Prime Mining Corp.

(formerly ePower Metals Inc.)

Consolidated Financial Statements

Year Ended April 30, 2019

Expressed in Canadian Dollars

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Prime Mining Corp. (formerly ePower Metals Inc.) (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2019 and 2018, and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes 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 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 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 the 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 judgment 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 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 David Harris.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

August 28, 2019

Contents

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

	Notes	April 30, 2019	April 30, 2018
		$	$
ASSETS			
Current assets			
Cash		6,244	1,177,271
Receivables	5	18,967	32,452
Prepaid expenses		17,267	20,221
Total current assets		42,478	1,229,944
Non-current assets			
Deposits		33,640	33,640
Prepaid exploration and evaluation advance		1,693	-
Exploration and evaluation assets	6	5,693,906	4,543,387
Equipment	7	64,458	51,180
Total non-current assets		5,793,697	4,628,207
Total assets		5,836,175	5,858,151
LIABILITIES			
Current liabilities			
Payables and accruals		488,864	68,999
Advances from related party	9	40,000	-
Loan payable	10	201,345	-
Current lease liability	12	4,443	3,190
Total current liabilities		734,652	72,189
Non-current liabilities			
Non-current lease liability	12	10,346	14,789
Total liabilities		744,998	86,978
SHAREHOLDERS' EQUITY			
Share capital	13	37,930,033	37,442,533
Reserves	13	4,383,164	4,209,714
Deficit		(37,222,020)	(35,881,074)
Total shareholders' equity		5,091,177	5,771,173
Total liabilities and shareholders' equity		5,836,175	5,858,151

Nature and continuance of operations (note 1)
Commitment (note 20)
Subsequent events (note 23)

These consolidated financial statements are approved by the Board of Directors on August 28, 2019:

"Andrew Bowering" Director — *"Gregory Liller"* Director
Andrew Bowering — Gregory Liller

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

For the year ended April 30,	Notes	2019	2018
		$	$
General and administrative expenses			
Depreciation	7	19,357	2,331
Consulting services		-	17,800
Foreign exchange		14,502	-
Investor relations		64,365	80,827
Loan interest		1,252	8,480
Personnel	17	367,847	125,892
Property investigation and due diligence		220,191	181,256
Professional fees		55,631	75,130
Office		36,178	15,020
Rent		144,874	35,807
Regulatory and shareholder services		57,544	34,509
Share-based compensation	14	175,950	957,050
Travel		5,652	18,944
		(1,163,343)	(1,553,046)
Interest income		39	39
Forgiveness of debt		-	3,752
Gain on debt settlement		-	15,000
Recovery of rent and administrative expenses		97,123	19,473
Geological services		19,486	-
Settlement of flow-through share premium liability		-	7,348
Impairment of exploration and evaluation assets	6	(294,251)	(21,775)
Loss and total comprehensive loss for the year		(1,340,946)	(1,529,209)
Loss per share - basic and diluted	16	(0.08)	(0.15)
Weighted average common shares outstanding - basic and diluted	16	17,186,972	10,002,021

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

	Common Shares	Share Capital $	Equity Component of Convertible Debenture $	Reserves $	Deficit $	Shareholders' Equity (Deficiency) $
Balance - April 30, 2017	4,500,809	30,973,775	8,560	3,214,264	(34,351,865)	(155,266)
Private placements, net of share issue costs	8,487,991	2,034,286	-	91,900	-	2,126,186
Stock options exercised	425,000	137,500	-	(52,500)	-	85,000
Warrants exercised	100,438	31,132	-	(1,000)	-	30,132
Flow-through share premium	-	(6,060)	-	-	-	(6,060)
Share-based compensation	-	-	-	957,050	-	957,050
Shares issued for debt settlement	500,000	85,000	-	-	-	85,000
Shares issued for property acquisition	2,750,000	4,125,000	-	-	-	4,125,000
Shares issued for convertible debenture	200,000	61,900	(8,560)	-	-	53,340
Loss for the year	-	-	-	-	(1,529,209)	(1,529,209)
Balance - April 30, 2018	16,964,238	37,442,533	-	4,209,714	(35,881,074)	5,771,173
Stock options exercised	20,000	6,500	-	(2,500)	-	4,000
Warrants exercised	127,500	38,250	-	-	-	38,250
Shares issued for property acquisition	1,262,500	442,750	-	-	-	442,750
Share-based compensation	-	-	-	175,950		175,950
Loss for the year	-	-	-	-	(1,340,946)	(1,340,946)
Balance - April 30, 2019	18,374,238	37,930,033	-	4,383,164	(37,222,020)	5,091,177

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

For the year ended April 30,	2019	2018
	$	$
Cash provided by (used in):		
Operating Activities:		
Loss for the year	(1,340,946)	(1,529,209)
Adjustments for:		
Depreciation	19,357	2,331
Interest income	(39)	(39)
Interest expense	1,252	8,480
Gain on settlement of debt	-	(15,000)
Forgiveness of debt	-	(3,752)
Share-based compensation	175,950	957,050
Impairment of exploration and evaluation assets	294,251	21,775
Flow-through share premium	-	(7,348)
Shares issued - property investigation	5,250	-
Changes in non-cash working capital items		
Receivables	28,243	(31,424)
Prepaid expenses	2,954	(20,221)
Deposits	-	(33,640)
Payables and accruals	(16,696)	47,883
Cash used in operating activities	(830,424)	(603,114)
Financing Activities:		
Shares issued for cash	42,250	2,316,290
Share issue costs	-	(74,972)
Advance from related party	40,000	-
Loan repaid	-	(61,650)
Repayment of lease liability	(3,190)	(740)
Interest paid	(1,252)	(3,616)
Repayment of advances from related parties	-	(5,000)
Cash provided by financing activities	77,808	2,170,312
Investing Activities:		
Exploration and evaluation assets	(390,912)	(390,162)
Purchase of equipment	(32,635)	(35,024)
Cash aquired	5,097	-
Interest received	39	39
Cash used in investing activities	(418,411)	(425,147)
Net increase (decrease) in cash	(1,171,027)	1,142,051
Cash, beginning of year	1,177,271	35,220
Cash, end of year	6,244	1,177,271

Supplemental disclosure with respect to cash flows (note 18)

1. Nature and continuance of operations

Prime Mining Corp. (formerly ePower Metals Inc.) (the "Company") acquires, explores and develops interests in mineral projects. The Company's shares are traded on the TSX Venture Exchange ("TSXV" or the "Exchange"). The Company is engaged in mineral exploration with a focus on properties bearing high-value and specialty metals. Effective August 27, 2019, the Company consolidated on a one-for-two basis. All share and per share amounts have been restated accordingly.

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

The subsidiaries of the Company during the year were:

Name of Company	**Jurisdiction**	**Operating status**
Exploracion Auramex SA de CV ("Auramex")	Mexico	Magenta project
ePower Metals SA de CV	Mexico	Holding mineral claims
Argus Metals (BGI) Inc.	Barbados	Inactive
ePower Metalen	Suriname	Inactive
EVX Portugal Unipessoal, LDA	Portugal	Sold

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

The Company has not generated revenue from operations. The Company recorded a loss of $1,340,946 during the year ended April 30, 2019 and, as of that date the Company's deficit was $37,222,020. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $6,244 at April 30, 2019, but subsequently completed a financing that raised gross proceeds of $8,715,398 (note 23) that will be sufficient to maintain operations for at least the next 12 months.

2. Basis of preparation

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), by the International Accounting Standards Board (the "IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applies to these consolidated financial statements are based on the IFRSs in effect as of April 30, 2019.

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

2. Basis of preparation (continued)

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

These consolidated financial statements are authorized for issue by the Board of Directors on August 28, 2019.

Basis of consolidation

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

Foreign currency transactions

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

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

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

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

3. Summary of Significant Accounting Policies

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

3. Summary of Significant Accounting Policies (continued)

a) Cash and Cash Equivalents

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

b) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

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

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

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

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

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

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

c) Reclamation Deposits

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are recorded at amortized cost.

3. Summary of Significant Accounting Policies (continued)

d) Equipment

Recognition and Measurement

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

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

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

Subsequent Costs

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

Major Maintenance and Repairs

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

Gains and Losses

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

Depreciation

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

Computer equipment and software	30% - 100% declining balance
Office furnishings and equipment	20% declining balance
Mining equipment	20% declining balance

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

3. Summary of Significant Accounting Policies (continued)

e) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

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

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

f) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through comprehensive income (loss) (“FVTOCI”), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 30 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification in IAS 39**	**New classification in IFRS 9**
Cash	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Payables and accrued liabilities	Other financial liabilities	Amortized cost
Advances from related party	Other financial liabilities	Amortized cost
Current lease liability	Other financial liabilities	Amortized cost

The Company did not restate prior periods and determined that the adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on May 1, 2018.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. Summary of Significant Accounting Policies (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recognized at fair value and transaction costs are expensed in profit of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An "expected credit loss" impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follow: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit and loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains or losses on the Derecognition are generally recognized in the consolidated statements of comprehensive loss.

g) Provisions

Rehabilitation Provision

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

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

3. Summary of Significant Accounting Policies (continued)

Other Provisions

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

h) Income Taxes

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

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

i) Share Capital

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

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

j) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments

3. Summary of Significant Accounting Policies (continued)

k) Flow-through Shares

The Company may from time to time, issue flow-through common shares to finance some of its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognised as other income and the related deferred tax is recognized as a tax provision.

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

l) Earnings / Loss Per Share

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

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

m) Share-based Payments

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

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

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

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

3. Summary of Significant Accounting Policies (continued)

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

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

n) New accounting standards issued and effective

Certain pronouncements, issued by the IASB or the IFRS Interpretations Committee, were adopted during the period, or were mandatory for the Company's fiscal periods beginning on or after April 1, 2018.

The Company adopted all of the requirements of IFRS 9 – *Financial Instruments* ("IFRS 9") as of May 1, 2018. IFRS 9 replaces IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

IFRS 15 – Revenue Recognition

The IASB issued IFRS 15, which was effective for the Company beginning on May 1, 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time and over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company adopted this standard on May 1, 2018, using the retrospective approach. The adoption of IFRS 15 did not have an impact on the Company's consolidated financial statements and there was no transitional adjustment recorded on adoption.

o) New accounting standards issued and not yet effective

IASB or the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting years beginning on or after May 1, 2019. None of these are expected to be relevant to the Company's financial statements, except the following:

3. Summary of Significant Accounting Policies (continued)

IFRS 16 - Leases

IFRS 16 - Leases specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring that lessees recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and will be applicable to the Company's fiscal year beginning May 1, 2019, although early adoption is permitted. Adoption of IFRS 16 will result in the Company recording a right-of-use asset and a corresponding lease liability estimated at approximately $200,000 on its statement of financial position. Although the related interest and amortization expenses will not be the same as the monthly lease payments, the differences will not be material.

There are no other pending IFRSs or IFRIC interpretations that are expected to be relevant to the Company's financial statements.

4. Critical Accounting Estimates and Judgements

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

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

Information about such judgements and estimates is contained in the description of accounting policies (note 3) and other notes to the financial statements. Management has made the following critical accounting judgements and estimates:

Critical judgments in applying accounting policies

Exploration and Evaluation Expenditures

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

4. Critical Accounting Estimates and Judgements (continued)

Key sources of estimation Uncertainty

Rehabilitation Provisions

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

Income tax

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

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

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 14.

5. Receivables

The Company's receivables consist of the following:

At April 30,	2019	2018
	$	$
Trade receivables	20,270	22,541
Allowance for doubtful account	(3,440)	(3,440)
GST/HST - value added tax	2,137	13,351
Total	18,967	32,452

6. Exploration and evaluation assets

	April 30, 2017	Expenditures	Impairment	April 30, 2018	Expenditures	Impairment	April 30, 2019
	$	$		$	$	$	
Magenta Project	-	-	-	-	1,068,526	-	1,068,526
Panther Creek	-	4,470,617	-	4,470,617	154,763	-	4,625,380
Brokopondo	-	-	-	-	221,481	(221,481)	-
Split Dome	-	21,775	(21,775)	-	-	-	-
Ike Block	50,000	22,770	-	72,770	-	(72,770)	-
	50,000	4,515,162	(21,775)	4,543,387	1,444,770	(294,251)	5,693,906

Magenta Project, Sinaloa Mexico

In March 2019, the Company acquired the Magenta gold project in Sinaloa, Mexico through the purchase of Auramex (note 8). The Magenta gold project comprises four claims held by Auramex and are not subject to any royalties.

	Magenta
	$
Balance April 30, 2018	-
Acquired (note 8)	1,054,096
Expenditures	14,430
Balance April 30, 2019	1,068,526

Panther Creek – Idaho

In October 2017, the Company entered into a mineral property option agreement with Utah Mineral Resources, LLC ("UMR") to earn up to a 100% interest in the Panther Creek cobalt project located in the Idaho cobalt belt. To earn an initial 50% interest in the property, the Company paid US$25,000 ($32,025) upon signing and, in December 2017, paid an additional US$150,000 ($193,875) in cash and issued 2,750,000 common shares with fair value of $4,125,000.

6. Exploration and evaluation assets (continued)

With effect from October 22, 2018, the Company and UMR amended the terms of the option agreement to defer project milestones. As amended, to earn 100% interest in the property the Company must make additional payments and expenditures:

a) paying an additional US$150,000, in cash or shares at the Company's option, and incurring at expenditures of least US$75,000 on the property by October 23, 2019 (incurred);
b) paying an additional US$150,000, in cash or shares at the Company's option, and incurring additional expenditures of at least US$100,000 on the property by October 23, 2020; and
c) incurring further additional expenditures of at least US$200,000 on the property by October 23, 2021.

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

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

	Panther Creek
	$
Balance, April 30, 2017	-
Acquisition	
Cash	262,229
Shares issued	4,125,000
Contractors	33,760
Environmental	822
Geochemistry	17,696
Land maintenance	26,282
Travel and accomodation	4,828
Balance April 30, 2018	4,470,617
Contractors	40,340
Environmental	4,358
Field supplies	8,143
Geochemistry	23,915
Geologic mapping	25,773
Helicopter	4,109
Land maintenance	43,211
Project moboliztion	895
Travel and accomodation	4,019
Balance April 30, 2019	4,625,380

6. Exploration and evaluation assets (continued)

Brokopondo, Suriname

In August 2018, the Company acquired a 100% interest in the Brokopondo Cobalt Project in Suriname, South America. In January 2019, the Company concluded that changes in local political and social conditions meant that it would not be not feasible to advance the project. Accordingly the Company terminated exploration and wrote off accumulated expenditures.

	Brokopondo
	$
Balance April 30, 2018	-
Contractors	106,935
Drilling and metalllurgical testing	15,736
Field supplies	32,633
General administration	2,232
Geochemistry	3,558
Geologic mapping	891
Imagery	2,988
Travel and accomodation	56,508
Impairment	(221,481)
Balance April 30, 2019	-

Split Dome

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

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

	Split Dome
	$
Balance, April 30, 2017	-
Acquisition - staking	8,361
Contractors	9,300
Drilling and metalllurgical testing	760
Field supplies	1,550
Travel and accomodation	1,804
Impairment	(21,775)
Balance April 30, 2018 and 2019	-

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

6. Exploration and evaluation assets (continued)

Ike Block

The Company staked certain claims in the Selwyn Basin in the Yukon Territory of Canada. At October 31, 2018, the Company completed a review of the Ike Block. After considering its exploration properties and business focus, the Company fully impaired the project's carrying value.

	Ike Block
	$
Balance, April 30, 2017	50,000
Contractors	11,800
Field supplies	675
Geochemistry	1,569
Helicopter	5,415
Travel and accomodation	3,311
Balance April 30, 2018	72,770
Impairment	(72,770)
Balance April 30, 2019	-

Connel Creek

In September 2018, the Company acquired the Connel Creek cobalt property in British Columbia for consideration of $5,000 and 12,500 common shares with a value of $5,250. The Company expensed the amounts incurred to property investigation.

7. Equipment

	Computer equipment	Office furnishings	Software	Office equipment	Mining equipment	Total
	$	$	$	$	$	$
Cost						
At April 30, 2017	-	-	-		-	-
Additions	14,695	14,150	6,179	18,487	-	53,511
At April 30, 2018	14,695	14,150	6,179	18,487	-	53,511
Additions	-	-	-	-	32,635	32,635
At April 30, 2019	14,695	14,150	6,179	18,487	32,635	86,146
Accumulated depreciation						
At April 30, 2017	-	-	-		-	-
Charge for the year	589	354	772	616	-	2,331
At April 30, 2018	589	354	772	616	-	2,331
Charge for the year	4,232	2,759	5,407	3,696	3,263	19,357
At April 30, 2019	4,821	3,113	6,179	4,312	3,263	21,688
Net book value						
At April 30, 2018	14,106	13,796	5,407	17,871	-	51,180
At April 30, 2019	9,874	11,037	-	14,175	29,372	64,458

At April 30, 2019, office equipment under capital lease had a cost of $18,487 (2018 - $18,487) and a net book value of $14,175 (2018 - $17,871).

8. Purchase of Auramex

In March 2019, the Company completed the purchase of the issued shares of Auramex for total consideration of $637,390 comprising:

- US$150,000, equivalent to C$199,890 at the closing date, settled through the issuance of debt payable to the vendor (note 10); and
- 1,250,000 common shares with a fair value at the date of grant of $437,500.

The Company treated the acquisition as an asset purchase and allocated the total purchase price of $637,390 as follows:

	$
Cash and receivables	19,855
Mineral property	1,054,096
Accounts payable	(421,277)
Advance from the Company prior to acquisition	(15,284)
Purchase price	637,390

Auramex was acquired from a company controlled by the Company’s CEO.

9. Advances from related party

Advances from related party of $40,000 (2018 - $nil) represent amounts provided by the Company's CEO to fund the Company's operations. These amounts do not bear interest and have no fixed terms of repayment.

10. Loan Payable

(a) The Company partially funded the purchase of Auramex (note 8) through debt of US$150,000 payable to the vendor, Bowering Projects Ltd., a company controlled by the Company's CEO. The debt does not bear interest or have any fixed terms of repayment.

	$
Balance, April 30, 2018	-
Purchase of Auramex	199,890
Changes in exchange rate	1,455
Balance, April 30, 2019	201,345

(b) In June 2016, the Company entered into agreements to convert $150,677 of current liabilities to debt. The debt bore annual interest of 12% and had to be repaid on or before the maturity date of December 2, 2017. Of the amount converted, $123,025 was due to the Company's former president and CEO and $2,000 was due to the Company's CFO. During the year ended April 30, 2017, the Company repaid $5,188 of debt to a non-related party. In May 2017, the Company settled $100,000 of debt with the Company's former president and CEO through the issuance of 500,000 common shares. In October 2017, the Company repaid a further $20,461 of debt to a non-related party which agreed to forgive $3,752 of accrued interest. In December 2017, the Company repaid the remaining outstanding loans.

	$
Balance, April 30, 2017	161,754
Issuance of shares for repayment	(100,000)
Interest accrued	3,648
Repayment	(61,650)
Forgiveness of interest accrued	(3,752)
Balance, April 30, 2018	-

11. Convertible debenture

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

11. Convertible debenture (continued)

In December 2017, the convertible debenture was converted into 200,000 common shares of the Company (note 13).

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

12. Lease liability

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

	$
Balance, April 30, 2017	-
New lease	18,487
Interest	232
Payments	(740)
Balance, April 30, 2018	17,979
Interest	1,252
Payments	(4,442)
Balance, April 30, 2019	14,789

Presentation:	
Current lease liability	4,443
Non-current lease liability	10,346
Total lease liabilty	14,789

13. Share capital and reserves

Authorized capital

Unlimited number of common shares without par value.

Issued capital

18,374,238 common shares at April 30, 2019 (April 30, 2018 – 16,964,238).

13. Share capital and reserves (continued)

Common shares

Effective August 27, 2019, the Company consolidated on a one-for-two basis. All share and per share amounts have been restated accordingly.

Fiscal 2019

In July 2018, 20,000 stock options were exercised at a price of $0.20 per stock option for gross proceeds of $4,000.

In August 2018, 12,500 warrants were exercised at a price of $0.30 per warrant for gross proceeds of $3,750. In November 2018, 52,500 warrants were exercised at a price of $0.30 per warrant for gross proceeds of $15,750. In February 2019, 62,500 warrants were exercised at a price of $0.30 per warrant for gross proceeds of $18,750.

In October 2018, 12,500 common shares were issued with a fair value of $5,250 pursuant to the Connel Creek mineral property option agreement (see note 8).

In March 2019, 1,250,000 common shares were issued with a fair value of $437,500 pursuant to the purchase of Auramex (see note 6).

Fiscal 2018

In May 2017, the Company settled $100,000 of debt with the Company's president and CEO through the issuance of 500,000 common shares at a value of $85,000 resulting in a $15,000 gain on settlement of debt.

In July 2017, the Company closed a private placement and issued 819,000 units at a price of $0.20 per unit and 151,491 flow-through shares at a price of $0.24 per flow-through share for gross proceeds of $200,158. Each unit consists of one common share and one-half of one common share purchase warrant. The Company recognized a flow-through premium liability of $6,060. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.30 per share until July 27, 2019. In connection with the private placement, the Company paid cash commissions totalling $1,925 and issued 17,500 common shares and 27,125 finder's warrants that are exercisable into common shares at $0.30 per share until July 27, 2019. The Company has spent all of the flow-through funds on exploration and there is no outstanding commitment at the financial statement date.

In December 2017 the Company closed two private placements consisting of 5,000,000 units at a price of $0.20 per unit ("First Private Placement") and 2,500,000 units at a price of $0.40 per unit ("Second Private Placement") for gross proceeds of $2,000,000. Each unit consists of one common share and one-half of one common share purchase warrant, of which one whole warrant entitles the holder to purchase one additional common share of the Company until December 7, 2019. The First Private Placement warrants are exercisable at a price of $0.60 per warrant. The Second Private Placement warrants are exercisable at a price of $0.90 per warrant.

In connection with the Second Private Placement, the Company paid cash commissions totalling $37,240 and issued 93,100 finder's warrants, each such finder's warrant entitling the holder to acquire one common share of the Company exercisable at $0.90 per share until December 7, 2019.

13. Share capital and reserves (continued)

In December 2017, the Company issued 2,750,000 common shares with a fair value of $4,125,000 pursuant to the mineral property option agreement with UMR. (see note 6).

In December 2017, the Company issued 200,000 common shares pursuant to a convertible debenture.

During the year ended April 30, 2018, the Company issued 425,000 common shares upon the exercise of stock options at a price of $0.20 per common share for total proceeds of $85,000.

During the year ended April 30, 2018, the Company issued 100,438 common shares upon the exercise of warrants at $0.30 per common share for proceeds of $30,132.

Reserves

Reserves recorded in shareholders' equity comprise the fair value of share-based payments before exercise. The following is a summary of changes in reserves from April 30, 2017 to April 30, 2019:

	$
Balance - April 30, 2017	3,214,264
Share-based compensation	957,050
Fair value of stock options exercised	(52,500)
Fair value of warrants exercised	(1,000)
Fair value of finder's warrants granted	91,900
Balance - April 30, 2018	4,209,714
Share-based compensation	175,950
Fair value of stock options exercised	(2,500)
Balance - April 30, 2019	4,383,164

Warrants

Warrant activity for the respective years are as follows:

	April 30, 2019		April 30, 2018	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Warrants outstanding, beginning of year	4,246,413	0.66	67,125	0.30
Granted	-	-	4,279,725	0.66
Exercised	(127,500)	0.30	(100,438)	0.30
Warrants outstanding, end of year	4,118,913	0.68	4,246,412	0.66

13. Share capital and reserves (continued)

Warrants outstanding and exercisable at April 30, 2019:

Number	Price	Expiry Date
275,813	$0.30	July 27, 2019
2,500,000	0.60	December 7, 2019
1,343,100	0.90	December 7, 2019
4,118,913		

The Company used the Black-Scholes option pricing model to estimate the fair value of the 27,125 finder's warrants granted at $1,000 and to estimate the fair value of the 93,100 finder's warrants granted at $90,900 using the following weighted average assumptions:

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

14. Share-based compensation

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

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

	April 30, 2019		April 30, 2018	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Options outstanding, beginning of year	1,020,000	1.34	-	-
Granted	550,000	0.41	1,557,500	1.02
Exercised	(20,000)	0.20	(425,000)	0.20
Forfeited	(230,000)	0.71	(112,500)	1.36
Options outstanding, end of year	1,320,000	1.08	1,020,000	1.34
Exercisable, end of year	1,263,750	1.10	916,875	1.34

14. Share-based compensation (continued)

Summary of outstanding options at April 30, 2019:

	Exercise Price $	Remaining Contractual Life (Years)
300,000	0.40	1.13
95,000	0.44	1.41
925,000	1.36	0.97
1,320,000	1.08	1.03

In May 2017, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase an aggregate of 445,000 shares at a price of $0.20 per share expiring May 5, 2020. Using the Black Scholes method the grant-date value of each option was $0.12.

In December 2017, the Company granted incentive stock options to directors, officers, employees and consultants of the Company to purchase an aggregate of 1,112,500 shares at a price of $1.36 per share expiring December 12, 2020. Options vested on grant except for 137,500 options issued to an investor relations provider that vest over a 12-month period ending in December 2018. Using the Black Scholes method, the grant-date value of each option was $0.85.

In June 2018, the Company awarded options to directors and contractors to purchase up to 455,000 common shares at a price of $0.40 per share expiring June 15, 2020. Using the Black Scholes method the grant-date value of each option was $0.25.

In January 2019, the Company awarded options to an officer and contractor to purchase up to 95,000 common shares at a price of $0.44 per share expiring January 8, 2021. Options vested on grant except for 75,000 options issued to an investor relations provider that vest over a 12-month period ending in January 2020. Using the Black Scholes method, the grant-date value of each option was $0.32.

Share-based compensation expense to be recognized in the year ended April 30, 2019 was $175,950 (2018 - $957,050).

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

	2019	2018
Risk-free interest rate	1.9%	1.4%
Dividend yield	0.00%	0.00%
Expected volatility	125%	103%
Expected option life	2 years	3 years

15. Income taxes

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

Year ended April 30,	2019	2018
	$	$
Loss for the year	(1,340,946)	(1,529,209)
Expected Income tax (recovery)	(362,000)	(403,000)
Change in statutory, foreign tax, foreign exchange rates and other	(233,000)	(229,000)
Permanent difference	52,000	246,000
Impact of flow-through shares	-	11,000
Share issue cost	-	(20,000)
Adjustment to prior years provision versus statutory tax returns	10,000	71,000
Change in unrecognized temporary differences	533,000	324,000
Total income tax expense (recovery)	-	-

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

	2019	Expiry Date Range	2018	Expiry Date Range
	$		$	
Exploration and evaluation assets	8,684,000	No expiry date	7,337,000	No expiry date
Investment tax credit	68,000	2030 to 2032	49,000	2029 to 2032
Property and equipment	23,000	No expiry date	22,000	No expiry date
Share issue costs	45,000	2031 to 2039	62,000	2035 to 2039
Allowable capital losses	8,110,000	No expiry date	8,110,000	No expiry date
Non-capital losses available for future periods	8,006,000	2026 to 2038	7,173,000	2026 to 2038

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

16. Loss per share

The calculation of the basic and diluted loss per share for the years ended April 30, 2019 and 2018 presented is based on the following data:

For the year ended April 30,	2019	2018
Loss for the year	($1,340,946)	($1,529,209)
Weighted average number of common shares outstanding	17,186,972	10,002,021
Loss per share, basic and fully diluted	($0.08)	($0.15)

Diluted loss per share for the years ended April 30, 2019 and 2018 is the same as basic loss per share as the exercise of the 1,263,750 options (2018 – 916,875) and 4,118,913 warrants (2018 – 4,246,413) would be anti-dilutive.

17. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel. The following are related party transactions not disclosed elsewhere in the financial statements.

For the year ended April 30,	2019	2018
	$	$
Key management personnel compensation		
Salary	133,334	-
Management fees - expensed	13,250	95,660
Technical fees - capitalized	-	12,528
Share-based compensation	5,000	701,100
Total	151,584	809,288
Included in the above is compensation paid through companies:		
S2 Management Inc.	$ 13,250	$ 8,160

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

During the year ended April 30, 2019, the Company paid $nil (2018 - $12,528) to an officer of the Company for capitalized exploration costs.

In fiscal 2018, the Company granted 1,170,000 stock options to officers and directors of the Company with an aggregate grant-date fair value of $701,100. In the year ended April 30, 2019, the Company granted 20,000 stock options to an officer of the Company with an aggregate grant-date value of $5,000.

17. Related party transactions and balances (continued)

Included in the payables and accruals is $nil (April 30, 2018 - $1,953) owed to directors and officers of the Company.

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

In the year ended April 30, 2019, the Company's CEO lent the Company $40,000 (see note 9). At April 30, 2019 the Company owed $201,345 to a company controlled by the Company's CEO (note 10(a)).

18. Supplemental disclosure with respect to cash flows

For the year ended April 30,	2019	2018
	$	$
Shares issued for settlement of loan payable	-	85,000
Shares issued for property acquisition	5,250	4,125,000
Shares issued for convertible debenture	-	61,900
Shares issued for acquisition of Auramex	437,500	-
Amounts payable for acquisition of Auramex	201,345	-
Fair value of warrants issued as finders' fees	-	91,900
Fair value of stock options exercised	2,500	52,500
Fair value of warrants exercised	-	1,000
Acquisition of leased equipment	-	18,487
Liability to renounce exploration expenditures	-	6,060

19. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At April 30, 2019 and April 30, 2018 all exploration and evaluation assets and equipment were located in Canada, the United States and Mexico.

At April 30,	2019	2018
	$	$
Canada	35,086	123,950
United States	4,625,380	4,470,616
Mexico	1,097,898	-
	5,758,364	4,594,566

20. Commitment

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

Year ending April 30	
	$
2020	82,560
2021	82,560
2022	69,540
2023	3,700
	238,360

21. Financial instruments and risk management

Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At April 30, 2019, the Company was not subject to significant interest rate risk.

Credit Risk

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

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

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

Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at April 30, 2019, the Company has activities in other countries which exposes the Company to foreign exchange risk.

21. Financial instruments and risk management (continued)

As at April 30, 2019 with other variables unchanged, a 10% increase (decrease) in the Canadian dollar would have the following effect on loss for the year:

Year ended April 30	2019 $	2018 $
US dollar	20,135	(61,223)
Mexican peso	40,607	-

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

Balances at April 30	2019 $	2018 $
Cash	5,869	612,233
Receivables	13,168	-
Payables and accruals	(425,102)	-
Due to Bowering Projects Ltd.	(201,345)	-

Liquidity Risk

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

Fair Value Hierarchy:

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

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

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

22. Capital management

The Company manages its capital, being the components of shareholders' equity, and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any external limitations on capital management and there were no changes to the Company's approach to capital management in the year ended April 30, 2019.

23. Subsequent events

a) In June 2019, the Company entered into a definitive assignment agreement with Minera Alamos Inc. ("MAI"), Vista Gold Corp. ("Vista Gold"), and the Mexican subsidiaries of each of MAI and the Company, pursuant to which MAI will assign the rights to earn a 100% interest in the Los Reyes Gold Project ("Los Reyes") in Sinaloa State, Mexico to the Company. MAI currently has the right to acquire a 100% interest in Los Reyes, pursuant to an option agreement entered into with Vista Gold Corp. The Company is at arms' length from each of MAI and Vista Gold. The transaction closed on August 28, 2019.

To acquire MAI's interest in Los Reyes, the Company:

- Paid US$1,500,000 to MAI to reimburse MAI for the cost of an option payment made to Vista Gold on April 23, 2019 (the "April Payment").
- Assumed MAI's remaining option payments of US$3,000,000 in favour of Vista Gold, as follows:
  - US$1,500,000 due October 27, 2019; and
  - US$1,500,000 on the earlier of October 27, 2021 or a production decision.
- Issued to MAI 9,450,000 common shares and 3,350,000 common share purchase warrants entitling MAI to acquire further common shares at a price $0.50 per share for a period of 24 months.
- Entered into a governance agreement that provides for, among other things, MAI receiving the right to appoint one director to the board of the Company for so long as MAI holds at least 5% of the Company's outstanding common shares and MAI receiving the right to participate in future financings.

The Company funded the April Payment through a bridge loan of $2,000,000 which was previously arranged through a group of arm's-length lenders consisting of Andrew Bowering, George Dengin and Perfect Storm Holdings Ltd. (the "Lenders"). The bridge loan is unsecured, bears interest at a rate of 12% per year compounded monthly, and has a term of 12 months. In consideration for providing the bridge loan, the Company must pay a commitment fee of $40,000 and issued 1,333,334 common shares to the Lenders (the "Bonus Shares").

23. Subsequent events (continued)

In consideration for introducing the transaction to the Company, and for assisting in its facilitation, the Company has agreed to issue up to 1,216,250 common shares (the “Finders’ Shares”) to two arms’-length parties (collectively, the “Finders”), Jeremy Ross and Sandwedge Consulting Ltd. A total of 556,250 Finders’ Shares were issued on completion of the Transaction, with a further 330,000 Finders’ Shares to be issued upon completion of each of the October Payments.

The Company completed a private placement that raised $8,715,398 through the issuance of 29,051,327 units at $0.30 per unit. Each unit comprises one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to acquire a further common share at a price of $0.50 per share until August 28, 2021. The Company paid finders’ fees of $360,465 and issued finders’ warrants to purchase up to 1,136,473 common shares at a price of $0.50 per share for a period of 24 months to certain eligible parties who introduced subscribers to the financing.

b) Subsequent to April 30, 2019, Bowering Projects Ltd. provided a further advance (see note 9) of $65,000 and Tyler Ross and Partner provided an advance of $50,000.

c) In July 2019, a warrant holder exercised warrants to purchase 12,500 common shares at $0.30 per share.