FIRST ENERGY METALS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2019

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

Notice to Reader

These condensed interim financial statements of First Energy Metals Limited have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

FIRST ENERGY METALS LIMITED
Condensed Interim Statements of Financial Position
(Unaudited-expressed in Canadian dollars)

	Note		December 31, 2019		March 31, 2019
ASSETS					
Current Assets					
Cash		$	481	$	216,835
Amounts receivable and prepaid expenses	*4*		11,364		16,024
Total Current Assets			11,845		232,859
Non-current Assets					
Reclamation deposits			11,000		11,000
Exploration and evaluation assets	*5*		83,000		83,000
Total Non-current Assets			94,000		94,000
Total Assets		$	105,845	$	326,859
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	*6*	$	100,570	$	125,526
SHAREHOLDERS' EQUITY					
Share capital	*9*		35,713,325		35,713,325
Warrants reserve			446,899		446,899
Share subscriptions			24,950		24,950
Share-based payments reserve	*9*		211,227		211,227
Deficit			(36,391,126)		(36,195,068)
Total Shareholders’ Equity			5,275		201,333
Total Liabilities and Shareholders’ Equity		$	105,845	$	326,859
Going concern	*1*				
Subsequent events	*12*				

Approved and authorized for issue on behalf of the board of directors on February 29, 2020 by:

/s/*Gurminder Sangha*
Director

/s/*Jurgen Wolf*
Director

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

FIRST ENERGY METALS LIMITED

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited-expressed in Canadian dollars)

			Three months ended December 31,				Nine months ended December 31,		
	Note		**2019**		**2018**		**2019**		**2018**
Expenses									
Consulting fees	*8*	$	22,500	$	4,862	$	114,000	$	127,320
Exploration and evaluation costs	*5*		-		2,500		3,028		76,314
General and administrative			154		8,529		743		8,964
Professional fees			6,000		21,528		20,750		39,304
Salaries, fees and benefits	*8*		-		8,134		41,000		36,134
Shareholder communications			4,014		33,461		16,602		139,760
Loss Before Other Income			32,668		79,014		196,123		427,796
Other Income									
Interest income			-		-		65		64
Total Other Income			-		-		65		64
Net Loss and Comprehensive Loss for the Period		$	32,668	$	79,014	$	196,058	$	427,732
Loss per Common Share, Basic and Diluted		$	0.00	$	0.01	$	0.01	$	0.03
Weighted Average Number of Shares Outstanding – Basic and Diluted			17,631,003		15,399,291		17,631,003		13,450,853

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

FIRST ENERGY METALS LIMITED
Condensed Interim Statements of Changes in Equity
(Unaudited -expressed in Canadian dollars)

	Note	Common Shares Without Par Value						
		Shares	Amount	Warrants Reserve	Share subscription	Share-based Payments Reserve	Deficit	Total Equity
Balance, March 31, 2018		12,236,638	$ 35,188,833	$ 245,266	$ -	$ 245,600	$ (35,521,971)	$ 157,728
Private placements		5,079,365	600,000	-	-	-	-	600,000
Share issue costs		-	(6,248)	-	-	-	-	(6,248)
Stock option exercises		140,000	69,373	-	-	(34,373)	-	35,000
Share subscription received in advance		-	-	-	24,950	-	-	24,950
Exploration and evaluation assets		175,000	63,000	-	-	-	-	63,000
Net loss for the period		-	-	-	-	-	(427,732)	(427,732)
Balance, December 31, 2018		17,631,003	$ 35,914,958	$ 245,266	$ 24,950	$ 211,227	$ (35,949,703)	$ 446,698
Balance, March 31, 2019		17,631,003	$ 35,713,325	$ 446,899	$ 24,950	$ 211,227	$ (36,195,068)	$ 201,333
Net loss for the period		-	-	-	-	-	(196,058)	(196,058)
Balance, December 31, 2019		17,631,003	$ 35,713,325	$ 446,899	$ 24,950	$ 211,227	$ (36,391,126)	$ 5,275

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

FIRST ENERGY METALS LIMITED
Condensed Interim Statements of Cash Flows
(Unaudited -expressed in Canadian dollars)

		Nine months ended December 31,		
		2019		**2018**
Cash provided from (used for):				
Operating activities				
Net loss for the period	$	(196,058)	$	(427,732)
Changes in non-cash working capital balances:				
Amounts receivable and prepaid expenses		4,660		8,318
Accounts payable and accrued liabilities		(24,956)		(96,239)
Net cash used in operating activities		(216,354)		(490,703)
Investing activities				
Exploration and evaluation assets		-		(20,000)
Reclamation bonds		-		10,000
Cash used in investing activities		-		(10,000)
Financing activities				
Proceeds from financing (net of share issue costs)		-		593,752
Repayments of loans		-		(76,539)
Share subscriptions received in advance		-		24,950
Proceeds from exercise of stock options		-		35,000
Net cash from in financing activities		-		577,163
Net decrease in cash during the period		(216,354)		51,510
Cash, beginning of the period		216,835		376,375
Cash, end of the period	$	481	$	427,885
Supplemental information				
Shares issued for mineral interests	$	-	$	63,000
Fair value of options exercised	$	-	$	34,373

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

1. Nature of Operations and Going Concern

First Energy Metals Limited ("First Energy" or the "Company") was incorporated on October 12, 1966 in the Province of British Columbia under the Business Corporations Act of British Columbia, and its principal business activity is the exploration of mineral properties in Canada.

The Company's head office address is 1206 - 588 Broughton Street, Vancouver, BC V6G 3E3 Vancouver. The Company's registered and records office is 25th Floor-700 West Georgia Street, Vancouver, B.C., Canada, V7Y 1B3.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumption is not appropriate for these financial statements then adjustments would be necessary to the carrying amount of assets and liabilities, the reported revenue and expenses and the balance sheet classifications used.

During the period ended December 31, 2019, the Company experienced operating losses and negative operating cash flows with the operations of the Company having been primarily funded by the issuance of share capital. The Company expects to incur further losses in the development of its business, and these matters are indicative of the existence of material uncertainty that casts significant doubt as to the Company's ability to continue as a going concern.

The Company will need to raise sufficient funds as the Company's current assets are not sufficient to finance its operations and administrative expenses. The Company is evaluating financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. In addition to evaluating financing options, the Company implemented cost savings measures.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Significant Accounting Policies

(a) Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") issued and outstanding as at February 29, 2020, the date the board of directors approved these unaudited condensed interim financial statements for issue.

(b) Basis of preparation

These unaudited condensed interim financial statements, prepared in conformity with IAS 34, follow the same accounting policies and methods of computation as the most recent audited annual financial statements.

Since these unaudited condensed interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2019.

2. Significant Accounting Policies (continued)

(c) Basis of Measurement and Presentation

These unaudited condensed interim financial statements have been prepared using the historical cost convention using the accrual basis of accounting except for some financial instruments, which have been measured at fair value. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

(d) Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation

(e) New, Amended and Future IFRS Pronouncements

During the period ended December 31, 2019, the Company adopted certain new standards and amendments to standards, none of which had a significant impact on its interim condensed financial statements.

The following standards have been published and are mandatory for the Company's annual accounting periods beginning on or after January 1, 2019.

IFRS 16 – Leases

On January 13, 2016, the IASB issued IFRS 16, according to which, all leases will be on the balance sheet of lessees, except those that meet the limited exception criteria. Respectively, rent expense is to be removed and replaced by the recording of depreciation and finance expense. The standard is effective for annual periods beginning on or after January 1, 2019.

3. Critical Accounting Judgments and Estimates

The preparation of financial statements requires management to make judgments and estimates that affect the amounts reported in the financial statements and notes. By their nature, these judgments and estimates are subject to change and the effect on the financial statements of changes in such judgments and estimates in future periods could be material. These judgments and estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these judgments and estimates. The more significant areas are as follows:

(a) 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 8.

(b) Going Concern

The assessment of the Company's ability to raise sufficient funds to finance its exploration and administrative expenses involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Intangible Exploration and Evaluation Assets

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 5 discloses the carrying value of such assets. The triggering events for the potential impairment of exploration and evaluation assets are defined in IFRS 6 *Exploration for and Evaluation of Mineral Properties* and are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

(Unaudited - expressed in Canadian dollars)

3. Critical Accounting Judgments and Estimates (continued)

(c) Intangible Exploration and Evaluation Assets

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

In making the assessment, management is required to make judgments as to the status of each project and its future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and accordingly some assets are likely to become impaired in future periods.

(d) Deferred Tax Assets

Deferred income tax asset carrying amounts depend on estimates of future taxable income and the likelihood of reversal of timing differences. Where reversals are expected, estimates of future tax rates will be used in the calculation of deferred tax asset carrying amounts. Potential tax assets were deemed not to be recoverable at the current year end.

4. Amounts Receivable and Prepaid Expenses

		December 31, 2019		March 31, 2019
Amounts due from the Government of Canada pursuant to GST input tax credits		11,186		13,977
Prepayments and other amounts receivable		178		2,047
Total	$	11,364	$	16,024

5. Exploration and Evaluation Assets

Exploration and evaluation assets deferred to the statements of financial position at December 31, 2019 and March 31, 2019 are as follows:

		March 31, 2019		Additions		Write-off		December 31, 2019
Phyllis Cobalt	$	56,000	$	-	$	-	$	56,000
Russel Graphite		27,000		-		-		27,000
	$	83,000	$	-	$	-	$	83,000

(a) Phyllis Cobalt Property

On January 29, 2018, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims (the "Phyllis Property") covering 1,750 hectares located in the Kenora Mining District in northwestern Ontario, Canada.

On January 29, 2019, March 15, 2019 and again on December 30, 2019, the Company entered into an amended option agreement (the "Phyllis Amendment Agreement") which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Phyllis Cobalt Agreement, as noted below.

(Unaudited - expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

(a) Phyllis Cobalt Property (continued)

Under the terms of the Phyllis Amendment Agreement, the Company has the option to acquire a 100% interest in the Phyllis Property by completing the following option payments, common share issuances and exploration expenditures:

Due Dates	Option payments ($)	Issuance of First Energy common shares	Minimum exploration expenditures ($)	Cumulative exploration expenditure ($)
On signing (paid and issued)	20,000	100,000	Nil	Nil
September 1, 2020	35,000	150,000	75,000 (completed)	75,000
December 31, 2020	35,000	150,000	25,000	100,000
June 1, 2021	50,000	200,000	25,000	125,000

Under the Phyllis Amendment Agreement, the Phyllis Property is subject to a 3% Net Smelter Return ("NSR") royalty upon commencement of commercial production. The Company will have the option to reduce the NSR to 2.0% by paying $1,000,000.

(b) Kootenay Lithium Property

On October 7, 2016, the Company entered into an agreement to purchase (the "Kootenay Agreement") a 100% interest in certain mineral claims (the "Kootenay Property") covering 4,050 hectares located in the Revelstoke and Nelson Mining Divisions of southeastern British Columbia, Canada.

Under the terms of the Kootenay Agreement, the Company has purchased a 100% interest in the Kootenay Property by issuing 1,200,000 common shares at a value of $0.40 per share. The Kootenay Property is subject to a 2.0% NSR royalty and a 24% Gross Overriding Royalty ("GOR") on gemstones produced from the Kootenay Property. The Company will have the option to reduce the NSR to 1.0% by paying $2,500,000 and to purchase one half (50%) of the GOR for $2,000,000.

A vendor of certain claims within the Kootenay Property also reserves the exclusive right (the "Back In Right") to produce gemstones for its own account from those claims as mutually agreed upon, in return for a 24% GOR payable to the Company. The Company will have the option to purchase 100% of the Back In Right for $1,000,000.

The Company also issued a finder's fee totaling 84,000 common shares in connection with the transaction. This amount has also been capitalized as an acquisition cost.

Under the Kootenay Agreement, the Company is required to keep the Kootenay Property claims in good standing. As the Company had allowed certain claims to lapse, it is in default of the Kootenay Agreement. The Company has since filed certain annual maintenance fees related to the Kootenay Property claims and intends to restore the remainder of the claims to good standing.

(c) Russel Graphite Property

On May 3, 2018, the Company entered into an option agreement to acquire a 100% interest in the Russel Graphite Property which is comprised of 30 mineral tenures covering a contiguous block of 1,798 hectares of land located in the Gatineau area of Quebec, Canada.

On January 28, 2019, and again on March 15, 2019, the Company entered into an amended option agreement (the "Russel

(Unaudited - expressed in Canadian dollars)

5. Exploration and Evaluation Assets (continued)

(c) Russel Graphite Property (continued)

Amendment Agreement") which amended the due dates for certain cash payments, share issuances and exploration expenditure requirements of the Russel Option Agreement as noted below.

On November 29, 2019, the Company announced the termination of its option agreement on the Russel Graphite property.

Exploration and evaluation expenditures recorded in the statements of loss and comprehensive loss for the nine months ended December 31, 2019 and 2018 are as follows:

Nine months ended December 31, 2019	Kootenay Lithium, British Columbia	Phyllis Cobalt, Ontario	Russel Graphite, Quebec	General Exploration	Total
Land lease and property taxes	$ 3,028	$ -	$ -	$ -	$ 3,028
Total	$ 3,028	$ -	$ -	$ -	$ 3,028

Nine months ended December 31, 2018	Kootenay Lithium, British Columbia	Phyllis Cobalt, Ontario	Russel Graphite, Quebec	General Exploration	Total
Assay and sampling	$ -	$ 1,642	$ -	$ -	$ 1,642
Geological and geophysical	-	40,886	21,000	4,500	66,386
Field expenditures	-	-	-	1,495	1,495
Land lease and property taxes	4,291	-	-	-	4,291
Total	$ 4,291	$ 42,528	$ 21,000	$ 5,995	$ 73,814

6. Accounts Payable and Accrued Liabilities

	December 31, 2019	March 31, 2019
Trade and other payables	$ 89,177	$ 78,675
Amounts due to related parties	11,393	46,851
Total	$ 100,570	$ 125,526

7. Related Party Transactions and Balances

Remuneration of directors and key management personnel of the Company for the three and nine months ended December 31, 2019 and 2018 were as follows:

	For the three months ended December 31, 2019	For the three months ended December 31, 2018	For the nine months ended December 31, 2019	For the nine months ended December 31, 2018
Consulting fees charged by directors of the Company	$ -	$ 2,000	$ 1,000	$ 7,520
Salaries, fees and benefits	-	614	41,000	28,614

Related party balances as at December 31, 2019 and March 31, 2019 were as follows:

	December 31, 2019	March 31, 2019
Amounts due to directors and officers of the Company	$ 11,393	$ 46,851

The directors' and officers' balances also include fees and expenses owing to directors and officers incurred in the normal course of business.

(Unaudited - expressed in Canadian dollars)

8. Share Capital

(a) Authorized - Unlimited number of common shares without par value.

(b) Issued share capital

The Company had 17,631,003 common shares issued and outstanding as at December 31, 2019 and March 31, 2019.

c) Stock Options

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with the TSX-V's policies. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the discounted market price of the Company's stock at the date of grant. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not, within a twelve-month period, exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed, within a twelve-month period, two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

As at March 31, 2019, the Company had no issued and outstanding stock options and the Company did not issue stock options during the nine months ended December 31, 2019.

d) Share Purchase Warrants

The continuity for share purchase warrants for the nine months ended December 31, 2019 is as follows:

Expiry date	Exercise price	Balance March 31, 2019	Issued	Exercised	Expired/ Cancelled	Balance December 31, 2019
October 22, 2020	$ 0.12	3,555,556	-	-	-	3,555,556
Weighted average exercise price		$ 0.12	$ -	$ -	$ -	$ 0.12

The weighted average remaining life of share purchase warrants outstanding at December 31, 2019 was 0.81 years.

e) Share-Based Payments Reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments. This reserve also includes the value attributed to warrants on unit private placements. At the time that the stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

The fair value of each option granted to employees, officers, and directors was estimated on the date of grant using the Black-Scholes option-pricing model.

9. Segmented Information

The Company operates in one business segment being the acquisition and exploration of exploration and evaluation assets and operates in one geographic segments being Canada. The total assets relate to exploration and evaluation assets and have been disclosed in Note 5.

(Unaudited - expressed in Canadian dollars)

10. Financial Instruments and Risk Management

Fair Value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following provides the valuation method of the Company's financial instruments as at December 31, 2019 and March 31, 2019:

	Level		December 31, 2019		March 31, 2019
Cash	1	$	481	$	216,835
Loans and receivables	1		22,364		11,000
Other financial liabilities	1		100,570		125,526

Financial Risk Management

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

<u>Liquidity Risk</u>

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company attempts to manage liquidity risk by maintaining a sufficient cash balance. Further information relating to liquidity risk is disclosed in Note 1.

<u>Interest Rate Risk</u>

The Company has no significant exposure at December 31, 2019 to interest rate risk through its financial instruments.

<u>Credit Risk</u>

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investment, reclamation bonds and amounts receivable. The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowances for losses, represents the maximum exposure to credit risk.

The Company deposits its cash with a high credit quality major Canadian financial institution as determined by ratings agencies. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable.

10. Financial Instruments and Risk Management (continued)

Currency Risk

The Company has no significant exposure at December 31, 2019 to currency risk through its financial instruments.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in order to maintain liquidity while achieving a satisfactory return. Fluctuations in interest rates impact the amount of return the Company may realize but interest rate risk is not significant to the Company.

There were no transfers from levels or change in the fair value measurements of financial instruments for the period ended December 31, 2019 and year ended March 31, 2019.

11. Management of Capital

The Company primarily considers shareholders' equity in the management of its capital. The Company manages its capital structure and makes adjustments to it based on funds available to the Company, in order to support exploration and development of mineral properties. The Board of Directors has not established quantitative capital structure criteria management but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining sufficient level of funds, to support continued evaluation and maintenance of the Company's existing properties, and to acquire, explore and develop other precious metals, base metals and industrial mineral deposits;
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing if and when it is required.

The properties in which the Company currently holds an interest are in the exploration stage and the Company is dependent on external financing to explore and take the project to development. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and attempt to raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

In order to facilitate the management of capital and development of its mineral properties, the Company's management informs the Board of Directors as to the quantum of expenditures for review and approval prior to commencement of work.

In addition, the Company may issue new equity, incur additional debt, enter into joint venture agreements or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during the period ended December 31, 2019 compared to the year ended to March 31, 2019. The Company is not subject to externally imposed capital requirements. Further information relating to management of capital is disclosed in Note 1.

12. Subsequent events

Subsequent to December 31, 2019, the Company:

1) announced it had entered into a non-binding Letter of Intent ("LOI") with 1232963 BC LTD, a private corporation incorporated in British Columbia, whereby the Company will have the option to acquire up to 75% of the Thunder Mountain gold-silver project (the "Property") located in Nye County, Nevada.

   Under the terms of the LOI, the Company has the option to acquire up to 75% interest in the Thunder Mountain Property by completing the following option payments, common share issuances and exploration expenditures:

   - Year 1: Cash payment of $20,000 USD within 15 days of Canadian Securities Exchange (“CSE”) and any other regulatory approval necessary. Additional $30,000 USD prior to the one-year anniversary of the agreement. Share issuance of 4,000,000 shares within 15 days of CSE and any other regulatory approval necessary. Complete $150,000 USD in exploration expenditures;
   - Year 2: Cash payment of $40,000 USD prior to the two-year anniversary of the agreement. Complete $600,000 USD in exploration expenditures;
   - Year 3: Cash payment of $60,000 USD prior to the third-year anniversary of the agreement. Complete $750,000 USD in exploration expenditures.

2) announced a non-brokered private placement for up to $600,000 at a price of 0.06 cents per share by way of an issuance of 10,000,000 units. Closing of the private placement is subject to obtaining all required regulatory approvals, including approval from the CSE. The securities will be subject to a four-month hold period plus one day under securities laws. The Company intends to use the proceeds from the private placement for funding the initial exploration program on Thunder Mountain and general working capital purposes. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.20 for a period of one-year from the issue date. The warrants are subject to an acceleration provision that allows the Company to give notice of an earlier expiry date if the Company's weighted average share price on the CSE (or such other stock exchange the Company may be trading on) is equal or greater than $0.20 for a period of 10 consecutive trading days.