Planet Ventures Inc.

Financial Statements

For the Years Ended March 31, 2020 and 2019

Expressed in Canadian Dollars

PLANET VENTURES INC.
Index to Financial Statements
For the Years Ended March 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Planet Ventures Inc.

Opinion

We have audited the financial statements of Planet Ventures Inc. (the "Company") which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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 auditors' report is Joseph Bonvillain.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
July 29, 2020

PLANET VENTURES INC.
Statements of Financial Position
As at March 31, 2020 and 2019
(Expressed in Canadian dollars)

		March 31, 2020		March 31, 2019
ASSETS				
Current assets				
Cash and cash equivalents	$	**1,453,116**	$	2,361,284
Investments at fair value (notes 5 and 9)		**1,650,997**		2,343,731
Loans receivable (notes 6 and 9)		**175,000**		250,000
Receivables (note 9)		**42,636**		56,350
Prepaid expenses		**187,767**		19,103
Total current assets		**3,509,516**		5,030,468
Office rental deposit		**29,433**		29,433
Investments at fair value (notes 5 and 9)		**5,958,832**		-
Right-of-use asset (note 7)		**141,285**		-
Total assets	$	**9,639,066**	$	5,059,901
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 9)	$	**100,989**	$	40,663
Current portion of lease liability (note 7)		**74,279**		-
Total current liabilities		**175,268**		40,663
Lease liability (note 7)		**77,271**		-
Total liabilities		**252,539**		40,663
EQUITY				
Share capital (note 8(a))		**23,003,440**		16,722,977
Contributed surplus (notes 8(c) and (d))		**2,215,516**		2,182,204
Deficit		**(15,832,429)**		(13,885,943)
Total equity		**9,386,527**		5,019,238
Total liabilities and equity	$	**9,639,066**	$	5,059,901

Commitments (note 7)
Subsequent event (note 12)

Approved and authorized by the Board of Directors on July 29, 2020:

"Chris Cooper"
Director

"Desmond Balakrishnan"
Director

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

PLANET VENTURES INC.
Statements of Operations and Comprehensive Loss
For the years ended March 31, 2020 and 2019
(Expressed in Canadian dollars)

	2020	2019
Investment income		
Net realized gains (loss) on disposal of investments (note 5)	**$ (246,158)**	$ 117,578
Unrealized loss on investments (note 5)	**(1,371,647)**	(659,404)
Fair value adjustments on investments in crypto currencies	**-**	(3)
Interest and dividends (note 6)	**65,083**	37,167
Total investment loss	**(1,552,722)**	(504,662)
Expenses		
Commissions	**5,372**	6,284
Consulting	**175,556**	93,209
Depreciation (note 7)	**73,713**	
Insurance	**7,814**	8,105
Interest (note 7)	**18,693**	-
Management and directors' fees (note 9)	**6,000**	6,000
Office and administration (note 9)	**139,910**	77,253
Professional fees	**98,061**	60,984
Share-based compensation (note 8)	**-**	260,786
Transfer agent and filing fees	**43,459**	22,066
Travel and promotion	**13,263**	13,131
Total expenses	**(581,841)**	(547,818)
Other income (loss)		
Finance fee	**-**	25,000
Foreign exchange loss	**(3,566)**	(2,448)
Consulting income	**130,000**	-
Other income (note 9)	**82,141**	-
Write-off of interest receivable	**(20,498)**	-
Total other income	**188,077**	22,552
Net loss and comprehensive loss	**$ (1,946,486)**	$ (1,029,928)
Basic and diluted loss per common share	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding: Basic and diluted	**126,850,149**	79,707,683

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

PLANET VENTURES INC.
Statements of Changes in Equity
For the years ended March 31, 2020 and 2019
(Expressed in Canadian dollars)

	Share Capital				
	Number of Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
Balance, March 31, 2018	**89,539,190**	**$ 15,412,941**	**$ 1,921,418**	**$ (12,856,015)**	**$ 4,478,344**
Shares issued for cash in private placement net of share issue costs (note 8(a))	22,000,000	1,060,036	-	-	1,060,036
Shares issued on exercise of warrants	2,500,000	250,000	-	-	250,000
Share-based compensation	-	-	260,786	-	260,786
Comprehensive loss for the year	-	-	-	(1,029,928)	(1,029,928)
Balance, March 31, 2019	**114,039,190**	**$ 16,722,977**	**$ 2,182,204**	**$ (13,885,943)**	**$ 5,019,238**
Shares issued for cash in private placement net of share issue costs (note 8(a))	28,000,000	1,380,463	2,219	-	1,382,682
Shares and options issued for investment (note 8(a))	70,000,000	4,900,000	31,093	-	4,931,093
Comprehensive loss for the year	-	-	-	(1,946,486)	(1,946,486)
Balance, March 31, 2020	**212,039,190**	**$ 23,003,440**	**$ 2,215,516**	**$ (15,832,429)**	**$ 9,386,527**

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

PLANET VENTURES INC.
Statements of Cash Flows
For the years ended March 31, 2020 and 2019
(Expressed in Canadian dollars)

		2020		2019
Cash flows from (used in):				
Operating activities				
Net loss for the year	$	**(1,946,486)**	$	(1,029,928)
Items not affecting operating cash:				
Net realized loss (gain) on investments		**246,158**		(117,578)
Net realized losses on cryptocurrency		**-**		225,686
Unrealized losses on investments		**1,333,983**		659,404
Net change in unrealized losses on crypto currency reclassified to realized		**-**		(225,683)
Non-cash stock dividend and interest		**(25,049)**		-
Share based compensation		**-**		260,785
Amortization of right-of-use asset		**73,713**		-
Interest expense for right-of-use asset		**18,694**		-
		(298,987)		(227,314)
Adjustments for:				
Proceeds on disposal of investments		**413,077**		782,854
Purchase of investments		**(2,334,268)**		(1,020,573)
Change in loan principal		**75,000**		(175,000)
Change in receivables		**13,713**		(49,672)
Change in prepaid expenses		**(168,664)**		89,104
Change in accounts payable and accrued liabilities		**60,327**		267
Net cash used in operating activities		**(2,239,802)**		(600,334)
Investing activities				
Office lease payments received		**(82,141)**		-
Net cash used in investing activities		**(82,141)**		-
Financing activities				
Proceeds from warrants exercise		**-**		250,000
Shares issued for cash, net of cash issuance costs		**1,413,775**		1,060,036
Net cash provided by investing activities		**1,413,775**		1,310,036
Change in cash and cash equivalents		**(908,168)**		709,702
Cash and cash equivalents, beginning of year		**2,361,284**		1,651,582
Cash and cash equivalents, end of year	$	**1,453,116**	$	2,361,284
Supplemental Cash Flow Information:				
Interest paid	$	**-**	$	-
Income taxes paid	$	**-**	$	-
Shares issued for acquisition of investments	$	**4,900,000**	$	-

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

1. NATURE OF OPERATIONS

Planet Ventures Inc. ("the Company") was incorporated in Canada on January 29, 1996 under the Alberta Business Corporations Act and continues under the British Columbia Business Corporations Act. On June 28, 2017, the Company changed its name to Planet Ventures Inc. from Planet Mining Exploration Inc. The Company's registered office and its principal place of business are located at Suite 303, 750 West Pender Street, Vancouver, BC Canada V6C 2T7. The Company's shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol "PXI".

From its inception up to October 2, 2014, the Company was in the business of acquiring, exploring and developing gold, copper, silver and other resource properties, both directly and through joint ventures in Canada. In October 2014, the Company changed its business from a "junior mineral exploration company" to an "investment issuer".

The principal business of the Company is investing in a portfolio of common shares and other securities of publicly-listed and private companies to achieve capital appreciation of the portfolio.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB").

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company meets the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* and measures its investment in relevant subsidiaries at fair value through profit or loss (see note 5).

The presentation and functional currency of the Company is the Canadian dollar.

(c) Significant accounting judgements and estimates

The preparation of these 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 expenses during the reporting period. Actual results could differ from these estimates.

2. BASIS OF PREPARATION (continued)

(c) Significant accounting judgements and estimates (continued)

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of the revision and future periods. These 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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of the fair value of financial instruments (note 3(b)) and the fair value of investments in cryptocurrencies (note 3 (d)).

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

(i) Going concern assumption
Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

(ii) Income taxes
Judgements are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws. While management believes judgements and the estimates are reasonable, actual results could differ from those judgements and estimates and could impact future results of operations and cash flows.

(iii) Investment entity status
Determining if the Company meets the investment entity status under IFRS 10 requires significant judgment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company.

(a) Foreign currencies

The Company's functional and reporting currency for all its operations is the Canadian dollar as this is the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the date of the statement of financial position. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

(b) Financial instruments

(i) Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases and sales of investments are recognized on the settlement date. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

(ii) Classification – financial assets

Amortized cost
Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company classifies loans receivable as a financial asset at amortized cost.

Fair value through other comprehensive income ("FVTOCI")
Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

(ii) Classification – financial assets (continued)

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings upon derecognition. The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL")
By default, all other financial assets are measured subsequently at FVTPL, which includes cash and cash equivalents and investments at fair value.

(iii) Classification – financial liabilities

Financial liabilities are subsequently measured at amortized cost using effective interest method, except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments as below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. Financial liabilities at amortized cost include accounts payable.

The Company has no hedging arrangements and does not apply hedge accounting.

(iv) Derecognition and reclassification of investments:

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS.

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial instruments (continued)

(v) Determination of fair values:

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

(vi) Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments. The Company did not recognize impairment losses during the year ended March 31, 2020.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (Note 5).

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments with a maturity less than 90 days on acquisition that are readily convertible into known amounts of cash.

(d) Investments in crypto currencies

Crypto currencies acquired are accounted for as intangible assets, initially recorded at cost and are subsequently measured at fair value under the revaluation method. Crypto currencies are treated as indefinite lived intangibles, unless the contractual terms indicate a definite useful life.

Under IAS 38, Intangible Assets, for the purposes of revaluation, fair value is measured by reference to an active market. If an intangible asset cannot be revalued because there is no active market for this asset, it should be carried at cost less any accumulated amortization and impairment losses. The fair value changes are accounted for as follows:

- Increases in the fair value are recorded in other comprehensive income ("OCI"), and decreases that reverse previous increases are recorded in OCI, which would result in the cumulative effect on OCI being the net increase in the fair value of cryptocurrencies over time; and

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investments in crypto currencies (continued)

- Decreases in the fair value are recorded in profit or loss, and increases that reverse previous decreases are recorded in profit or loss, which would result in the cumulative effect on profit or loss being the net decrease in the fair value of cryptocurrencies over time.

Decreases in the fair value to the extent of the credit balance in the revaluation surplus related to the crypto currency asset may be recorded in OCI.

(e) Revenue recognition

Sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statements of operations and comprehensive loss.

All transaction costs associated with the acquisition and disposition of investments are expensed to the statements of operations and comprehensive loss as incurred.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is recognized in profit or loss as it accrues, using the effective interest method.

Consulting income is recorded when services have been rendered, terms of the arrangement with a client have been met and collection is probable, which is usually when a consulting invoice is issued.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(g) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income taxes (continued)

(i) Current income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred income tax

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: liabilities arising from initial recognition of goodwill for which depreciation is not deductible for tax purposes;

- liabilities arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit; and

- liabilities arising from undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Share capital

The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date of issue.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants using residual value method. Under this method, the unit price is compared to the price of common shares in a concurred financing or to the market share price. The proceeds are first allocated to the share capital and any residual value is allocated to warrant reserve.

(i) Share-based compensation

The Company has a stock option plan as described in note 8(c). An individual is classified as an employee, versus a consultant, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Compensation expense attributable to share based awards to employees is measured at the fair value at the date of grant using the Black-Scholes model, and is recognized over the period that the employee becomes unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value, under the Black-Scholes model, takes into account a number of variables, including the exercise price of the award, the expected dividend rate, the expected life of the options, forfeiture rate and the risk free interest rate.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share-based compensation (continued)

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

(j) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Currently, the effect of potential issuances of shares under stock options and warrants would be anti-dilutive and accordingly, basic and diluted loss per share is the same.

(k) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as foreign currency gains or losses related to translation of the financial statements of foreign operations and the revaluation of the Company's investments in crypto currencies. The Company's comprehensive loss, components of other comprehensive loss are presented in the statements of comprehensive loss and the statements of changes in equity.

4. NEW ACCOUNTING STANDARDS

(a) Accounting standards adopted by the Company

On April 1, 2019, the Company adopted the requirements of IFRS 16 *Leases* using a modified retrospective approach. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

4. NEW ACCOUNTING STANDARDS (continued)

(a) Accounting standards adopted by the Company (continued)

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the accretion of interest and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company used a practical expedient in IFRS 16 not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets.

The Company previously classified its property lease as an operating lease under IAS 17. On adoption of IFRS 16, the Company recognized a right-of-use asset and a lease liability in the amount of approximately $214,998. The Company used a practical expedient in IFRS 16 to include non-lease components into the calculation of the lease liability, applied the interest rate of 10% and the lease term to February 28, 2022 to calculate the lease liability and right-of-use asset on adoption.

(b) Accounting standards not yet adopted by the Company

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after April 1, 2020, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the financial statements upon adoption of these new revised accounting pronouncements.

4. NEW ACCOUNTING STANDARDS (continued)

(b) Accounting standards not yet adopted by the Company (continued)

IAS 1 – *Presentation of Financial Statements* ("IAS 1") and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

IFRS 3 – *Business Combinations* was amended to assist entities in determining whether an acquired set of activities and assets are considered a business. The amendments the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, narrow the definition of outputs, add guidance to assess whether an acquired process is substantive and introduce an optional concentration test to permit a simplified assessment. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

5. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);

(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(Expressed in Canadian dollars)

5. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)

	March 31, 2020		March 31, 2019	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Cash and cash equivalents	$ 1,453,116	$ -	$ 2,361,284	$ -
Investments at fair value:				
Equity investments in public companies (a)	$ 1,634,903	$ 16,094	$ 2,274,726	$ -
Equity investments in private companies (b)	$ -	$ 5,958,832	$ -	$ 69,005

The methods of measuring each of these financial assets have not changed during the past year. The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

(a) Equity investments in public companies

The Company's equity investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of investment securities is calculated as the closing market price of the investment equity security multiplied by the quantity of shares held by the Company. Some of the equity investments are subject to a four-month statutory hold period. Stock options and warrants held that are not traded on an active market are remeasured using a valuation technique based on data inputs that are supported by observable current market conditions and are therefore classified within Level 2 of the fair value hierarchy.

(b) Equity investments in private companies

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below.

The determination of fair value of the Company's privately-held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

(Expressed in Canadian dollars)

5. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)

(b) Equity investments in private companies (continued)

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. Valuation techniques which use management-derived unobservable data specific to the investee are considered to be measured at fair value using Level 3 inputs. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any events, such as a significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

(c) Fair market value and original cost of investments

Investments at original cost and fair value consist of the following:

	March 31, 2020		March 31, 2019	
	Cost	**Fair market value**	**Cost**	**Fair market value**
Shares in public companies	$ 3,595,139	$ 1,650,997	$ 3,013,171	$ 2,274,726
Warrants	-	-	9,780	-
Shares in private companies	6,798,987	5,958,832	740,000	69,005
Total	**$ 10,394,126**	**$ 7,609,829**	**$ 3,762,951**	**$ 2,343,731**

(Expressed in Canadian dollars)

5. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)

(c) Fair market value and original cost of investments (continued)

During the year ended March 31, 2020, the Company acquired 100% of outstanding common shares of 1st Eleven Limited, a private company, for a consideration totaling $5,950,853 which is comprised of 70,000,000 common shares with a fair value of $4,900,000 based on the share price of the Company's shares at the date of the transaction, $1,019,760 in cash and $31,093 in stock options (note 8 (c)).

6. LOANS RECEIVABLE

On November 13, 2018, the Company entered into an agreement to loan $250,000. The loan bore interest at a rate of 8% per annum and increased to 18% per annum from maturity date onwards, and the principal balance was due for repayment on February 14, 2019. The loan was secured by a mortgage over any real property owned by the borrower. The security was subordinate to existing secured obligations of the borrower of $875,000. For the year ended March 31, 2020, interest revenue of $4,275 (2019 - $8,445) was recognized in the statements of operations and comprehensive loss. The loan was repaid in April 2019, and a corporate financing fee of $25,000 was repaid in shares during the year ended March 31, 2020.

On June 7, 2019, the Company entered into an agreement to loan $120,000 with a public company with common management. In August 2019 the loan and a one-time charge of $10,000 was repaid.

On August 23, 2019 the Company entered into an agreement to loan $175,000 with an interest of 18% per annum. The borrower will pay a finance fee of $17,500 on the due date which is August 23, 2020. The loan can be repaid in part or in full before maturity date. The loan is secured by a share pledge of common shares registered and beneficially owned by the borrower. Interest revenue of $29,669 was recognized in the statements of operations and comprehensive loss during the year ended March 31, 2020.

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On April 1, 2016, the Company entered into an office lease agreement for a term ending on February 28, 2022. The lease is accounted for in accordance with IFRS 16 (note 4). Interest was calculated based on estimated annual rate of 10%.

As at March 31, 2020, the lease liability is as follows:

Balance as at April 1, 2019	$	214,998
Interest expense		18,693
Lease payments		(82,141)
Balance as at March 31, 2020	$	151,550
Current portion of the lease liability		(74,279)
Non-current portion of a lease liability	$	77,271

(Expressed in Canadian dollars)

7. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

At March 31, 2020 the balance of the right-of-use asset is as follows:

Balance as at April, 2019	$	214,998
Depreciation		(73,713)
Balance as at March 31, 2020	$	141,285

8. SHARE CAPITAL

(a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

During the year ended March 31, 2020 the Company issued 70,000,000 shares pursuant to the acquisition of a 1st Eleven Limited as an investment (note 5).

On February 13, 2020, the Company closed a private placement with the sale of 28,000,000 units at $0.05 per unit for gross proceeds of $1,400,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for $0.10 per share for a two-year period. The Company paid $17,318 in cash share issue costs and issued 105,000 finders warrants with fair value of a $2,219.

Shares issued during the year ended March 31, 2019

On March 14, 2019, the Company closed a private placement with the sale of 22,000,000 units at $0.05 per unit for gross proceeds of $1,100,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for $0.10 per share for a two-year period. The Company paid $33,250 as a finder's fee and $6,714 as a filing fee.

In July 2018 2,500,000 shares were issued upon exercise of the warrants of the Company at $0.10.

(b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(b) Preferred shares (continued)

No preferred shares were issued or were outstanding as at March 31, 2020 and March 31, 2019.

(c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

On February 6, 2020, the Company granted 500,000 stock options in connection with the acquisition of 1st Eleven Limited (note 5). The stock options are exercisable at $0.10 per option for five years. The fair value of the options of $31,093 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.07; exercise price – $0.10; expected life – five years; volatility – 148%; dividend yield – $nil; and risk-free rate – 1.38%. Options vested on the grant date.

On February 1, 2019, the Company granted 2,000,000 stock options exercisable at a $0.10 per option for five years. The fair value of the options of $107,067 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.06; exercise price – $0.10; expected life – five years; volatility – 153%; dividend yield – $nil; and risk-free rate – 1.86%. Options vested on the grant date.
On August 1, 2018, the Company granted 1,000,000 stock options exercisable at a $0.15 per option for five years. The fair value of the options of $153,719 was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.16; exercise price – $0.15; expected life – five years; volatility – 176%; dividend yield – $nil; and risk-free rate – 2.26%. Options vested on the grant date.

A continuity schedule of the Company's outstanding options is as follows:

	Number of options		Weighted average exercise price
Balance, March 31, 2018	1,200,000	$	0.10
Expired	(200,000)	$	0.10
Granted	3,000,000	$	0.12
Balance, March 31, 2019	4,000,000	$	0.11
Granted	500,000	$	0.10
Balance, March 31, 2020	**4,500,000**	**$**	**0.11**

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(c) Stock options (continued)

As at March 31, 2020, the Company had options outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date		Exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (in years)
October 23, 2022	$	0.10	1,000,000	1,000,000	0.54
August 1, 2023	$	0.15	1,000,000	1,000,000	1.71
February 1, 2024	$	0.10	2,000,000	2,000,000	0.74
February 6, 2025	$	0.10	500,000	500,000	0.57

(d) Share purchase warrants

During the year ended March 31, 2020 the Company closed a private placement. As part of the units in the private placement the Company issued 28,000,000 warrants exercisable at $0.10 per warrant for a period of two years. In addition the Company issued 105,000 finders warrants with fair value of $2,219. The fair value was calculated using Black-Scholes option pricing model with the following assumptions: stock price – $0.05; exercise price – $0.10; expected life – two years; volatility – 111%; dividend yield – $nil; and risk-free rate – 1.51%.
On March 14, 2019 as part of the private placement, the Company granted 22,000,000 warrants exercisable at $0.10 for a two-year period. In July 2018 2,500,000 warrants were exercised at $0.10.

A continuity schedule of the Company's outstanding warrants is as follows:

	Number of warrants		Weighted average exercise price
Balance, as at March 31, 2018	20,000,000	$	0.10
Exercised	(2,500,000)	$	0.10
Granted	22,000,000	$	0.10
Balance, as at March 31, 2019	39,500,000	$	0.10
Granted	28,105,000	$	0.10
Balance, as at March 31, 2020	**67,605,000**	**$**	**0.10**

During the year ended March 31, 2020 the expiration date of the 17,500,000 warrants was extended to November 16, 2020.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(d) Share purchase warrants (continued)

As at March 31, 2020, the Company had warrants outstanding to acquire common shares of the Company as follows:

Expiry date		Exercise price	Number of warrants outstanding	Weighted average remaining contractual life (in years)
November 16, 2020	$	0.10	17,500,000	0.16
March 14, 2021	$	0.10	22,000,000	0.31
February 13, 2020	$	0.10	28,105,000	0.78

9. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

Amounts paid and accrued to directors, officers and companies in which directors and officers are shareholders or partners are included in general expenses as follows:

		March 31, 2020		March 31, 2019
Management and administration fees	**$**	**129,404**	$	75,000
Directors' fees		**6,000**		6,000
Stock based compensation		**-**		206,296
Total	**$**	**135,404**	$	287,296

The Company's payments related to office lease are reimbursed by a company of which a Chief Financial Officer of the Company is an employee, see note 7.

(b) Related party transactions

In the normal course of operations, the Company transacts with companies related to its directors or officers. Related party transactions are measured at the exchange amounts as agreed upon by transacting parties.

9. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions (continued)

Related party transactions not disclosed elsewhere in these financial statements are as follows:

- During the year ended March 31, 2020, the Company incurred $67,517 (2019 - $24,984) in legal expenses and $6,555 (2019 - $nil) in share issue costs from a law firm of which a director and officer of the Company is a partner. As at March 31, 2020, $67,419 (2019 - $8,877) is included in accounts payable for this law firm, and cash of $nil (2019 – $43,950) was held in trust.

- The Company has investments in shares of corporations with directors and officers in common. As at March 31, 2020, fair market value of these investments was $501,518 (2019 - $173,633) and cost $480,518 (2019 - $272,833).

- During the year ended March 31, 2019, the Company loaned $250,000 (note 6) to a company with a director in common. During the year ended March 31, 2020 the loan and accrued interest were repaid. As at March 31, 2020 $nil (2019 - $8,445) was accrued as interest.

- During the year ended March 31, 2020 the Company entered into an agreement to loan $120,000 to a company with an Officer in common (note 6). During the year ended March 31, 2020, the loan and a one-time charge of $10,000 were repaid.

- During the year ended March 31, 2020, the Company's lease payments were reimbursed monthly by a company of which an Officer of the Company is employee. As a result, income of $82,141 was recognized in the statement of operations and comprehensive loss.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, fair value risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in the

10. FINANCIAL AND CAPITAL RISK MANAGEMENT(continued)

(a) Capital management (continued)

light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at March 31, 2020, the Company did not have any debt, other than accounts payable and accrued liabilities, and was not subject to externally imposed capital requirements.

(b) 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 maintains sufficient cash and cash equivalent balances to meet current working capital requirements.

(c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and receivables.

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents, and other assets with high-credit quality financial institutions, and obtains security from creditors on receivables when possible.

The majority of the Company's cash and cash equivalents are held with major Canadian-based financial institutions. The Company estimates the credit risk associated with receivables as $29,669 as it relates to the interest accrued on the loan receivable (note 6). The interest was not collected subsequent to the period end. $12,968 relates to taxes receivable, collectability of which is reasonably assured.

The Company’s functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

(d) Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company’s profit and losses. The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the

10. FINANCIAL AND CAPITAL RISK MANAGEMENT(continued)

(d) Interest rate risk (continued)

fair value of any guaranteed bank investment certificates included in reclamation bond as they are generally held with large financial institutions.

(e) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and commodity prices.

The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

In accordance with IFRS 9, the Company is required to remeasure its investments at fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

The Company is not exposed to significant interest rate risk as the Company's has no interest-bearing debt. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The result of sensitivity analysis shows an increase or decrease of 5% in the market price, with all other variables held constant, could have decreased or increased the Company's net loss by approximately $380,491 as at March 31, 2020 (2019 - $117,187).

(f) Concentration risk in the Company's investment portfolio

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the operating results of the Company.

Subject to board approval for investments in excess of a pre-determined threshold, there are no restrictions on the proportion of Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments or industry sectors and the Company's financial results may be substantially adversely affected by the unfavourable performance in those investments or industry sectors.

(Expressed in Canadian dollars)

10. FINANCIAL AND CAPITAL RISK MANAGEMENT(continued)

(f) Concentration risk in the Company's investment portfolio (continued)

As at March 31, 2020, the Company's two top investments had a fair value of $574,500 in publicly traded companies, representing 35% of the fair value of the Company's total portfolio (2019 – $1,162,650 or 51%).

11. INCOME TAX

Income tax expense (recovery) is recognized based on the weighted average annual income tax rate for the year applied to pre-tax income (loss). The Company's effective tax rate for the year ended March 31, 2020 was 27% (2019 - 27%).

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	Year ended March 31, 2020	Year ended March 31, 2019
Expected income tax recovery	**$ (525,551)**	$ (278,081)
Permanent differences and other	**265,714**	160,528
Change in unrecognized deferred tax assets	**259,837**	117,553
	$ -	$ -

Significant components of the Company's unrecognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2020	2019
Non-capital losses	**$ 999,151**	$ 949,595
Capital losses	**33,231**	-
Resource property expenditures	**1,742,473**	1,742,473
Undeducted share issue costs and other	**15,347**	23,469
Investments	**376,767**	191,595
	3,166,969	2,907,132
Unrecognized deferred income tax assets	**(3,166,969)**	(2,907,132)
	$ -	$ -

(Expressed in Canadian dollars)

11. INCOME TAX (continued)

At March 31, 2020, the Company had the following accumulated non-capital losses available for utilization in future years. If unused, these losses expire in the following years:

2032	323,473
2033	824,034
2034	742,174
2035	737,262
2036	350,367
2038	137,227
2039	217,246
2040	368,776
	$ 3,700,559

At March 31, 2020, the Company had approximately $123,080 in capial lossess to available for utilization in the future years.

12. SUBSEQUENT EVENT

Subsequent to the year ended March 31, 2020 the Company commenced a normal course issuer bid for up to 10,601,959 common shares, representing up to 5% of its 212,039,190 shares issued and outstanding. The purchases will be by way of open market purchases through the facilities of the TSX Venture Exchange (the "Exchange") and the Company will pay the market price of the shares at the time of acquisition. All shares purchased by the Company will be subsequently cancelled.