257,120**	**$ -**	**$ 8,257,120**

4. Exploration and Evaluation Assets (continued)

(a) Dogpaw Lake Property – Kenora, Ontario

The Dogpaw Lake Gold Property is located adjacent to the Company's West Cedartree Property. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g).

(b) West Cedartree Property – Kenora, Ontario

The West Cedartree Gold Property is located in the Cedartree Lake area within the Kenora Mining District of Ontario, Canada. The property consists of four (4) parts: the Jesse (North) Property, the West Cedartree Property, the McLennan Property and the Dogpaw West and Gold Sun Properties. All four are contiguous and considered as one property for exploration purposes.

Jesse (North) Property

The Company held a 100% interest in the Jesse (North) Property. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g).

West Cedartree Property

The Company held a 100% interest in the West Cedartree Property. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g). The Company holds a net smelter royalty (NSR) of 2.5% of net smelter returns from this property.

McLennan Property

The Company held a 100% interest in the McLennan Property. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g).

Dogpaw West and Gold Sun Properties

The Company held a 100% interest in the Dogpaw West and the Gold Sun properties. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g).

(c) North Block – Kenora, Ontario

The Company held a 100% interest in North Block Gold Property in the Cedartree Lake area within the Kenora Mining District of Ontario, Canada. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g).

4. Exploration and Evaluation Assets (continued)

(d) Tib Lake – Thunder Bay, Ontario

The Company held a 100% interest in the Tib Lake PGM Property located in the Thunder Bay Mining District of Ontario. In May of 2012, the Company optioned the property (see Notes and 4g).

(e) Pakeagama Lake - Red Lake, Ontario

Pakeagama Lake Property

The Company has a 100% interest in the Pakeagama Lake Property. The 100% ownership interest is subject to a 2.5% NSR subject to a 1.0% buyout provision.

The Company entered into an exploration agreement with three First Nations and has committed to make certain payments (see Note 12).

Pakeagama Lake Southeast Property

The Company has a 100% interest in the Pakeagama Lake Southeast Property. The 100% ownership interest is subject to a 2.5% NSR subject to a 1.0% buyout provision. During fiscal year 2015, the Company issued 100,000 common shares and paid $30,000 to two arms length individuals. The Company will issue 100,000 common shares and pay $35,000 in the next fiscal year without exploration expenditure guarantees to earn a 100 percent interest from the two individuals.

The Company entered into an exploration agreement with three First Nations and has committed to make certain payments (see Note 12).

(f) Dubenski Property – Kenora, Ontario

The Company had a 100% option interest in Dubenski Gold Property. The property is located adjacent the West Cedartree properties in the Kenora Mining District of Ontario. In January 2013, the Company sold its interest in this property to an arm's length purchaser (see Note 4g).

4. Exploration and Evaluation Assets (continued)

In January of 2013, the Company optioned the following properties to an arm's length party: Dogpaw Lake, West Cedartree (Jesse, West Cedartree, McLennan, Dogpaw West and Gold Sun), North Block, and Dubenski.

The Company maintains a 2.5% net smelter royalty (NSR) on net smelter returns from the West Cedartree property.

(g) Optioning and Sale of Properties

In May of 2012, the Company optioned the Tib Lake property to an arm's length party. The company received $450,000 in previous years. At the end of the current year, the Company is owed $nil. The purchaser is required to spend $1,600,000 on mineral exploration prior to exercising the option. Once the option is exercised, the Company will maintain a 2.5% net smelter royalty on certain mining claims. The purchaser has the option to buy back 1% of the net smelter royalty for $1,000,000.

A summary of the required cash payments are as follows:

Cash Payments	Due Date
$40,000	signing of Letter of Intent (received fifth prior year)
50,000	six month anniversary of signing of LOI (received fourth prior year)
50,000	first anniversary of signing of LOI (received fourth prior year)
60,000	second anniversary of signing of LOI (received third prior year)
100,000	third anniversary of signing of LOI (received in the second prior year)
150,000	fourth anniversary of signing of LOI (received in the prior year)
$450,000	

5. Property, Plant and Equipment

Year Ending March 31, 2019

	Exploration Equipment	Furniture and Fixtures	Vehicles	Computer Equipment	Computer Software	Total
Cost						
Cost at April 1, 2018	$ 53,705	$ 26,091	$ 53,911	$ 55,626	$ 65,330	$ 254,663
Additions	15,100	7,389	146,348	22,501	9,800	201,138
Disposals	-	-	-	-	-	-
Cost at March 31, 2019	68,805	33,480	200,259	78,127	75,130	455,801
Accumulated depreciation						
Balance at April 1, 2018	38,146	24,356	31,457	54,213	25,523	173,695
Disposals	-	-	-	-	-	-
Depreciation for year	6,932	1,086	28,688	6,952	9,595	53,253
Balance at March 31, 2019	45,078	25,442	60,145	61,165	35,118	226,948
Net book value	**$ 23,727**	**$ 8,038**	**$ 140,114**	**$ 16,962**	**$ 40,012**	**$ 228,853**

5. Property, Plant and Equipment (continued)

Year Ending March 31, 2018

	Exploration Equipment	Furniture and Fixtures	Vehicles	Computer Equipment	Computer Software	Total
Cost						
Cost at April 1, 2017	$ 48,156	$ 26,091	$ 53,911	$ 55,626	$ 65,330	$ 249,114
Additions	5,549	-	-	-	-	5,549
Disposals	-	-	-	-	-	-
Cost at March 31, 2018	53,705	26,091	53,911	55,626	65,330	254,663
Accumulated depreciation						
Balance at April 1, 2017	32,667	23,922	21,834	52,526	15,571	146,520
Disposals	-	-	-	-	-	-
Depreciation	5,479	434	9,623	1,687	9,952	27,175
Balance at March 31, 2018	38,146	24,356	31,457	54,213	25,523	173,695
Net book value	**$ 15,559**	**$ 1,735**	**$ 22,454**	**$ 1,413**	**$ 39,807**	**$ 80,968**

6. Income Taxes

The Company has $9,455,559 (2018 - $8,175,797) of non-capital losses available to offset future income for tax purposes. The non-capital losses will expire as follows:

2026	$ 108,637
2027	289,132
2028	577,844
2029	662,731
2030	595,436
2031	802,655
2032	824,860
2033	531,395
2034	481,005
2035	543,729
2036	941,773
2037	937,839
2038	878,761
2039	1,279,762
	$ 9,455,559

The deferred tax liability and asset calculated using a tax rate expected to be recovered or settled of 26.5% (2018 - 26.5%) is as follows:

	2019	2018
Deferred tax liability		
Investment in exploration and evaluation assets	**$ 1,133,021**	$ 670,167
Deferred tax asset		
Property, plant and equipment	**(63,177)**	(49,065)
Undeducted share issuance costs	**(36,574)**	(13,816)
Undeducted non-capital losses	**(2,505,723)**	(2,166,586)
Valuation allowance	**1,472,453**	1,559,300
Net deferred tax liability	**$ -**	$ -

6. Income Taxes (continued)

The Company's effective tax rate, which differs from the combined federal and provincial statutory rate of 26.5% (2018 - 26.5%), is reconciled as follows:

	2019	2018
Loss before income taxes	**$ (1,761,967)**	$ (3,772,317)
Income tax recovery @ 26.5%	**(466,921)**	(999,664)
Unrealized loss (gain) on investments - FVTPL	**11,185**	(1,526)
Realized loss on investments	**196**	1,503
Loss on extinguishment of debt	**7,345**	26,687
Share compensation	**108,003**	739,528
Share issue costs	**(16,104)**	(9,372)
Other	**17,159**	9,974
Valuation allowance	**339,137**	232,870
Current income tax expense (recovery)	**$ -**	$ -
Deferred income tax recovery *	**(118,509)**	-
Income tax recovery	**$ (118,509)**	$ -

* deferred premium on flow-through shares

7. Related Party Balances and Transactions

During the year, the Company incurred the following transactions with a director and companies controlled by directors of the Company:

		2019		2018
Consulting	**$**	**250,000**	$	250,000
Investment in exploration and evaluation assets		**57,700**		183,461
Office rental		**9,000**		9,000
Key management personnel		**160,000**		-

Included in stock option compensation is $407,557 (2018 - $2,790,671) granted to directors, employees and consultants of the Company (Note 8e).

During the year, no stock options were granted to corporate directors or officers. In the prior year, the Company granted 3,640,000 stock options to corporate directors and 1,550,000 stock options to corporate officers.

The debt settlement for the year was $104,792 (2018 - $282,500) (Note 8f) to a corporation controlled by a director of the company.

Included in accounts payable is $74,284 (2018 - $225,582) owing to companies controlled by a director and $- (2017 - $12,000) to a company controlled by an officer.

These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for services.

8. Share Capital

(a) Authorized

Unlimited number of common voting shares without nominal or par value
Unlimited number of first preferred shares
Unlimited number of second preferred shares

The First and Second Preferred Shares may be issued in one or more series. The Directors are authorized to fix the number of shares of each series to determine the designation, rights privileges, restrictions, and conditions attached to the shares of each series.

8. Share Capital (continued)

(b) Issued - common voting shares

	Shares	Amount
Balance at March 31, 2017	128,964,359	20,396,766
Exercise of options[a,c,f,h,j,m,n,o,r]	3,090,000	672,630
Exercise of warrants[b,d,g,i,p,q]	4,893,266	1,669,678
Private placement[m]	2,267,951	907,180
Less: Value of warrants		(246,288)
Less: Share issue costs - cash		(12,776)
- warrants		(6,467)
Shares to settle debt[e,k]	1,114,797	312,250
Loss on extinguishment of debt[e,k]		100,705
Balance at March 31, 2018	140,330,373	23,793,678
Exercise of options[t,u,y,z,aa]	1,539,375	368,894
Private placements[v,w,x]	9,969,770	4,099,008
Add: Value of shares issued to brokers	117,900	47,160
Less: Value of warrants		(764,874)
Less: Share issue costs - cash		(146,647)
Less: Share issue costs - warrants		(27,810)
Less: Flow-through premium		(145,020)
Shares to settle debt[s]	261,979	104,792
Loss on extinguishment of debt[s]		27,717
Balance at March 31, 2019	152,219,397	27,356,898

(a) In April 2017, 400,000 options were exercised to buy 400,000 common shares of the Company.

8. Share Capital (continued)

(b) In May 2017, 1,207,207 warrants were exercised to buy 1,207,207 common shares of the Company.

(c) In May 2017, 166,667 options were exercised to buy 166,667 common shares of the Company.

(d) In June 2017, 2,460,275 warrants were exercised to buy 2,460,275 common shares of the Company.

(e) In June 2017, the Company issued 882,813 common shares to settle $282,500 of debt. The company incurred a loss on extinguishment of $26,485.

(f) In July 2017, 100,000 options were exercised to buy 100,000 common shares of the Company.

(g) In August 2017, 251,927 warrants were exercised to buy 251,927 common shares of the Company.

(h) In September 2017, 200,000 options were exercised to buy 200,000 common shares of the Company.

(i) In September 2017, 876,523 warrants were exercised to buy 876,523 common shares of the Company.

(j) In October 2017, 83,333 options were exercised to buy 83,333 common shares of the Company.

(k) In November 2017, the Company issued 231,984 common shares and 231,984 warrants to settle $92,794 of debt. The company incurred a loss on extinguishment of $74,220.

(l) In November 2017, the Company completed a non-brokered private placement financing. The Company issued 2,267,951 units at $0.40 per unit for total gross proceeds of $907,180. Each unit consisted of one common share and one half of one share purchase warrant, each warrant exercisable at $0.30 for eighteen months. The fair value attributed to the 1,932,463 share purchase warrants is estimated to be $157,462 using the Black-Scholes option pricing model (see below).

(m) In December 2017, 150,000 options were exercised to buy 150,000 common shares of the Company.

(n) In January 2018, 1,550,000 options were exercised to buy 1,550,000 common shares of the Company.

(o) In February 2018, 400,000 options were exercised to buy 400,000 common shares of the Company.

(p) In February 2018, 47,850 warrants were exercised to buy 47,850 common shares of the Company.

8. Share Capital (continued)

(q) In March 2018, 49,484 warrants were exercised to buy 49,484 common shares of the Company.

(r) In March 2018, 40,000 options were exercised to buy 40,000 common shares of the Company.

(s) In April 2018, the company issued 261,979 shares of the company to one non-arm's length party to settle $104,792 of debt. The company incurred a loss on extinguishment of $27,717.

(t) In April 2018, 850,000 options were exercised to buy 850,000 common shares of the company for $123,250 ($0.145 each).

(u) In April 2018, 39,375 options were exercised to buy 39,375 common shares of the company for $15,750 ($0.40 each).

(v) In June 2018, the company completed a non-brokered private placement financing. The company issued 5,880,969 units at $0.40 per unit for total gross proceeds of $2,352,388. Each unit consisted of one common share and one share purchase warrant, each warrant exercisable at $0.60 for twenty-four months. The fair value attributed to the 5,880,969 share purchase warrants was estimated to be $566,000 using the Black-Scholes pricing model.

The company issued 117,900 common shares to a broker as a finder fee valued at $47,160. In addition, the company issued 117,900 warrants valued at $16,810 using the Black-Scholes pricing model. The company also issued 27,000 warrants to two other parties valued at $3,850 in connection with the financing.

The assumptions used in the Black-Scholes model are as follows: risk free rate 1.04% and volatility 73.274%.

(w) In September 2018, the company completed a non-brokered private placement financing. The company issued 1,466,182 units at $0.44 per unit for total gross proceeds of $645,120. Each unit consisted of one flow-through common share and one half of one share purchase warrant, each warrant exercisable at $0.55 for twenty-four months. The fair value attributed to the 733,091 share purchase warrants is estimated to be $90,100 using the Black-Scholes option pricing model.

The assumptions used in the Black-Scholes model are as follows: risk free rate 1.38% to 1.40% and volatility 71.182%.

8. Share Capital (continued)

(x) In December 2018, the company completed a non-brokered private placement financing. The company issued 2,622,619 units at $0.42 per unit for total gross proceeds of $1,101,500. Each unit consisted of one flow-through common share and one half of one share purchase warrant, each warrant exercisable at $0.50 for eighteen months. The fair value attributed to the 1,311,309 share purchase warrants is estimated to be $108,774 using the Black-Scholes option pricing model.

The assumptions used in the Black-Scholes model are as follows: risk free rate 1.63% and volatility 75.061%.

The company issued 146,614 warrants valued at $7,152 as finder fees using the Black-Scholes pricing model.

(y) In December 2018, 100,000 options were exercised to buy 100,000 common shares of the company for $10,000 ($0.10 each).

(z) In January 2019, 350,000 options were exercised to buy 350,000 common shares of the company for $35,000 ($0.10 each).

(aa) In February 2019, 200,000 options were exercised to buy 200,000 common shares of the company for $20,000 ($0.10 each).

(c) Warrants Outstanding

Balance at April 1, 2017	4,795,932
Warrants issued during the year	2,524,376
Warrants expired during the year	-
Warrants exercised during the year	(4,893,266)
Balance at March 31, 2018	2,427,042
Warrants issued during the year	8,216,883
Warrants expired during the year	-
Warrants exercised during the year	-
Balance at March 31, 2019	10,643,925

8. Share Capital (continued)

Expiry Date	Exercise Price	Number of Warrants
May 10, 2019	0.64	231,984
May 13, 2019	0.64	2,195,058
June 4, 2020	0.60	6,025,869
August 27, 2020	0.55	153,409
August 30, 2020	0.55	284,091
September 7, 2020	0.55	11,500
September 10, 2020	0.55	284,091
June 19, 2021	0.50	1,311,309
June 19, 2021	0.48	146,614
		10,643,925

8. Share Capital (continued)

The Black-Scholes model was used to value warrants issued under private placements. The assumptions used to calculate the warrant values are listed in the table below:

	Year Ending March 31, 2019	Year Ending March 31, 2018
Risk free interest rate	1.04% to 1.63%	0.84%
Dividend yield	0%	0%
Volatility factor	71% to 75%	70%
Expected option life	1.5 to 2 years	1.5 years

(d) Stock Based Compensation

The Company has a share option plan under which options to purchase common shares may be granted by the Board of Directors to directors, officers and employees of the Company and private corporations for terms of up to five years at a price not to exceed that permitted by any stock exchange on which the Company's shares are listed. The maximum number of options available for grant under the plan is 10% of the issued and outstanding shares with no more than 5% granted to any one director.

(e) Options Outstanding

The following is a summary of the options outstanding at March 31, 2019, which have been granted by the Board of Directors:

Expiry Date	Option Price	Number of Options
April 15, 2019	0.10	600,000
November 11, 2019	0.135	450,000
July 8, 2020	0.19	2,050,000
January 7, 2021	0.16	200,000
April 28, 2021	0.24	500,000
October 31, 2022	0.40	1,927,292
November 9, 2022	0.50	893,333
March 27, 2023	0.50	3,890,000
June 21, 2023	0.45	839,375
November 7, 2023	0.40	500,000
		11,850,000

8. Share Capital (continued)

	Options		Weighted Average Exercise Price
Balance at April 1, 2017	8,350,000	$	0.13
Options granted during year	6,790,000		0.47
Options exercised in year	(3,090,000)		0.13
Balance at March 31, 2018	12,050,000		0.33
Options granted during year	1,339,375		0.43
Options exercised in the year	(1,539,375)		0.13
Balance at March 31, 2019	11,850,000	$	0.37

During the year, 1,339,375 (2018 - 6,790,000) in stock options were issued to directors, employees and consultants of the Company. Using the Black-Scholes option pricing model with the following assumptions : the average fair value of each option granted is approximately $0.41 (2018 - $0.41). Stock-based compensation of $407,557 (2018 - $2,790,671) was recognized in the year (stock option compensation) and credited to Contributed Surplus.

The weighted average of the remaining contractual life of options outstanding at March 31, 2019 was 3 years.

8. Share Capital (continued)

The assumptions used in the Black-Scholes model are as follows:

	Year Ending March 31, 2019	Year Ending March 31, 2018
Risk free interest rate	1.04%-1.64%	0.84%-1.09%
Dividend yield	0%	0%
Volatility factor	99% - 105%	114% - 121%
Expected option life	5 years	5 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

(f) Debt Settlement

During the period, the company issued 261,979 shares to settle $104,792 of debt owing to a company controlled by a director.

9. Cash Restricted for Flow Through Expenditures

Flow-Through common shares require the Company to spend an amount equivalent to the proceeds of the issued Flow-Through common shares on Canadian (Flow-Through) qualifying exploration expenditures. As at March 31, 2019, the Company's remaining cash with respect to unspent resource expenditures under flow-through common share agreements is $90,101 (2018– $-), which is held as restricted cash.

10. Capital Management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the year ended March 31, 2019.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages the mineral properties and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

11. Financial Risk Factors

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objective of the Company’s risk management processes is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed to are described below:

Credit Risk

Credit risk is the risk of loss associated with a counter party’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. Cash and cash equivalents consists of cash on hand deposited with reputable financial institutions which is closely monitored by management. Accounts receivable includes HST receivable and is subject to CRA’s assessment prior to receipt. Management believes credit risk with respect to cash and cash equivalents and accounts receivable is low.

Liquidity Risk

The Company ensures that there is sufficient cash and other short-term assets readily convertible into cash in order to meet its liabilities when they come due. The Company’s cash is held in business accounts with a Canadian bank. Management believes that liquidity risk is low.

11. Financial Risk Factors (continued)

Fair Value

The carrying value of cash and cash equivalents, HST receivable and other receivables, accounts payable and accrued liabilities, and due to related party approximate their fair value due to the relatively short periods to maturity of these instruments.

All financial instruments that are measured at fair value are categorized into one of three hierarchy levels, as described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities.

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the comparable asset or liability, either directly or indirectly.
Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments

The Corporation's only instruments that are carried at fair value are cash and cash equivalents, cash restricted for flow-through expenditures, and investments - FVTPL each of which is considered Level 1 in the hierarchy.

Interest Rate Risk

The Company’s cash is held in business accounts with nominal interest rates. Management considers interest rate risk to be low. The Company's loans bear interest at a variable interest rate. Interest on these loans could change due to changes in the market interest rate.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company retains a US Bank Account with a nominal balance. Management considers currency risk to be low.

Commodity Price Risk

Commodity prices fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

11. Financial Risk Factors (continued)

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes that a 10% movement in interest rates and foreign exchange rates that may reasonably be expected to occur over the next twelve month period will not have a significant impact on the Company.

12. Commitments

The Company entered into agreements with three First Nations communities that neighbour the PAK Lithium Project properties for the purpose of ongoing exploration. Obligations to date have been accrued.