PRIME MINING CORP.

Condensed Interim Consolidated Financial Statements

(formerly ePower Metals Inc.)

Nine Months Ended January 31, 2020

Expressed in Canadian Dollars

Address:	Suite 1507 – 1030 West Georgia Street Vancouver, BC V6E 2Y3
Contact:	Andrew Bowering Chief Executive Officer
Telephone number:	(604) 428-6128
Email address:	info@primeminingcorp.ca
Website:	www. primeminingcorp.ca

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Prime Mining Corp. (formerly ePower Metals Inc.) for the nine months ended January 31, 2020 have been prepared by the management of the Company and approved by the Company’s audit committee.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of the interim financial statements by an entity’s auditor.

Contents

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

	Notes	January 31, 2020	April 30, 2019
		$	$
ASSETS			
Current assets			
Cash		1,518,003	6,244
Receivables	3	120,643	18,967
Prepaid expenses		464,788	17,267
Total current assets		2,103,434	42,478
Non-current assets			
Deposits		33,640	33,640
Prepaid exploration and evaluation advance		1,693	1,693
Exploration and evaluation assets	4	13,945,536	5,693,906
Property and equipment	5	286,274	64,458
Total non-current assets		14,267,143	5,793,697
Total assets		16,370,577	5,836,175
LIABILITIES			
Current liabilities			
Payables and accruals		472,736	488,864
Advances from related party	7	-	40,000
Loans payable	8	1,116,646	201,345
Current lease liability	9	69,102	4,443
Total current liabilities		1,658,484	734,652
Non-current liabilities			
Non-current lease liability	9	87,067	10,346
Total liabilities		1,745,551	744,998
SHAREHOLDERS' EQUITY			
Share capital	10	49,579,523	37,930,033
Share subscriptions receivable	10	(1,200)	-
Reserves	10	6,489,864	4,383,164
Deficit		(41,443,161)	(37,222,020)
Total shareholders' equity		14,625,026	5,091,177
Total liabilities and shareholders' equity		16,370,577	5,836,175

Nature and continuance of operations (note 1)
Commitment (note 16)

These condensed interim consolidated financial statements are approved by the audit committee on March 26, 2020:

"Paul Larkin"	Director	*"Andrew Bowering"*	Director
Paul Larkin		Andrew Bowering	

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

	Notes	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019	Nine Months Ended January 31, 2020	Nine Months Ended January 31, 2019
		$	$	$	$
Operating expenses					
Consulting services		53,026	-	268,826	-
Depreciation	5	23,946	4,840	66,272	14,518
Financing		75,851	306	593,280	963
Foreign exchange		407	-	40,126	-
Investor relations		442,220	29,084	738,259	57,941
Office		37,339	44,041	94,383	152,937
Personnel	13	105,370	79,337	677,652	317,774
Professional fees		15,086	14,749	127,855	27,925
Property investigation and due diligence		-	18,876	43,407	163,507
Regulatory and shareholder services		17,274	5,758	79,008	46,249
Share-based compensation	11	85,000	9,150	1,493,600	165,550
Travel		18,609	508	81,962	5,652
		874,128	206,649	4,304,630	953,016
Loss before undernoted income		(874,128)	(206,649)	(4,304,630)	(953,016)
Interest income		-	-	20	20
Recovery of rent and administrative expenses		22,475	19,461	67,426	74,738
Geological services		-	8,000	16,043	8,000
Impairment of exploration and evaluation assets	4	-	(221,481)	-	(294,251)
Loss and total comprehensive loss for the period		(851,653)	(400,669)	(4,221,141)	(1,164,509)
Loss per share - basic and diluted	12	(0.01)	(0.02)	(0.10)	(0.07)
Weighted average common shares outstanding - basic and diluted	12	58,982,106	17,013,587	41,280,640	17,004,764

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

	Common shares	Share Capital $	Share Subscription Receivable $	Reserves $	Deficit $	Shareholders' Equity $
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	130,000	19,500	-	-	-	19,500
Shares issued for property acquisition	12,500	5,250		-	-	5,250
Share-based compensation	-	-	-	165,550	-	165,550
Loss for the period	-	-	-	-	(1,164,509)	(1,164,509)
Balance - January 31, 2019	17,126,738	37,473,783	-	4,372,764	(37,045,583)	4,800,964

	Common shares	Share Capital $	Share Subscription Receivable $	Reserves $	Deficit $	Shareholders' Equity $
Balance - April 30, 2019	18,374,238	37,930,033	-	4,383,164	(37,222,020)	5,091,177
Private placement, net of share issue costs	29,051,327	8,143,215	(1,200)	155,300	-	8,297,315
Warrants exercised	12,500	3,750	-	-	-	3,750
Shares issued for property acquisition	10,336,250	3,102,525	-	457,800	-	3,560,325
Shares issued to bridge loan lenders	1,333,334	400,000	-	-	-	400,000
Share-based compensation	-	-	-	1,493,600	-	1,493,600
Loss for the period	-	-	-	-	(4,221,141)	(4,221,141)
Balance - January 31, 2020	59,107,649	49,579,523	(1,200)	6,489,864	(41,443,161)	14,625,026

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

For the nine months ended January 31,	2020	2019
	$	$
Cash provided by (used in):		
Operating Activities:		
Loss for the period	(4,221,141)	(1,164,509)
Adjustments for:		
Depreciation	66,272	14,518
Interest income	(20)	(20)
Shares paid for services	30,000	-
Share-based compensation	1,493,600	165,550
Financing expense	593,280	963
Impairment of exploration and evaluation assets	-	294,251
Shares issued - property investigation	-	5,250
Changes in non-cash working capital items		
Receivables	(101,677)	28,419
Prepaid expenses	(447,521)	1,929
Payables and accruals	(29,429)	(49,823)
Cash used in operating activities	(2,616,636)	(703,472)
Financing Activities:		
Shares issued for cash	8,687,948	23,500
Share issue costs	(416,883)	-
Repayment of advance from related party	(40,000)	-
Customer deposits	-	5,087
Lease liability	(50,888)	-
Repayment of lease liability	-	(2,370)
Loan advances	2,000,000	-
Repayment of loan advances	(1,000,000)	-
Repayment of loan	(201,345)	-
Financing expense	(76,634)	(963)
Cash provided by financing activities	8,902,198	25,254
Investing Activities:		
Prepaid exploration and evaluation advance	-	(1,693)
Exploration and evaluation assets	(4,678,003)	(379,694)
Purchase of equipment	(95,820)	(32,635)
Interest received	20	20
Cash used in investing activities	(4,773,803)	(414,002)
Net increase (decrease) in cash	1,511,759	(1,092,220)
Cash, beginning of period	6,244	1,177,271
Cash, end of period	1,518,003	85,051

Supplemental disclosure with respect to cash flows (note 14)

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 its share capital 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 period 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 in fiscal 2019

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 $4,221,141 during the nine months ended January 31, 2020 and, as of that date the Company's deficit was $41,443,161. 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 $1,518,003 at January 31, 2020 that will be sufficient to maintain operations for at least the next 12 months.

2. Basis of preparation

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

Statement of Compliance

These condensed interim consolidated financial statements of the Company for the nine months ended January 31, 2020 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual financial statements as at and for the year ended April 30, 2019 as filed on SEDAR at www.sedar.com. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the audit committee on March 26, 2020.

2. Basis of preparation (continued)

Basis of measurement

The financial statements have been prepared on a historical cost basis.

The financial information is presented in Canadian dollars, which is the functional currency of the Company.

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 net income.

Exchange gains and losses arising on the retranslation of monetary available-for-sale financial assets are treated as a separate component of the change in fair value and recognized in profit or loss. Exchange gains and losses on non-monetary available-for-sale financial assets form part of the overall gain or loss recognized in respect of that financial instrument and are included in profit or 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.

Adoption of new accounting policy - leases

Impact of application of IFRS 16 Leases

Effective May 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and the cumulative effect of initially applying IFRS 16 has been recorded on May 1, 2019 for any differences identified. The Company has determined that the adoption of IFRS 16 resulted in no adjustments to the opening balance of accumulated deficit.

2. Basis of preparation (continued)

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IFRS 17 and requiring the recognition of a right-of-use asset ("ROU asset") and a lease liability at the lease commencement for all leases, except for short-term leases (lease terms of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments; (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the consolidated statement of comprehensive loss; and (iii) separates the total amount of cash paid into a principal portion (presented in financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows. For short- term leases and leases of low value assets, the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within office and miscellaneous in the consolidated statement of comprehensive loss.

The Company has made use of the following practical expedients available on transition to IFRS 16:

- measure the ROU assets equal to the lease liability calculated for each lease;
- apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively; and
- accounting for non-lease components and lease components as a single lease component.

In transitioning to IFRS 16, the Company analyzed its contracts to identify whether they are or contain a lease arrangement. This analysis identified a contract containing a lease that had an equivalent increase to both the Company's ROU assets and lease liabilities, which resulted in a $192,268 adjustment. The incremental borrowing rate for lease liabilities initially recognized on adoption of IFRS 16 was 8%.

The cumulative effect of the changes made to the consolidated statement of financial position as at May 1, 2019 for the adoption of IFRS 16 is as follows:

	Previously reported	Effect of change in accounting policy	As reported under new accounting policy
	$	$	$
Property and equipment	64,458	192,268	256,726
Lease liability (current)	(4,443)	(65,091)	(69,534)
Lease liability (non-current)	(10,346)	(127,177)	(137,523)
	49,669	-	49,669

2. Basis of preparation (continued)

The operating lease obligations as at April 30, 2019 are reconciled as follows to the recognized lease liabilities as at May 1, 2019:

Operating lease obligations at April 30, 2019	238,360
Effect of discounting at the incremental borrowing rate at May 1, 2019	(31,303)
Lease liabilities due to initial application of IFRS 16 at May 1, 2019	207,057

New accounting policy for leases under IFRS 16

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statement of comprehensive loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in property and equipment, and the lease liability is presented as a separate line in the consolidated statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statement of comprehensive loss.

Lease liabilities

The Company leases office space and office equipment. Interest expense on the lease liabilities amounted to $10,262 for the nine months ended January 31, 2020. The Company did not incur any variable lease payments and there were no leases with residual value guarantees or leases not yet commenced to which the Company is committed.

2. Basis of preparation (continued)

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 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.

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.

2. Basis of preparation (continued)

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 11.

3. Receivables

The Company's receivables consist of the following:

	January 31, 2020	April 30, 2019
	$	$
Trade receivables	60,595	20,270
Allowance for doubtful account	(3,440)	(3,440)
GST/HST - value added tax	63,488	2,137
Total	120,643	18,967

4. Exploration and evaluation assets

	April 30, 2018	Expenditures	Impairment	April 30, 2019	Expenditures	January 31, 2020
	$	$	$		$	
Magenta Project	-	1,068,526	-	1,068,526	29,656	1,098,182
Los Reyes	-	-	-	-	8,157,058	8,157,058
Panther Creek	4,470,617	154,763	-	4,625,380	64,916	4,690,296
Brokopondo	-	221,481	(221,481)	-	-	-
Ike Block	72,770	-	(72,770)	-	-	-
	4,543,387	1,444,770	(294,251)	5,693,906	8,251,630	13,945,536

4. Exploration and evaluation assets (continued)

Magenta Project, Sinaloa Mexico

In March 2019, the Company acquired the Magenta gold project in Sinaloa, Mexico through the purchase of Auramex (note 6). The Magenta gold project comprises four claims held by Auramex that 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
Mineral rights	29,656
Balance January 31, 2020	1,098,182

Los Reyes Project, Sinaloa Mexico

In August 2019, the Company agreed with Minera Alamos Inc. ("MAI"), Vista Gold Corp. ("Vista Gold"), and the Mexican subsidiaries of each of MAI and the Company, to assign the rights to earn a 100% interest in the Los Reyes Gold Project ("Los Reyes") in Sinaloa State, Mexico to the Company. MAI had 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.

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 (paid October 27, 2019); and
  - US$1,500,000 on the earlier of October 27, 2021 (collectively the "October Payments") 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 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 paid a commitment fee of $40,000 and issued 1,333,334 common shares to the Lenders (the "Bonus Shares"). In September 2019, the Company repaid George Dengin and Perfect Storm Holdings Ltd. $1,000,000 of the bridge loan, $20,000 commitment fee, interest and issued all the bonus shares. The loan from Andrew Bowering along with the commitment fee and interest remains outstanding.

4. Exploration and evaluation assets (continued)

In consideration for introducing the transaction to the Company, and for assisting in its facilitation, the Company agreed to issue up to 1,216,250 common shares to two arms'-length parties, 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 330,000 common shares to be issued in October 2019 were issued in December 2019.

In February 2020, the Company entered into a surface-rights agreement with local land owners subject to which it paid MXN 700,000 ($51,000) for past and future land access through to January 2023. The Company has the right to extend the exploration period for up to two additional years by making an annual payment of US$20,000 in 2024 and US$30,000 in 2025. The Company may initiate construction of a mine at any time. If construction begins prior to February 2025, the annual payment will increase to US$30,000. Once commercial production starts, the annual payment will increase to US$200,000. The payments are subject to customary indexing for inflation.

	Los Reyes
	$
Balance April 30, 2019	-
Acquisition	
Cash	3,971,450
Shares and warrants	3,560,325
Contractors	112,890
Equipment rental	101,876
Field supplies	48,574
Geochemistry	70,714
Labour	36,049
Land maintenance	73,265
Legal	12,712
Project geologist	95,368
Resource estimation	45,163
Shipping	4,921
Travel and accomodation	23,751
Balance January 31, 2020	8,157,058

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.

4. 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.

The Company has earned a 50% interest in the property and intends to enter into a joint venture agreement in accordance with the terms of the option agreement with UMR.

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, 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
Land maintenance	59,395
Legal	5,521
Balance January 31, 2020	4,690,296

5. Property and equipment

	Office computer and equipment and furnishings	Software	Mining equipment	Vehicle	Right of use asset	Total
	$	$	$	$	$	$
Cost						
At April 30, 2018	53,511	-	-	-	-	53,511
Additions	-	-	32,635	-	-	32,635
At April 30, 2019	53,511	-	32,635	-	-	86,146
Additions	8,341	53,594	-	33,885	192,268	288,088
At January 31, 2020	61,852	53,594	32,635	33,885	192,268	374,234
Accumulated depreciation						
At April 30, 2018	2,331	-	-	-	-	2,331
Charge for the period	16,094	-	3,263	-	-	19,357
At April 30, 2019	18,425	-	3,263	-	-	21,688
Charge for the period	6,857	2,010	4,406	565	52,434	66,272
At January 31, 2020	25,282	2,010	7,669	565	52,434	87,960
Net book value						
At April 30, 2019	35,086	-	29,372	-	-	64,458
At January 31, 2020	36,570	51,584	24,966	33,320	139,834	286,274

At January 31, 2020, office equipment under capital lease had a cost of $18,487 (2018 - $18,487) and a net book value of $12,229 (2019 - $15,239).

6. 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 $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.

7. Advances from related parties

	Bowering Projects Ltd.	Tyler Ross & Partner	Total
	$	$	$
Balance, April 30, 2018	-	-	-
Advance	40,000	-	40,000
Balance, April 30, 2019	40,000	-	40,000
Advances	65,000	50,000	115,000
Repayments	(105,000)	(50,000)	(155,000)
Balance, January 31, 2020	-	-	-

Advances from related parties were provided by the Company's CEO and Tyler Ross and Partner to fund the Company's operations. These amounts did not bear interest.

8. Loans payable

	Los Reyes Bridge Loan	Auramex Acquisition Loan	Total
	$	$	$
Balance, April 30, 2018	-	-	-
Purchase of Auramex	-	199,890	199,890
Changes in exchange rates	-	1,455	1,455
Balance, April 30, 2019	-	201,345	201,345
Funding of MAI loan payment	2,000,000	-	2,000,000
Commitment fee	40,000	-	40,000
Interest	142,246	-	142,246
Repayments	(1,065,600)	(198,248)	(1,263,848)
Changes in exchange rates	-	(3,097)	(3,097)
Balance, January 31, 2020	1,116,646	-	1,116,646

Los Reyes Bridge Loans

The Company funded the April Payment to MAI through a bridge loan of $2,000,000 which was previously arranged through a group of lenders consisting of Andrew Bowering, George Dengin and Perfect Storm Holdings Ltd. (see note 4). The bridge loan is unsecured, bears interest at a rate of 12% per year compounded monthly and is due April 24, 2020. The Company repaid the portions of the bridge loan funded by George Dengin and Perfect Storm Holdings Ltd. but the part of the loan funded by Andrew Bowering, together with related interest, remained outstanding at January 31, 2020.

8. Loans payable (continued)

Auramex Acquisition Loan

The Company partially funded the purchase of Auramex (note 6) through debt of US$150,000 payable to the vendor, Bowering Projects Ltd., a company controlled by the Company's CEO. The debt did not bear interest or have fixed terms of repayment. In September 2019 the Company repaid the loan.

9. 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%. The Company has also entered into a premises lease expiring January 31, 2022 with monthly payments of $6,510. The incremental borrowing rate is estimated at 8% per year.

	Premises lease	Equipment lease	Total
	$	$	$
Balance, April 30, 2018	-	17,979	17,979
Interest	-	1,252	1,252
Payments	-	(4,442)	(4,442)
Balance, April 30, 2019	-	14,789	14,789
Adoption of IFRS 16	192,268	-	192,268
Interest	10,262	770	11,032
Payments	(58,590)	(3,330)	(61,920)
Balance, January 31, 2020	143,940	12,229	156,169

Presentation	
Current lease liability	69,102
Non-current lease liability	87,067
Total lease liability	156,169

10. Share capital and reserves

Authorized capital

Unlimited number of common shares without par value.

Issued capital

59,107,649 common shares at January 31, 2020 (April 30, 2019 – 18,374,238).

Common shares

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

10. Share capital and reserves (continued)

Fiscal 2020

In July 2019, a warrant holder exercised warrants to purchase 12,500 common shares at $0.30 per share for gross proceeds of $3,750.

In August 2019, 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 until August 28, 2021 to certain eligible parties who introduced subscribers to the financing.

In August 2019, the Company issued MAI 9,450,000 common shares valued at $2,835,000 and 3,350,000 common share purchase warrants valued at $457,800 entitling MAI to acquire further common shares at a price $0.50 per share for a period of 24 months (see note 4).

In August 2019, the Company issued 1,333,334 common shares valued at $400,000 to the lenders of the bridge loan (see note 4).

In August 2019, the Company issued 556,250 common shares valued at $166,875 on completion of the MAI transaction (see note 4), with a further 330,000 common shares to be issued upon completion of each of the October Payments. The 330,000 common shares valued at $100,650 due for the October 2019 payment were issued in December 2019.

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).

10. Share capital and reserves (continued)

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, 2018 to January 31, 2020:

	$
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
Share-based compensation	1,493,600
Fair value of finders' warrants granted	155,300
Fair value of MAI warrants granted	457,800
Balance - January 31, 2020	6,489,864

Warrants

Warrant activity for the respective periods are as follows:

	January 31, 2020		April 30, 2019	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Warrants outstanding, beginning of period	4,118,913	0.68	4,246,413	0.66
Granted	19,012,137	0.50	-	-
Exercised	(12,500)	0.30	(127,500)	0.30
Expired	(4,106,413)	0.68	-	-
Warrants outstanding, end of period	19,012,137	0.50	4,118,913	0.68

Warrants outstanding and exercisable at January 31, 2020:

Number	Price	Expiry Date
19,012,137	0.50	August 21, 2021
19,012,137		

The Company used the Black-Scholes option pricing model to estimate the fair value of the 1,136,473 finders' warrants granted at $155,300 and of the MAI 3,350,000 consideration warrants granted at $457,800 using the following weighted average assumptions:

Risk-free interest rate	1.33%
Dividend yield	0%
Expected volatility	110%
Expected life in years	2

11. 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:

	January 31, 2020		April 30, 2019	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Options outstanding, beginning of period	1,320,000	1.08	1,020,000	1.34
Granted	4,600,000	0.40	550,000	0.41
Exercised	-	-	(20,000)	0.20
Forfeited	(1,175,000)	1.16	(230,000)	0.71
Options outstanding, end of period	4,745,000	0.40	1,320,000	1.08
Exercisable, end of period	4,257,500	0.40	1,263,750	1.10

Summary of outstanding options at January 31, 2020:

	Exercise Price $	Remaining Contractual Life (Years)
4,670,000	0.40	4.61
75,000	0.44	0.94
4,745,000	0.40	4.55

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.

In October 2019, the Company awarded options to directors and contractors to purchase up to 4,600,000 common shares at a price of $0.40 per share expiring October 4, 2024. Using the Black Scholes method the grant-date value of each option was $0.30.

Share-based compensation expense to be recognized in the nine months ended January 31, 2020 was $1,493,600 (2019 - $165,550).

12. Loss per share

The calculation of the basic and diluted loss per share for the periods ended January 31, 2020 and 2019 presented is based on the following data:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2020	2019	2020	2019
Loss for the period	($851,653)	($400,669)	($4,221,141)	($1,164,509)
Weighted average number of common shares outstanding	58,982,106	17,013,587	41,280,640	17,004,764
Loss per share, basic and fully diluted	($0.01)	($0.02)	($0.10)	($0.07)

Diluted loss per share for the three and nine months ended January 31, 2020 and 2019 is the same as basic loss per share as the exercise of the 4,257,000 options (2019 – 2,550,000) and 19,012,137 warrants (2019 – 8,362,825) would be anti-dilutive.

13. 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.

	Three months ended January 31,		Six months ended January 31,	
	2020	2019	2020	2019
	$	$	$	$
Key management personnel compensation				
Management fees	209,620	35,843	773,472	146,583
Share-based payments	3,975,000	-	3,975,000	89,660
Total	4,184,620	35,843	4,748,472	236,243
Included in management fees above is compensation paid through companies:				
S2 Management Inc.	4,540	2,510	17,690	13,250
Bruce Kienlen Consulting	48,750	-	134,750	-
Daniel Kunz & Associates, LLC	94,158	-	294,694	-

S2 Management Inc. is controlled by the Company's CFO.
Bruce Kienlen Consulting is controlled by the Company's VP Exploration
Daniel Kunz & Associates, LLC is controlled by the Company's Executive Chairman. The fees disclosed above relate to engineering, geologic, technical and management services provided by Mr. Kunz and several associates of that company.

13. Related party transactions and balances (continued)

In addition to the management fees above, in the nine months ended January 31, 2020, the Company paid engineering fees of $21,518 to Daniel Kunz & Associates, LLC.

The Company prepaid consulting fees due to its COO. At January 31, 2020, the net prepaid amount was $30,000.

Included in the payables and accruals is $38,650 (April 30, 2019 - $nil) owed to directors and officers of the Company.

In the nine months ended January 31, 2020, the Company's CEO lent the Company $1,000,000. At January 31, 2019 the Company owed $1,116,646 to the Company's CEO (note 8).

14. Supplemental disclosure with respect to cash flows

For the nine months ended January 31,	2020	2019
	$	$
Shares issued for property acquisition	3,102,525	5,250
Shares issued for bridge loan	400,000	-
Fair value of warrants issued as finders' fees	155,300	-
Fair value of warrants issued as MAI consideration	457,800	-
Fair value of stock options exercised	-	2,500
Right of use asset	192,268	-

15. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At January 31, 2020 and April 30, 2019 all exploration and evaluation assets and equipment were located in Canada, the United States and Mexico.

	January 31, 2020	April 30, 2019
	$	$
Canada	204,472	35,086
United States	4,690,296	4,625,380
Mexico	9,328,560	1,097,898
	14,223,328	4,660,466

16. Commitment

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

Period ending April 30	
	$
2020	20,640
2021	82,560
2022	69,540
2023	3,700
	176,440