PROMINEX RESOURCE CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

OCTOBER 31, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

Notice to Reader

The accompanying unaudited interim financial statements of Prominex Resource Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited interim financial statements have not been reviewed by the Company's auditors.

Prominex Resource Corp.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED OCTOBER 31, 2019 and 2018

(EXPRESSED IN CANADIAN DOLLARS)

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PROMINEX RESOURCE CORP.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(EXPRESSED IN CANADIAN DOLLARS)

AS AT

	Notes	October 31, 2019 $	April 30, 2019 $
ASSETS			
CURRENT			
Cash and cash equivalents		-	1,964
Cash in trust		85,765	-
Amounts receivable		3,348	1,580
TOTAL ASSETS		89,113	3,544
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	6, 7	960,714	970,210
SHAREHOLDERS’ EQUITY			
SHARE CAPITAL	5 (b)	8,728,554	8,583,554
CONTRIBUTED SURPLUS		2,848,185	2,848,185
DEFICIT		(12,448,340)	(12,398,405)
TOTAL SHAREHOLDERS' EQUITY		(871,608)	(966,666)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		89,113	3,544
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APPROVED ON BEHALF OF THE BOARD

"Michael Lerner" Director

"Balu Gopalakrishnan" Director

See the accompanying notes to the interim consolidated financial statements

PROMINEX RESOURCE CORP.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(EXPRESSED IN CANADIAN DOLLARS)

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31

		Three months ended October 31		Six months ended October 31	
		2019	**2018**	**2019**	**2018**
	Notes	**$**	**$**	**$**	**$**
EXPENSES					
General and administrative	7, 11	42,935	-	49,935	4
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		42,935	-	49,935	4
NET LOSS PER SHARE - Basic and diluted		0.00	0.00	0.00	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - Basic and diluted		373,690,890	83,690,890	242,160,835	83,690,890

See the accompanying notes to the interim consolidated financial statements

PROMINEX RESOURCE CORP.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN CANADIAN DOLLARS)

FOR THE PERIODS ENDED OCTOBER 31, 2019 and 2018

	Capital Stock #	Capital Stock $	Contributed Surplus $	Stock Option Reserve $	(Deficit) $	Total $
BALANCE, APRIL 30, 2018	83,690,890	8,583,554	2,848,185	-	(12,350,067)	(918,328)
Loss and comprehensive loss	-	-	-	-	(4)	(4)
BALANCE, OCTOBER 31, 2018	83,690,890	8,583,554	2,848,185	-	(12,350,071)	(918,332)
Loss and comprehensive loss	-	-	-	-	(48,333)	(48,333)
BALANCE, APRIL 30, 2019	83,690,890	8,583,554	2,848,185	-	(12,398,404)	(966,665)
Private placement of shares	290,000,000	145,000	-	-	-	145,000
Loss and comprehensive loss	-	-	-	-	(49,935)	(49,935)
BALANCE, OCTOBER 31, 2019	373,690,890	8,728,554	2,848,185	-	(12,448,340)	(871,601)

See the accompanying notes to the interim consolidated financial statements

PROMINEX RESOURCE CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE PERIODS ENDED OCTOBER 31,

	2019 $	2018 $
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss and comprehensive loss for the year	(49,935)	(4)
Changes in non-cash components of working capital		
(Increase) decrease in amounts receivable	(1,768)	-
Increase (decrease) in accounts payable and accrued liabilities	(9,496)	4
Cash flow used in operating activities	(61,199)	-
CASH FLOWS USED IN FINANCING ACTIVITIES		
Issue of common shares	145,000	-
	145,000	-
Increase in cash and cash equivalents for the period	83,801	-
CASH AND CASH EQUIVALENTS, beginning of the year	1,964	1,964
CASH AND CASH EQUIVALENTS, end of the period	85,765	1,964

See the accompanying notes to the interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Prominex Resource Corp. (the "Company") was incorporated under the Canada Business Corporations Act. The Company is engaged in the acquisition, exploration and evaluation of a mineral assets, and is actively pursuing other potential opportunities. The Company's head office is located at 349 Beach Avenue, Kelowna, British Columbia, V1Y 5R7. The securities of the Company are not presently listed on any stock exchange. However, the Company is subject to a cease trade order issued by the British Columbia Securities Commission dated September 10, 2015 (the "Cease Trade Order") for failure to file certain required filings under applicable securities laws. The Company applied for partial revocation of the Cease Trade Order, and on May 13, 2019, the British Columbia Securities Commission granted a partial revocation of the Cease Trade Order, solely to permit the Company to complete a non-brokered private placement for aggregate gross proceeds of up to $145,000, through the issuance of up to 290,000,000 common shares in the capital of the Company (each, a "Common Share") at a price of $0.0005 per Common Share (the "Offering"). The Company completed the Offering pursuant to the partial revocation on July 23, 2019, raising $145,000 through the issuance of 290,000,000 Common Shares.

These interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors (the "Board") on January 28, 2020.

These interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. Realization values may be substantially different from carrying values ass shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should thee Company be unable to continue as a going concern.

The Company has no current revenues or cash flows from operations and has negative working capital of $871,601 as at October 31, 2019 (April 31, 2019 – negative $966,665). These conditions raise material uncertainties which may cast significant doubt as to the Company's ability to continue as a going concern.

Management believes it will be successful in raising the necessary funds to continue in the normal course of operations or effecting a corporate transaction; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all, or that a corporate transaction will be effected. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee ("IFRIC"). These interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited interim consolidated financial statements are based on IFRS issued and outstanding as of January 28, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended April 30, 2019. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending April 30, 2020 could result in restatement of these interim financial statements.

3. BASIS OF PREPARATION

Basis of consolidation

These interim consolidated financial statements include the accounts of Prominex Resource Corp. and its wholly owned subsidiary Cannabinoid Capital Corporation (from March 31, 2014), which is currently inactive. All significant intercompany balances and transactions have been eliminated upon consolidation.

Subsidiaries are those entities which the Company controls. Control exists when the Company is exposed or has rights to the variable returns of the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Basis of measurement

These interim consolidated financial statements have been prepared under the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those policies considered particularly significant:

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and money market funds, with original maturities of less than 90 days. The money market funds are held with a Canadian chartered bank or a Canadian financial institution.

(b) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property or equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life over the following periods:

Buildings	Straight-line over 25 years
Equipment	Straight-line over 5 years

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

(c) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activity.

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.

(d) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value using a risk-free rate and are provided for and charged to operations, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company had no material restoration, rehabilitation and environmental obligations at October 31, 2019, or April 30, 2019.

(e) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the 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.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(f) Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which the options vest. The offset to the recorded cost is to share-based payment reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of operations.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(g) Flow-through financing

The Company finances a portion of its exploration activities through the issue of flow-through shares, which transfers the tax deductibility of exploration expenditures to the investor. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditures is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the consolidated statement of operations.

(h) Loss per common share

Basic loss per share is calculated using the weighted average number of shares outstanding. The diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share. See Notes 6(c), and (d) for details on the Company's potentially dilutive securities. All of the Company's outstanding stock options, if any, were anti-dilutive for the periods ended October 31, 2019 and April 30, 2019.

(i) Use of estimates

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

- **Estimation of restoration, rehabilitation and environmental obligations**
  Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- **Income, value added, withholding and other taxes**
  The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit

issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations.

The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- **Share-based payments**
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and Company performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- **Environmental**
  Management believes its operations are in material compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. Management is required to estimate the cost of compliance when laws change.

(j) Financial assets and liabilities

Accounting policy under IFRS 9 applicable from May 1, 2018

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the consolidated statements of operations.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of operations. The Company does not measure any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of earnings (loss) when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

<u>Accounting policy under IAS 39 applicable prior to May 1, 2018</u>

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading.

Financial assets that have a fixed maturity date and fixed or determinable payments, where the Company intends and has the ability to hold the financial asset to maturity, are classified as held-to-maturity and are measured at amortized cost using the effective interest rate method. Any gains and losses arising from the sale of held-to-maturity financial assets are included in operations. As at April 30, 2018, the Company had no held-to-maturity financial assets.

Items classified as loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are included in operations. The Company's cash and cash equivalents, and amounts receivable, are classified as loans and receivables.

Available-for-sale assets are those financial assets that are not classified as held-for-trading, held-to-maturity or loans or receivables, and are carried at fair value. Any gains or losses arising from the change in fair value are recorded as other comprehensive loss. Available-for-sale securities are written down to fair value through operations whenever it is necessary to reflect a change other than temporary impairment. Cumulative gains and losses arising upon the sale of the instrument are included in operations. The Company did not have any available-for-sale assets as at April 30, 2018.

Financial liabilities that are not classified as held-for-trading are classified as other financial liabilities, and are carried at amortized cost using the effective interest method. Any gains or losses arising from the realization of other financial liabilities are included in operations. The Company has classified accounts payable and accrued liabilities as other financial liabilities, which are carried at amortized cost.

Impairment of financial assets:
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted.

Financial instruments recorded at fair value:
Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(k) Translation of foreign currencies and foreign subsidiary

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary items on the consolidated statement of financial position, expressed in foreign currencies are translated into Canadian dollars at the exchange rates in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at the reporting date. Depreciation is translated on the same basis as the related asset. The resulting exchange gains or losses are recognized in operations in the period in which they arise.

(l) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(m) Recent Accounting Pronouncements and Accounting Changes

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after May 1, 2019, or later periods. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial instruments (“IFRS 9”) was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has assessed the impact of adoption and there will be no significant impact on the financial statements.

IFRS 15 – Revenue from Contracts with Customers was issued by the IASB in May 2014 and applies to annual reporting periods beginning on or after January 1, 2018. The new revenue standard specifies how and when an IFRS reporter will recognise revenues as well as requiring entities to provide issuers of financial statements with more informative, relevant disclosures. The standard introduces the five-step model to be applied to all contracts with customers.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

(Expressed in Canadian Dollars)

5. CAPITAL STOCK

The capital stock is as follows:

(a) Authorized

Unlimited number of common shares with no par value

(b) Issued

	Common Shares #	Amount $
Balance, April 30, 2019 and April 30, 2018	83,690,890	8,583,554
Issued for cash	290,000,000	145,000
Balance, October 31, 2019	373,690,890	8,728,554

On July 23, 2019, the Company issued 290,000,000 common shares via a private placement for cash proceeds of $145,000. The cash was held in trust.

(c) Stock Options

The Company has a 10% rolling stock option plan ("Plan") which provides that incentive-based stock options may be granted, at the Board's discretion, to a quantity not to exceed 10% of the issued and outstanding shares of the Company at the time of granting. Pursuant to TSX-V policies, the Plan requires annual shareholder approval. The Plan was renewed at the September 10, 2013 Shareholders' Meeting.

All stock options were cancelled in the year ended April 30, 2017.

(d) Warrants

As of October 31, 2019 and April 30, 2019, there were no outstanding warrants to purchase common shares of the Company.

6. CONTINGENCIES AND COMMITMENTS

Environmental contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are in material compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

Included in accounts payable and accrued liabilities as at October 31, 2019 and April 30, 2019 is a provision for subscriber indemnification related to the shortfall in required expenditures in connection with a flow-through financing agreement from 2007.

7. RELATED PARTY TRANSACTIONS

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company for the periods ended October 31, 2019 and 2018 was:

	2019 $	2018 $
Management fees	-	-

As at October 31, 2019, $31,500 (April 30, 2019 - $35,000) was included in accounts payable and accrued liabilities and relates to management fees payable to a company owned by Michael Lerner, the Company's CEO.

As at October 31, 2019, $356,732 was included in accounts payable and accrued liabilities for management services provided by Scott Baxter, the previous Chief Executive Officer of the Company. This amount remains outstanding in full, but is not considered a related party transaction given that the previous Chief Executive Officer of the Company resigned from his position during the year ended April 30, 2019. The Company will need to raise capital in order to repay this amount or negotiate a settlement with the previous Chief Executive Officer of the Company with respect to the outstanding amount. However, there can be no guarantee that the Company will be able to do so.

All amounts due to related parties are on account or operating activity and are subject to normal trade terms, and other than as disclosed above, there are no other payments outstanding as payable to former related parties.

8. FINANCIAL INSTRUMENTS AND RISK FACTORS

International financial reporting standards require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. At October 31, 2019 and April 30, 2019, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at October 31, 2019 and April 30, 2019, carrying amounts of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company’s credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

(b) Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its obligations when due. At October 31, 2019, the Company had cash and cash equivalents of $85,765 (April 30, 2019 - $1,964) available to settle current liabilities of $960,714 (April 30, 2019 - $970,209). The Company’s accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

The Company has cash and cash equivalents balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at October 31, 2019, the Company does not hold foreign currency balances.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company may hold balances in United States dollars that gives rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

9. INCOME TAXES

This note has not been updated from April 30, 2019.

10. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the pursuit of a capital transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

(Expressed in Canadian Dollars)

The Company will continue to assess corporate opportunities with the intent to realize value.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the period ended October 31, 2019. On April 11, 2019, the Company changed the management and board to better pursue a corporate transaction. The Company and its subsidiary are not currently subject to externally imposed capital requirements.

11. GENERAL AND ADMINISTRATIVE

Six months ended October 31	**2019**	**2018**
	$	**$**
Management fees (Note 8)	-	-
Professional fees	43,438	-
Regulatory and general	6,497	9
	49,935	9