CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE YEARS ENDED APRIL 30, 2019 AND 2018

TSXV: NGE
OTCQB: NVDEF

RSM

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nevada Exploration Inc.

Opinion

We have audited the consolidated financial statements of Nevada Exploration Inc., (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2019 and April 30, 2018 and the consolidated statements of loss and comprehensive loss, changes in 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2019 and April 30, 2018, and its consolidated financial performance and its consolidated cash flows for the years ended April 30, 2019 and April 30, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $4,333,994 during the year ended April 30, 2019 and that further funds will be required to find activities for the upcoming year. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the 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 International Financial Reporting Standards, 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.

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 Mark Jakovcic.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
August 22, 2019
Toronto, Ontario

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

		April 30, 2019		April 30, 2018
ASSETS				
Current assets				
Cash and cash equivalents	$	1,841,216	$	197,094
Accounts receivable (Note 3)		25,423		20,869
Prepaid expenses (Note 4)		8,473		27,335
Short term investments (Note 5)		6,803		5,102
Total current assets		1,881,915		250,400
Non-current assets				
Equipment and intangible assets (Note 7)		209,239		334,236
Deposits and bonds (Note 9)		75,731		130,780
Total non-current assets		284,970		465,016
Total assets	$	2,166,885	$	715,416
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Notes 6 and 10)	$	115,940	$	78,710
Current portion of finance lease obligations		-		7,013
Total liabilities		115,940		85,723
Equity				
Capital stock (Note 11)		27,306,958		22,895,123
Reserves (Note 11)		2,613,060		1,638,278
Deficit		(27,869,073)		(23,903,708)
Total equity		2,050,945		629,693
Total liabilities and equity	$	2,166,885	$	715,416

Nature of operations, continuance of operations and going concern (Note 1)
Commitments (Note 13)
Subsequent events (Note 17)

Approved and authorized on behalf of the Board on: August 22, 2019

"Wade Hodges" Director *"Dennis Higgs"* Director

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Year ended April 30, 2019	Year ended April 30, 2018
EXPENSES		
Amortization (Note 7)	$ 110,993	$ 116,359
Equipment and vehicles	39,548	104,526
Exploration and evaluation expenditures (Note 8)	2,435,634	1,138,627
Filing fees	71,052	61,498
Foreign exchange	6,916	10,003
Interest and bank charges	4,210	3,960
Investor relations	227,194	286,908
Office expenses and other	122,305	114,206
Professional fees and consultants (Note 6)	140,732	150,177
Rent	131,434	103,446
Salaries (Note 6)	431,751	420,068
Share-based payments (Note 6 and 11)	523,159	295,799
Travel	73,353	64,237
Total operating expenses	(4,318,281)	(2,869,814)
OTHER INCOME (EXPENSE)		
Net consulting income	8,990	-
Interest income	710	1,693
Impairment of software database (Note 7)	(27,114)	-
Unrealized gain on short term investments (Note 5)	1,701	1,701
Total other items	(15,713)	3,394
Net loss for the year	(4,333,994)	(2,866,420)
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that may be reclassified to profit or loss:		
Currency translation adjustment	23,753	(48,938)
Total comprehensive loss for the year	$ (4,310,241)	$ (2,915,358)
Basic and diluted loss per common share	$ (0.06)	$ (0.06)
Weighted average number of common shares Outstanding	70,724,216	52,318,016

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					
	Shares (Note 11)	Amount (Note 11)	Options (Note 11)	Warrants (Note 11)	Currency Translation	Total Reserves	Deficit	Total Equity
Balance, May 1, 2017	47,366,351	$ 19,813,380	$ 1,245,520	$ 953,949	$ (10,704)	$ 2,188,765	$ (21,099,876)	$ 902,269
Private placements	6,560,600	2,246,930	-	-	-	-	-	2,246,930
Relative fair value of unit warrants issued	-	(98,140)	-	98,140	-	98,140	-	-
Finder’s unit shares	347,117	117,510	-	-	-	-	-	117,510
Finder`s unit warrants	-	(6,542)	-	6,542	-	6,542	-	-
Share issuance costs	-	(132,457)	-	-	-	-	-	(132,457)
Share-based payments	-	-	295,799	-	-	295,799	-	295,799
Warrants exercised	1,150,000	136,235	-	(21,235)	-	(21,235)	-	115,000
Options expired	-	-	(62,588)	-	-	(62,588)	62,588	-
Warrants expired	-	818,207	-	(818,207)	-	(818,207)	-	-
Currency translation adjustment	-	-	-	-	(48,938)	(48,938)	-	(48,938)
Net loss for the year	-	-	-	-	-	-	(2,866,420)	(2,866,420)
Balance, April 30, 2018	55,424,068	$ 22,895,123	$ 1,478,731	$ 219,189	$ (59,642)	$ 1,638,278	$ (23,903,708)	$ 629,693
Balance, May 1, 2018	55,424,068	$ 22,895,123	$ 1,478,731	$ 219,189	$ (59,642)	$ 1,638,278	$ (23,903,708)	$ 629,693
Private placements	26,384,645	4,789,977	-	-	-	-	-	4,789,977
Relative fair value of unit warrants issued	-	(953,990)	-	953,990	-	953,990	-	-
Finder’s unit shares	842,846	162,471	-	-	-	-	-	162,471
Finder`s unit warrants	-	(61,699)	-	61,699	-	61,699	-	-
Share issuance costs	-	(212,114)	-	-	-	-	-	(212,114)
Share-based payments	-	-	523,159	-	-	523,159	-	523,159
Warrants exercised	4,680,000	556,917	-	(88,917)	-	(88,917)	-	468,000
Options expired/forfeited	-	-	(368,629)	-	-	(368,629)	368,629	-
Warrants expired	-	130,273	-	(130,273)	-	(130,273)	-	-
Currency translation adjustment	-	-	-	-	23,753	23,753	-	23,753
Net loss for the year	-	-	-	-	-	-	(4,333,994)	(4,333,994)
Balance, April 30, 2019	87,331,559	$ 27,306,958	$ 1,633,261	$ 1,015,688	$ (35,889)	$ 2,613,060	$ (27,869,073)	$ 2,050,945

The accompanying notes are an integral part of these consolidated financial statements.

NEVADA EXPLORATION INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended April 30, 2019	Year ended April 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	$ (4,333,994)	$ (2,866,420)
Items not affecting cash:		
Amortization	110,993	116,359
Impairment of software database	27,114	-
Share-based payments	523,159	295,799
Unrealized gain on short term investments	(1,701)	(1,701)
Changes in non-cash working capital items:		
Accounts receivable	(4,554)	29,768
Prepaid expenses	18,862	90,083
Deposits and bonds	55,049	-
Accounts payable and accrued liabilities	37,230	(6,391)
Net cash used in operating activities	(3,567,842)	(2,342,503)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment and intangible assets	-	(58,639)
Net cash provided by (used in) investing activities	-	(58,639)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	4,789,977	2,246,930
Share issuance costs	(49,643)	(14,947)
Proceeds from warrants exercised	468,000	115,000
Repayment of finance lease obligations	(7,217)	(12,324)
Net cash provided by financing activities	5,201,117	2,334,659
Effect of foreign exchange	10,847	(25,050)
Change in cash and cash equivalents for the year	1,644,122	(91,533)
Cash and equivalents, beginning of year	197,094	288,627
Cash and equivalents, end of year	$ 1,841,216	$ 197,094
Cash and cash equivalents include the following:		
Cash	$ 841,216	$ 77,094
Guaranteed Investment Certificates	1,000,000	120,000
	$ 1,841,216	$ 197,094

Supplemental cash flow information

Interest paid in cash	$ 69	$ 394
Income taxes paid in cash	$ -	$ -
Issuance of shares for settlement of finders’ fees	$ 162,471	$ 117,510

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the "Company" or "NGE") was incorporated on April 6, 2006 under the Canada Business Corporations Act and is in the business of acquiring and exploring mineral properties.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "NGE" and on the OTCQB marketplace under the trading symbol "NVDEF". The Company's head office is located at Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company's registered and records office is located at 25th Floor, 700 West Georgia St., Vancouver, BC V7Y 1B3.

These consolidated financial statements are authorized for issue on behalf of the Board of Directors on August 22, 2019.

<u>Continuance of operations and going concern</u>

These consolidated financial statements have been prepared on a going-concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The business of mining and exploring for 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's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically and recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company has not produced revenues from its exploration activities and does not have a regular source of cash flow, and incurred losses for the year of $4,333,994 (2018 – $2,866,420). The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so there is no assurance it will be able to do so in the future. The Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. During the year ended April 30, 2019, the Company received gross proceeds of $4,789,977 from the issuance of 26,384,645 common shares of the Company and $468,000 from the exercise of warrants.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The significant accounting policies below have been applied consistently to all periods. These periods are based on IFRS effective as of April 30, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Pediment Gold LLC. The financial statements of the Company's subsidiary have been consolidated from the date that control commenced. All inter-company balances and transactions, and income and expenses have been eliminated upon consolidation.

The consolidated financial statements include the financial statements of Nevada Exploration Inc. and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Functional Currency	Ownership Interest	Principal Activity
Pediment Gold LLC	USA	US dollar	100%	Exploration company

Use of judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Significant assumptions about the future and other sources of estimated uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that the actual results differ from assumptions made, relate to, but are not limited to, the following:

i) the estimated useful lives of equipment and intangible assets and the related amortization;
ii) impairment of equipment;
iii) valuation of share-based payments and warrants;
iv) estimated amounts for environmental rehabilitation provisions; and
v) going concern.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of the Company's wholly-owned subsidiary Pediment Gold LLC is the US dollar.

Share issuance costs

Professional fees, consulting fees and other costs that are directly attributable to financing transactions are charged to capital stock when the related shares are issued. If the financing is not completed share issue costs are charged to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Cash and cash equivalents

Cash and cash equivalents consist of cash held with banks and highly liquid short-term investments in high interest saving accounts which can be withdrawn at any time, which, in the opinion of management, is subject to an insignificant risk of changes in value. As at April 30, 2019, the Company held cash and Guaranteed Investment Certificates ("GIC").

Equipment and intangible asset

Equipment is recorded at historical cost less accumulated amortization and impairment charges. Equipment and intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Exploration equipment	5 years
Vehicles	5 years
Computer equipment	3 years
Software Database	3 years

The cost of replacing a piece of equipment is recognized in the carrying amount of the equipment 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 the equipment are recognized in profit or loss as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. Expenditures during the research phase are expensed as incurred. Expenditures during the development phase are capitalized if the Company can demonstrate each of the following criteria: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) its intention to complete the intangible asset and use or sell it; (iii) its ability to use or sell the intangible asset; (iv) how the intangible asset will generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development; otherwise, they are expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Resource properties – exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment

At the end of each reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU's") for impairment purposes. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit and loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred taxes are recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that do not affect either accounting or taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize that excess.

Provision for environmental rehabilitation

The Company recognizes the fair value of a liability for the provision for environmental rehabilitation in the year in which it is incurred when a reliable estimate of fair value can be made.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the consolidated statement of comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability. As at April 30, 2019 and 2018, the Company has not recorded any provision for environmental rehabilitation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to capital stock and the relative fair value of the warrant component is credited to warrants reserve. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants reserve is recorded as an increase to capital stock. Upon expiration of warrants, the amount applicable to warrants expired is recorded as an increase to capital stock.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of employee stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the share-based payment consideration. Consideration paid for the shares on the exercise of stock options together with the fair value of the stock options previously recognized is credited to capital stock. When vested options are not exercised by the expiry date, the amount previously recognized in share-based payment is transferred to deficit. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

Basic and diluted loss per common share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders by the weighted average number of common shares outstanding for the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. As at April 30, 2019 and 2018, warrants and options outstanding are anti-dilutive.

Receivables

Receivables are recorded at face value less any provisions for uncollectible amounts considered necessary.

Revenue recognition

Consulting revenue is recognized at the time the service is provided and collection is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities, at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at different rates from those at which they are translated on initial recognition during the period or in previous consolidated financial statements are recognized in profit or loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of Pediment Gold LLC are expressed in Canadian dollars using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case exchange rates at the dates of the transactions are used. Exchange differences are recognized in other comprehensive income and reported as currency translation reserve in equity.

Foreign exchange gains and losses arising from a monetary item receivable or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form a part of the net investment in the foreign operation, are recognized in foreign currency translation in the currency translation reserve.

Financial instruments

The Company adopted IFRS 9 Financial Instruments**,** which became effective January 1, 2018 and elected not to retroactively restate comparative periods. The adoption of this standard did not impact the opening accumulated deficit balance at May 1, 2018 and did not result in a change in the carrying values of the Company's financial assets or financial liabilities.

The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements of IAS 39 Financial Instruments: Recognition and Measurement for classification of financial liabilities were carried forward in IFRS 9. IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The adoption of the expected credit loss impairment model had no impact on the Company's financial assets. The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

Financial Assets:	**Classification Under IAS 39**	**Classification Under IFRS 9**
Cash and cash equivalents	Fair value through profit or loss	Amortized cost
Receivables (excluding GST receivable)	Loans and receivables at amortized cost	Amortized cost
Short-term investments	Fair value through profit or loss	Fair value through profit or loss
Deposits and bonds	Loans and receivables at amortized cost	Amortized cost
Financial Liabilities:		
Accounts payable and accrued liabilities	Other financial liabilities at amortized cost	Amortized cost
Finance lease obligations	Other financial liabilities at amortized cost	Amortized cost

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

As a result of the adoption of IFRS 9, the accounting policy for the financial instruments applied starting from May 1, 2018 is as follows:

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

a) Fair value through profit or loss – financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in the statement of income (loss).

b) Amortized cost – financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flow represents solely payments of principal and interest.

c) Fair value through other comprehensive income – A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

The Company classifies all financial liabilities at amortized costs, except for financial liabilities at fair value through profit or loss or financial liabilities that have been designated fair value through profit or loss on initial recognition.

Initial recognition

Financial asset or financial liability classified as amortized cost are initially recognized by the Company at its fair value less transaction cost that are directly attributable to the acquisition of issuance of the financial assets or financial liability, except for transaction cost on financial assets or liability designated as fair value through profit or loss which are expensed.

Subsequent measurement

The Company will subsequently measure a financial instrument based on its classification. Financial assets and financial liabilities classified as subsequently measured at amortized cost will be measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The amortization of the effective interest is recognized in profit or loss. Financial assets at fair value through other comprehensive income will have subsequently measured changes in fair value recognized in other comprehensive income. Transaction costs of financial liabilities classified as fair value through profit or loss are expensed as incurred. Gains and losses of financial assets and financial liabilities classified as subsequently measured at fair value through profit or loss are recognized in net profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial assets expire, or the Company has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all of the risks and rewards of the asset, or has neither transferred or retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized with it is extinguished, that is when the obligation is discharged, cancelled, or expires. A financial liability is extinguished when the debtor discharges the liability by paying in cash other financial assets, goods or services, or is legally released from the liability.

Impairment of a financial asset

The Company assesses at the end of each reporting period whether there is any objective evidence of impairment of a financial asset or group of financial assets.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are not recognized for future operating losses. As at April 30, 2019 and 2018, no provisions were recorded.

Leases

Leases that transfer substantially all of the benefits and risks of ownership of the assets to the Company are accounted for as finance lease obligations. At the time the finance lease obligation is entered into, an asset is recorded together with the related obligation. Assets under finance lease obligations are depreciated over their estimated useful lives.

New Accounting Standards and Amendments to Existing Standards

New or revised standards and amendments to existing standards adopted during the period

- New standard IFRS 9, *Financial Instruments*, was issued in final form in July 2014 and replaced IAS 39, *Financial Instruments: Recognition and Measurement.* IFRS 9 introduces new requirements for classifying and measuring financial assets. This standard is effective for years beginning on or after January 1, 2018. The adoption of this new standard impacted financial instrument classification only and did not have any impact on measurement.

- New standard IFRS 15, *Revenue from contracts with customers*, provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more information and relevant information. This standard is effective for reporting periods on or after January 1, 2018. The adoption of this new standard did not have a significant impact.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new or revised standard that have been issued but are not yet effective:

- New standard IFRS 16, *Leases*, specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low 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. This standard is effective for reporting periods beginning on or after January 1, 2019. The impact of this amendment is to be determined.

- New standard IFRIC 23, *Uncertainty over Income Tax Treatments.* IFRIC 23 was issued in June 2017 as a clarification to requirements under IAS 12, Income Taxes. IFRIC 23 clarifies the application of various recognition and measurement requirements when there is uncertainty over income tax treatments. This interpretation is effective for annual reporting periods on or after January 1, 2019. The Company is currently assessing the impact of IFRIC 23 may have on its consolidated financial statements.

The Company plans to adopt this standard as soon as it becomes effective for the Company's reporting period.

3. ACCOUNTS RECEIVABLE

The accounts receivable for the Company are as follows:

	April 30, 2019	April 30, 2018
GST receivable	$ 19,446	$ 19,511
Other receivables	5,977	1,358
Total	$ 25,423	$ 20,869

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	April 30, 2019	April 30, 2018
Security deposit for rental of premises	$ 7,895	$ 12,426
Prepaid services	578	14,909
	$ 8,473	$ 27,335

(Expressed in Canadian Dollars)

5. SHORT TERM INVESTMENTS

						April 30, 2019		April 30, 2018
	Number		Cost			Carrying Value		Carrying Value
Spruce Ridge Resources Ltd. - Shares	170,068	$	25,000	$		6,803	$	5,102

During the year ended April 30, 2019, the Company revalued the shares based on the market price at April 30, 2019, resulting in an unrealized gain of $1,701 (2018 – gain of $1,701).

6. RELATED PARTY TRANSACTIONS

During the year ended April 30, 2019, the Company:

i) paid $16,850 in professional fees to a corporation owned by the former Chief Financial Officer of the Company.

ii) paid or accrued $35,806 in consulting fees to a corporation of which the Chief Financial Officer is an employee.

iii) paid or accrued $30,000 in consulting fees to a company controlled by a director of the Company and to a consultant related to a director.

iv) recorded share-based payments of $404,326 related to the fair value of stock options vesting through the period to officers, directors, and a consultant related to a director.

During the period ended April 30, 2018, the Company:

i) paid or accrued $44,750 in professional fees to a corporation owned by the Chief Financial Officer of the Company.

ii) recorded share-based payments of $222,082 related to the fair value of stock options vesting through the period to and an officer and directors.

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

		April 30, 2019		April 30, 2018
Due to corporation of which the Chief Financial Officer is an employee	$	5,250	$	-
Due to corporation owned by the former Chief Financial officer		-		29,850
Due to key management		9,450		-
Due to officers, companies controlled by directors and a consultant related to a director		31,500		-
	$	46,200	$	29,850

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS (cont'd…)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President, Chief Executive Officer and Chief Operating Officer. Salaries and share-based payments to key management is as follows:

	Year Ended April 30, 2019	Year Ended April 30, 2018
Salaries	$ 379,735	$ 361,880
Share-based payments	208,198	86,361
	$ 587,933	$ 448,241

7. EQUIPMENT AND INTANGIBLE ASSETS

	Vehicles	Exploration Equipment	Computer Equipment	Software Database	Total
Cost					
Balance – April 30, 2017	$ 68,607	$ 541,435	$ 15,475	$ 111,118	$ 736,635
Acquisition	-	58,639	-	-	58,639
Effect of translation	(4,119)	(32,751)	(929)	(6,671)	(44,470)
Balance – April 30, 2018	$ 64,488	$ 567,323	$ 14,546	$ 104,447	$ 750,804
Disposals	-	(198,481)	-	-	(198,481)
Impairment	-	-	-	(108,454)	(108,454)
Effect of translation	1,602	24,769	679	4,007	31,056
Balance – April 30, 2019	$ 66,090	$ 393,611	$ 15,225	$ -	$ 474,926
Accumulated amortization					
Balance – April 30, 2017	$ 50,275	$ 237,251	$ 12,856	$ 18,521	$ 318,903
Amortization	11,446	69,096	1,127	34,690	116,359
Effect of translation	(2,978)	(13,960)	(768)	(988)	(18,694)
Balance – April 30, 2018	$ 58,743	$ 292,387	$ 13,215	$ 52,223	$ 416,568
Disposals	-	(198,481)	-	-	(198,481)
Impairment	-	-	-	(81,340)	(81,340)
Amortization	5,844	77,262	1,162	26,725	110,993
Effect of translation	1,503	13,414	638	2,392	17,947
Balance – April 30, 2019	$ 66,090	$ 184,582	$ 15,015	$ -	$ 265,687
Carrying amounts					
As at April 30, 2018	$ 5,745	$ 274,936	$ 1,331	$ 52,224	$ 334,236
As at April 30, 2019	$ -	$ 209,029	$ 209	$ -	$ 209,239

During the year ended April 30, 2019, the Company recorded an impairment charge on a software database that was no longer in use, which had a carrying amount of $27,114.

(Expressed in Canadian Dollars)

8. RESOURCE PROPERTIES

Resource properties expenditures for the year ended April 30,	2019	2018
South Grass Valley	$ 2,109,448	$ 375,197
Grass Valley	93,664	91,241
Kelly Creek	231,187	670,911
Awakening	1,335	1,278
	$ 2,435,634	$ 1,138,627

South Grass Valley (SGV)

As at April 30, 2019, the Company's South Grass Valley Project consists of unpatented mining claims held directly by the Company.

Grass Valley Project (GV)

As at April 30, 2019, the Company's Grass Valley Project consists of unpatented mining claims held directly by the the Company.

Kelly Creek (KC)

The Company has combined its former Hot Pot Project into its Kelly Creek Project, the combination of which is now together referred to as the Kelly Creek Project.

As of April 30, 2019, the Company's Kelly Creek Project consists of:

- unpatented mining claims held directly by the Company;
- unpatented mining claims leased by the Company from Genesis Gold Corporation through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement); and
- private land leased by the Company under a Mining Lease Agreement (the "Hot Pot Lease").

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on August 25, 2015, to acquire a 100% interest in the Genesis's Hot Pot claims. Under the Genesis Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (issued) and USD$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments:

1st anniversary (October 1, 2010)	$ 5,000 USD	(paid)
2nd anniversary (October 1, 2011)	10,000 USD	(paid)
3rd anniversary (October 1, 2012)	10,000 USD	(paid)
4th anniversary (October 1, 2013)	10,000 USD	(paid)
5th to 8th anniversary (October 1, 2014 to October 1, 2017)	10,000 USD	i) & ii)
9th and subsequent anniversaries (October 1, 2018)	50,000 USD	(paid)

i) During the year ended April 30, 2015, the Company issued 80,000 Common shares, plus agreed to pay $10,000 USD to satisfy the October 1, 2014 payment (paid).

ii) On August 25, 2015, the Company and Genesis Gold Corporation agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015 (paid); October 1, 2016 (paid); and October 1, 2017 (paid), from $50,000 USD to $10,000 USD, subject to each party's rights under the Genesis Agreement.

(Expressed in Canadian Dollars)

8. RESOURCE PROPERTIES (cont'd…)

The Company entered into the Hot Pot Lease on September 16, 2004, for an initial term of 10 years, as amended on September 2, 2011, February 25, 2016 and February 16, 2017. Any mineral production on the project is subject to a 3% Net Smelter Return Royalty (the "NSR") to the property owner, subject to the Company's right to reduce the Royalty from 3% to 2% for $2,000,000 USD. Under the February 25, 2016, amendment, the term of the Hot Pot Lease was extended to 20 years, until September 16, 2024. Under the February 16, 2017, amendment, additional lands were added to the Hot Pot Lease, subject to the following payments:

Amendment Date (February 16, 2017)	$	5,000 USD	(paid)
September 16, 2017	$	25,000 USD	(paid)
October 8, 2018	$	30,000 USD	(paid)
Subsequent Anniversaries	$	30,000 USD	

The majority of the Company's mineral interests at Kelly Creek are subject to a 1.25% NSR to Royal Gold, Inc.

Awakening (AW)

As at April 30, 2019, the Company's Awakening Project consists of unpatented mining claims held directly by the Company.

9. DEPOSITS AND BONDS

		April 30, 2019		April 30, 2018
Security deposits (1)	$	28,750	$	11,500
Reclamation bond deposits (2)		46,981		119,280
	$	75,731	$	130,780

(1) Security deposits consisted of $28,750 guaranteed investment certificate ("GIC") and bearing interest at prime less 2% to a minimum of 0%. The GIC was used to secure the credit limit on a credit card.

(2) Reclamation bond deposits are required by the U.S. Bureau of Land Management ("BLM") to ensure that any reclamation and clean-up work required on the Company's properties will be completed to the satisfaction of the BLM.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

		April 30, 2019		April 30, 2018
Trade payables	$	44,740	$	28,860
Due to related parties (Note 6)		46,200		29,850
Accrued liabilities		25,000		20,000
Total	$	115,940	$	78,710

11. CAPITAL STOCK

a) Authorized share capital:

As at April 30, 2019, the authorized share capital of the Company was:
Unlimited number of common shares without par value;
Unlimited number of preferred shares without par value; and
All issued shares are fully paid

b) Issued share capital:

During the year ended April 30, 2019, the Company:

- Issued 4,680,000 common shares as a result of warrants exercised for gross proceeds of $468,000.

- Completed the first tranche of a private placement on August 29, 2018 of 10,372,000 units at a price of $0.125 per unit for gross proceeds of $1,296,500. Each unit consists of one common share and one-half non-transferrable share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of $0.30 per share. The value allocated in connection to these warrants was $268,930. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than $0.50 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued are subject to a four month plus one day hold period expiring December 30, 2018.

- In connection with the first tranche completed August 29, 2018, the Company paid finders fees totalling 158,900 units on the same terms as the units described above. The finder’s shares granted were estimated to have a fair value of $19,863. The finder’s warrants granted were estimated to have a fair value of $10,396 and were accounted for as a share issuance cost.

- Completed the second and final tranche of a private placement on September 7, 2018 of 5,628,000 units at a price of $0.125 per unit for gross proceeds of $703,500. Each unit consists of one common share and one-half non-transferrable share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of $0.30 per share. The value allocated in connection to these warrants was $155,110. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than $0.50 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued as part of the second tranche are subject to a four month plus one day hold period expiring January 8, 2019.

- In connection with the second tranche completed September 7, 2018, the Company paid finders fees totalling 291,200 units on the same terms as the units described above. The finder’s shares granted were estimated to have a fair value of $36,400. The finder’s warrants granted were estimated to have a fair value of $24,709 and were accounted for as a share issuance cost. The Company also paid $23,296 as a share issuance cost relating to both the first and second tranches.

- Completed a private placement on January 14, 2019 of 2,632,000 units at a price of $0.25 per unit for gross proceeds of $658,000. Each unit consists of one common share and one-half non-transferrable share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of $0.45 per share. The value allocated in connection to these warrants was $126,450. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than $0.80 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued are subject to a four month plus one day hold period expiring May 15, 2019.

11. CAPITAL STOCK (cont'd…)

b) Issued share capital (cont'd…)

- In connection with the private placement completed January 14, 2019, the Company paid finders fees totalling 71,890 units on the same terms as the units described above. The finder's shares granted were estimated to have a fair value of $17,973. The finder's warrants granted were estimated to have a fair value of $4,874 and were accounted for as a share issuance cost. The Company also paid $8,284 as a share issuance cost.

- Completed a private placement on April 10, 2019 of 7,752,645 units at a price of $0.275 per unit for gross proceeds of $2,131,977. Each unit consists of one common share and one-half non-transferrable share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of $0.50 per share. The value allocated in connection to these warrants was $403,500. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than $0.90 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued are subject to a four month plus one day hold period expiring August 11, 2019.

- In connection with the private placement completed April 10, 2019, the Company paid finders fees totalling 320,856 units on the same terms as the units described above. The finder's shares granted were estimated to have a fair value of $88,235. The finder's warrants granted were estimated to have a fair value of $21,720 and were accounted for as a share issuance cost. The Company also paid $18,064 as a share issuance cost.

During the year ended April 30, 2018, the Company:

- Issued 1,150,000 common shares as a result of warrants exercised for gross proceeds of $115,000.

- Completed a private placement on August 17, 2017, issuing 3,773,100 units at a price of $0.30 per unit, for total gross proceeds of $1,131,930. Each unit consists of one common share and one half of one non-transferable common share purchase warrant with each whole warrant entitling the holder to purchase one common share at an exercise price of $0.60 for a period of 18 months. The value allocated in connection to these warrants was $52,770. All securities issued are subject to a four month plus one-day hold period expiring December 17, 2017.

- In connection with the private placement completed August 17, 2017, the Company issued 213,367 finder's units on the same terms as the units described above. The finder's shares granted were estimated to have a fair value of $64,010. The finder's warrants granted were estimated to have a value of $4,443 and were accounted for as share issuance cost. In connection with this private placement, the Company paid $8,354 as share issuance cost.

- Completed a private placement on November 27, 2017, issuing 2,787,500 units at a price of $0.40 per unit for total gross proceeds of $1,115,000. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.65 for a period of 12 months. The value allocated in connection to these warrants was $45,370. All securities issued are subject to a four month plus one-day hold period expiring March 28, 2018.

- In connection with the private placement completed November 27, 2017, the Company issued 133,750 finder's units on the same terms as the units described above. The finder's shares granted were estimated to have a fair value of $53,500. The finder's warrants granted were estimated to have a value of $2,099 and were accounted for as share issuance cost. In connection with this private placement, the Company paid $6,593 as share issuance cost.

11. CAPITAL STOCK (cont'd…)

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

In the absence of a reliable measurement of the services received from the consultants, the following stock option grants have been measured at the fair value of the stock options issued.

On July 4, 2018, the Company granted 300,000 stock options to a consultant of the Company. The options are exercisable at $0.15 per share for a period of ten years from the date of grant. These options vested upon grant. The total value recorded for these options is $44,900.

On October 1, 2018, the Company granted 2,555,000 stock options to certain directors, officers, employees, and consultants of the Company. The options have an exercise price of $0.26 per share for a period of ten years from the date of grant. One third of the options vest upon grant, one third after one year, and one third two years after the grant date. The options are valued at $600,109, and the vested value recorded during the year ended April 30, 2019 is $375,246.

On October 26, 2018, the Company granted 150,000 stock options to a corporation of which the Chief Financial Officer is an employee. The options have an exercise price of $0.35 per share for a period of ten years from the date of grant. One third of the options vest immediately, one third after one year, and one third two years after the grant date. The options are valued at $51,406, and the total value recorded for options vesting throughout the period is $30,378.

On February 21, 2019, the Company granted 250,000 options to a consultant of the Company. The options have an exercise price of $0.30 per share for a period of ten years from the grant date. One third of the options vest upon grant, one third after six months, and one third one year after the grant date. The options are valued at $73,551 and the vested value recorded during the year ended April 30, 2019 is $38,409.

The total value recorded for options vesting during the period ended April 30, 2019 is $523,159.

During the year ended April 30, 2018, the Company granted 350,000 options to a consultant of the Company expiring November 27, 2027. The options have an exercise price of $0.40 and vest one third immediately, one third vest in 1 year and one third vest in 2 years. The options are valued at $123,554 and the vested value recorded during the year ended April 30, 2019 is $31,676 (2018 - $52,806). The total value recorded for options vesting throughout the year ended April 30, 2018 is $295,799.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (cont'd…)

c) Options (cont'd…)

A continuity of share purchase options for the year April 30, 2019 is as follows:

Expiry date	Exercise price	April 30, 2018	Granted	Expired/ Forfeited	April 30, 2019	Exercisable
March 2, 2019	1.00	280,000	-	(280,000)	-	-
October 19, 2020	0.185	1,625,000	-	-	1,625,000	1,625,000
December 31, 2020	0.315	125,000	-	-	125,000	125,000
April 20, 2021	0.37	100,000	-	(100,000)	-	-
August 3, 2026	0.47	2,120,000	-	(400,000)	1,720,000	1,720,000
November 27, 2027	0.40	350,000	-	-	350,000	233,334
July 4, 2028	0.15	-	300,000	-	300,000	300,000
October 1, 2028	0.26	-	2,555,000	-	2,555,000	851,667
October 26, 2028	0.35	-	150,000	-	150,000	50,000
February 21, 2029	0.30		250,000	-	250,000	83,333
Total		4,600,000	3,255,000	(780,000)	7,075,000	4,988,334
Weighted average exercise price		$ 0.39	$ 0.26	$ 0.65	$ 0.30	$ 0.31

A continuity of share purchase options for the year April 30, 2018 is as follows:

Expiry date	Exercise price	April 30, 2017	Granted	Expired/ Forfeited	April 30, 2018	Exercisable
September 25, 2017	$ 1.10	10,000	-	(10,000)	-	-
December 4, 2017	1.20	50,000	-	(50,000)	-	-
March 2, 2019	1.00	280,000	-	-	280,000	280,000
October 19, 2020	0.185	1,625,000	-	-	1,625,000	1,625,000
December 31, 2020	0.315	125,000	-	-	125,000	125,000
April 20, 2021	0.37	100,000	-	-	100,000	100,000
August 3, 2026	0.47	2,120,000	-	-	2,120,000	1,413,334
November 27, 2027	0.40	-	350,000	-	350,000	116,667
Total		4,310,000	350,000	(60,000)	4,600,000	3,660,001
Weighted average exercise price		$ 0.40	$ 0.40	$ 1.18	$ 0.39	$ 0.37

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the options granted.

	April 30, 2019	April 30, 2018
Share price	$0.24	$0.37
Risk-free interest rate	2.41%	1.86%
Expected life of options	9.13 years	9 years
Annualized volatility based on historical volatility	157.79%	140.61%
Forfeiture rate	0.00%	0.00%
Dividend rate	0.00%	0.00%
Fair value per options	$0.24	$0.35

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (cont'd…)

d) Warrants

During the year ended April 30, 2019, the Company had a total of 4,680,000 common share purchase warrants exercised, 6,143,633 expired, and issued a total of 13,613,745 common share purchase warrants in connection to private placements and associated finders fee units.

During the year ended April 30, 2018, the Company had a total of 1,150,000 common share purchase warrants exercised, 4,448,809 warrants expired, and issued a total of 4,914,483 common share purchase warrants in connection to private placements and associated finders fee units.

A continuity of share purchase warrants for the year ended April 30, 2019 is as follows:

Expiry date	Exercise Price	April 30, 2018	Issued	Exercised	Expired/ Forfeited	April 30, 2019	Exercisable
August 28, 2018	$ 0.10	5,209,150	-	(4,220,000)	(989,150)	-	-
September 23, 2018	0.10	700,000	-	(460,000)	(240,000)	-	-
November 27, 2018	0.65	2,921,250	-	-	(2,921,250)	-	-
February 17, 2019	0.60	1,993,233	-	-	(1,993,233)	-	-
February 28, 2021	0.30	-	5,265,450 [a]	-	-	5,265,450	5,265,450
March 7, 2021	0.30	-	2,959,600 [a]	-	-	2,959,600	2,959,600
July 14, 2021	0.45	-	1,351,945 [a]	-	-	1,351,945	1,351,945
October 10, 2021	0.50	-	4,036,750 [a]	-	-	4,036,750	4,036,750
Total		10,823,633	13,613,745	(4,680,000)	(6,143,633)	13,613,745	13,613,745
Weighted average exercise price		$ 0.34	$ 0.37	$ 0.10[b]	$ 0.52	$ 0.37	$ 0.37

a) Warrants granted are subject to the acceleration features discussed in Note 11(a).
b) The weighted average share price on the date of exercise was $0.24.

A continuity of share purchase warrants for the year ended April 30, 2018 is as follows:

Expiry date	Exercise price	April 30, 2017	Granted	Exercised	Expired/ Forfeited	April 30, 2018	Exercisable
August 19, 2017	$ 0.50	285,010	-	-	(285,010)	-	-
August 28, 2018	0.10	6,359,150	-	(1,150,000)	-	5,209,150	5,209,150
September 23, 2018	0.10	700,000	-	-	-	700,000	700,000
December 29, 2017	0.50	661,500[a]	-	-	(661,500)	-	-
January 12, 2018	0.60	2,502,299	-	-	(2,502,299)	-	-
February 10, 2018	0.60	1,000,000	-	-	(1,000,000)	-	-
November 27, 2018	0.65	-	2,921,250	-	-	2,921,250	2,921,250
February 17, 2019	0.60	-	1,993,233	-	-	1,993,233	1,993,233
Total		11,507,959	4,914,483	(1,150,000)	(4,448,809)	10,823,633	10,823,633
Weighted average exercise price		$ 0.29	$ 0.63	$ 0.10[b]	$ 0.44	$ 0.34	$ 0.34

a) Warrants entitles the holder to purchase one common share at an exercise price of $0.50 for a period of two years, subject to an accelerated expiry provision of 30 days if on any 20 consecutive trading days after issuance, the closing price of the common shares of the Company is greater than $0.75 per share.
b) The weighted average share price on the date of exercise was $0.33.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (cont'd…)

d) Warrants (cont'd…)

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the warrants granted.

	April 30, 2019	April 30, 2018
Share price	$0.28	$0.33
Risk-free interest rate	1.95%	1.36%
Expected life of warrants	2.5 years	1.22 years
Annualized volatility based on historical volatility	97.97%	55.35%
Dividend rate	0.00%	0.00%
Fair value per warrant	$0.14	$0.02

12. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	April 30, 2019	April 30, 2018
Current assets:		
United States	$ 110,925	$ 83,603
Canada	1,770,990	166,797
	$ 1,881,915	$ 250,400
Non-current assets:		
United States		
Equipment and intangible assets	$ 209,239	$ 334,236
Deposits and bonds	46,981	119,280
Canada		
Deposits and bonds	28,750	11,500
	$ 284,970	$ 465,016

	Year Ended April 30, 2019	Year Ended April 30, 2018
Income:		
United States		
Net consulting income	$ 8,990	$ -

13. COMMITMENTS

As April 30, 2019, the Company has total office lease commitments of $71,434, as follows:

a) Total office lease payments of $28,412 ending October 31, 2019.
b) Total office lease payments of $22,841 ending December 31, 2019.
c) Total office lease payments of $20,181 ending February 28, 2020.

14. FINANCIAL RISK MANAGEMENT

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash and cash equivalents, other receivables, deposits and bonds, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and deposits and bonds. Management believes that the credit risk concentration with respect to cash and cash equivalents, deposits and bonds is remote as it maintains accounts with highly-rated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at April 30, 2019, the Company had a cash and cash equivalent balance of $1,841,216 (2018 - $197,094) to settle current liabilities of $115,940 (2018 - $85,723). The Company believes that there is minimal liquidity risk as at April 30, 2019 and 2018.

14. FINANCIAL RISK MANAGEMENT (cont'd…)

Market risk

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

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents, deposits and bonds are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Net assets denominated in foreign currency and the Canadian dollar equivalents as at April 30, 2019 are as follows:

	USD	CDN
Current assets	$ 82,638	$ 110,925
Non-current assets	190,881	256,220
Current liabilities	(13,872)	(18,620)
	$ 259,647	$ 348,525

Based on the above net exposures as at April 30, 2019, and assuming all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of $25,965 in comprehensive loss.

15. CAPITAL MANAGEMENT

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and share purchase warrants. In the management of capital, the Company includes the components of equity as well as cash and cash equivalents.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year ended April 30, 2019.

16. INCOME TAXES

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

	2019	2018
Loss before income taxes	$ (4,333,994)	$ (2,866,420)
Expected income tax recovery at average statutory rate of 27.00% for 2019 (2018 – 27.00%)	$ (1,170,178)	$ (773,933)
Share-based payment and other non-deductible expenses	153,982	82,094
Share issuance cost incurred	(73,930)	(37,530)
Difference in statutory rates and other	243,515	1,802,267
Effect of foreign exchange differences	(142,389)	155,102
Tax benefits not recognized	989,000	(1,228,000)
Total income taxes	$ -	$ -

The deferred income tax balance is comprised of the following temporary differences:

	2019	2018
Deferred tax assets:		
Non-capital loss carry-forwards	$ 3,799,000	$ 3,374,000
Share issue costs and other	98,000	106,000
Resource properties	1,826,000	1,254,000
Deferred tax assets not recognized	(5,723,000)	(4,734,000)
Net deferred tax assets	$ -	$ -

The Company has available for deduction against future taxable income non-capital losses of approximately $6,806,000 and US net operating losses of approximately $9,343,000 (expressed in Canadian dollars) expiring as follows:

	CDN	US
2025	$ 2,000	$ -
2026	203,000	-
2027	858,000	-
2028	569,000	-
2029	549,000	-
2030	81,000	-
2031	357,000	734,000
2032	591,000	380,000
2033	391,000	488,000
2034	331,000	3,881,000
2035	224,000	1,913,000
2036	658,000	1,000
2037	472,000	627,000
2038	770,000	751,000
2039	750,000	568,000
	$ 6,806,000	$ 9,343,000

16. INCOME TAXES (cont'd…)

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

17. SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2019, the Company:

i) granted 150,000 stock options to employees of the Company. The options are exercisable at $0.23 per share for a period of ten years from the date of grant.