FIREBIRD RESOURCES INC.

Consolidated Financial Statements

Years Ended April 30, 2019 and 2018

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Firebird Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of Firebird Resources Inc., which comprise the statements of consolidated financial position as at April 30, 2019 and 2018 and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2019 and 2018, and its consolidated financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Auditor's Responsibilities for the Audit of the Consolidated financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $166,696 during the year ended April 30, 2019 and, as of that date, the Company had a working capital deficit of $2,050,658 and an accumulated deficit of $24,585,193. As stated in Note 1 of the consolidated financial statements, these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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 Henry Chow.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 28, 2019

FIREBIRD RESOURCES INC.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	April 30, 2019 $	April 30, 2018 $
Assets		
Current assets		
Cash	3,815	30,908
Marketable securities (Note 3)	17,917	50,167
Amounts receivable	1,858	3,296
Loan receivable (Note 5)	17,064	15,926
Total current assets	40,654	100,297
Non-current assets		
Exploration and evaluation assets (Notes 4 and 8)	115,980	61,035
Total assets	156,634	161,332
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	934,492	882,834
Notes payable (Note 7)	422,000	422,000
Due to related parties (Note 8)	734,820	624,480
Total liabilities	2,091,312	1,929,314
Shareholders' deficit		
Share capital	19,524,482	19,524,482
Share-based payment reserve	2,894,941	2,894,941
Equity portion of convertible debenture	231,092	231,092
Deficit	(24,585,193)	(24,418,497)
Total shareholders' deficit	(1,934,678)	(1,767,982)
Total liabilities and shareholders' deficit	156,634	161,332

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on August 28, 2019:

/s/ 'Thomas R. Tough'

Thomas R. Tough, Director

/s/ 'Glen Macdonald'

Glen Macdonald, Director

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

FIREBIRD RESOURCES INC.
Consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended April 30, 2019 $	Year ended April 30, 2018 $
Expenses		
General and administrative (Note 8)	14,753	15,975
Management fees (Note 8)	72,000	72,000
Professional fees	11,727	8,567
Total operating expenses	98,480	96,542
Loss before other income (expense)	(98,480)	(96,542)
Other income (expense)		
Interest expense	(37,203)	(37,200)
Unrealized gain (loss) on marketable securities (Note 3)	(32,250)	7,167
Unrealized gain on loan receivable (Note 6)	1,237	2,474
Total other income (expense)	(68,216)	(27,559)
Net loss and comprehensive loss	(166,696)	(124,101)
Basic and diluted net loss per share	–	–
Weighted average number of shares outstanding	81,010,417	81,010,417

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

FIREBIRD RESOURCES INC.
Consolidated statements of changes in equity
(Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Equity component of convertible debenture	Deficit	Total shareholders' deficit
	Number of shares	Amount $	$	$	$	$
Balance, April 30, 2017	81,010,417	19,524,482	2,894,941	231,092	(24,294,396)	(1,643,881)
Net loss for the year	–	–	–	–	(124,101)	(124,101)
Balance, April 30, 2018	81,010,417	19,524,482	2,894,941	231,092	(24,418,497)	(1,767,982)
Net loss for the year	–	–	–	–	(166,696)	(166,696)
Balance, April 30, 2019	81,010,417	19,524,482	2,894,941	231,092	(24,585,193)	(1,934,678)

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

FIREBIRD RESOURCES INC.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended April 30, 2019 $	Year ended April 30, 2018 $
Operating Activities		
Net loss	(166,696)	(124,101)
Items not involving cash:		
Unrealized gain on marketable securities	(1,237)	(7,167)
Unrealized loss (gain) on loan receivable	32,250	(2,474)
Changes in non-cash working capital items:		
Amounts receivable	1,537	(399)
Accounts payable and accrued liabilities	51,658	14,361
Due to related parties	75,340	82,680
Net cash used in operating activities	(7,148)	(37,100)
Investing Activities		
Exploration and evaluation expenditures	(19,945)	(18,828)
Net cash used in investing activities	(19,945)	(18,828)
Financing Activities		
Proceeds from related party note payable	–	50,000
Net cash provided by financing activities	–	50,000
Change in cash	(27,093)	(5,928)
Cash, beginning of year	30,908	36,836
Cash, end of year	3,815	30,908
Non-cash investing and financing activities:		
Exploration and evaluation expenditures owed to related parties	35,000	–

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

1. Nature of Operations and Continuance of Business

Firebird Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is located at Suite 1000, 925 West Georgia Street, Vancouver, BC, V6C 3L2.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2019, the Company has not generated any revenues from operations, has an accumulated deficit of $24,585,193, and has a working capital deficit of $2,050,658. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a going concern basis.

The consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

These consolidated financial statements include the accounts of the Company and its wholly-owned, inactive subsidiary, Firebird Gold Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of loan receivable, impairment of exploration and evaluation assets, and unrecognized deferred income tax assets.

Judgments made by management include the factors used to determine the collectability of the loan receivable and the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

(c) Application of New IFRS

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 introduces a new expected credit loss ("ECL") model for all financial assets in scope of the impairment requirements. The new ECL will result in an allowance for credit losses being recorded on financial assets irrespective of whether there has been an actual loss event.

The Company adopted the amendments to IFRS 9, effective May 1, 2018 using the full retrospective method, with no significant impact on the Company's consolidated financial statements.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Exploration and Evaluation Expenditures

Asset acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of asset acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments relating to assets acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the consolidated financial statements upon payment.

Option payments received are treated as a reduction of the carrying value of the related asset until the Company's option and/or royalty payments received are in excess of costs incurred and then are credited to income.

All expenditures related to the cost of exploration and evaluation of assets including acquisition costs for interests in mineral claims are classified and capitalized until the property to which they relate is placed into production, sold, allowed to lapse, or abandoned. These costs will be depleted over the estimated useful life of the property following commencement of commercial production.

The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has made efforts to ensure that legal title to its properties is properly recorded in the name of the Company when all terms of agreements have been met, there can be no assurance that such title will ultimately be secured.

2. Significant Accounting Policies (continued)

(e) Exploration and Evaluation Expenditures (continued)

Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices, and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the consolidated statement of operations.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the consolidated statement of operations.

(f) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases, interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

2. Significant Accounting Policies (continued)

(g) Financial Instruments

Non-derivative financial assets

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL").

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

Financial Assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash and marketable securities are measured at fair value through profit or loss. The Company's amounts receivable is measured at amortized cost.

Financial Liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities and loans payable are measured at amortized cost.

Impairment of Financial Assets

The Company applies the expected credit loss ("ECL") model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the statement of operations.

2. **Significant Accounting Policies** *(continued)*

(h) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of consolidated financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced, the deferred income tax liability associated with the renounced tax deductions is recognized through the statement of operations with a pro-rata portion of the deferred premium.

(j) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(k) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

2. Significant Accounting Policies (continued)

(l) 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 the statement of operations.

(m) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become 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.

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.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(n) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2019, and have not been applied in preparing these consolidated financial statements.

- IFRS 16, Leases (New)

The Company has not early adopted this revised standard but does not expect that the implementation of this standard would have a material impact on the Company's consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. Marketable Securities

On May 20, 2016, the Company received 716,667 common shares of Pancon with a fair value of $53,750 as part of the consideration for the sale of the Jefferson Property. The common shares are classified as fair value through profit and loss and as of April 30, 2019, the fair value of the common shares was $17,917 (2018 - $50,167). During the year ended April 30, 2019, the Company recorded an unrealized loss of $32,250 (2018 – gain of $7,167) which has been recorded in the consolidated statements of operations.

(Expressed in Canadian dollars)

4. Exploration and Evaluation Assets

	Mountain of Gold $	Buzzard $	Total $
2019			
Acquisition costs:			
Balance, April 30, 2018	800	52,421	53,221
Additions	–	19,945	19,945
Total acquisition costs	800	72,366	73,166
Exploration costs:			
Balance, April 30, 2018	2,224	5,590	7,814
Geological fees	–	35,000	35,000
Total exploration costs	2,224	40,590	42,814
Balance, April 30, 2019	3,024	112,956	115,980

	Mountain of Gold $	Buzzard $	Total $
2018			
Acquisition costs:			
Balance, April 30, 2017	800	33,593	34,393
Additions	–	18,828	18,828
Total acquisition costs	800	52,421	53,221
Exploration costs:			
Balance, April 30, 2017 and 2018	2,224	5,590	7,814
Balance, April 30, 2018	3,024	58,011	61,035

(a) Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

i) issue 50,000 common shares on regulatory approval of the agreement;
ii) issue 50,000 common shares by May 4, 2006; and
iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for $1,000,000.

On December 22, 2011, the Company signed a property option agreement with each of Wedona Resources Inc., a private corporation, and Clydesdale Resources Inc. (collectively the "Optionees"), a public company (together, the "Agreements"), whereby the Optionees each can earn a 50% interest in the Mountain of Gold property by incurring $250,000 in exploration expenditures and paying cash of $125,000 (or in Clydesdale Resources Inc.'s case, capital stock of equivalent value) over a three year period until December 31, 2013. The Company received $25,000 relating to the agreement. During the year ended April 30, 2015, the Company received notification that the optionees had decided not to complete the option agreement.

(Expressed in Canadian dollars)

4. Exploration and Evaluation Expenditures (continued)

(b) Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

i) pay US$3,000 per year for each of the third and fourth years of the lease (paid);
ii) pay US$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
iii) pay US$5,000 per year for each of the eighth and ninth years of the lease (paid);
iv) upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US$15,000 per year (paid); and
v) production royalty of 3.5% of the gross returns on any mining production.

5. Loan Receivable

On July 18, 2011, the Company provided a loan to Velocity Data Inc. (formerly GTO Resources Inc.) ("Velocity Data") for $700,000. Under the terms of the loan, the amount is unsecured, bears interest at Royal Bank of Canada prime rate plus 3% per annum, compounded semi-annually, and is due on demand. In addition, the loan is convertible into common shares of Velocity Data using a weighted average closing price of the first ten trading days following Velocity Data's listing of their common shares, subject to a minimum conversion price of $0.10 per share.

The Company recorded the initial value of loan receivable at an amortized cost of $608,697, using a discount rate of 15%, which is management's estimate of the prevailing market rate for a company of similar size and operations. As at April 30, 2019, the fair value of the loan receivable is $17,064 (2018 - $15,926). The Company is currently considering legal action to collect all amounts outstanding, including accrued interest.

6. Accounts Payable and Accrued Liabilities

	2019 $	2018 $
Trade payable	671,792	659,036
Accrued liabilities	8,700	7,000
Interest payable	254,000	216,798
	934,492	882,834

7. Notes Payable

(a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of $255,000. The convertible debenture was unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture was convertible into common shares of the Company at $0.10 per common share at the option of the holder, and the convertible feature expired on December 11, 2014 and the convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 common share purchase warrants exercisable at $0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of $16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was $23,908 and the amount attributable to the conversion option and warrants was $231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five-year term of the debt. As at April 30, 2019 and 2018, the carrying value of the note payable is $255,000.

7. Notes Payable (continued)

(b) On May 15, 2014, the Company received a loan from an unrelated company for $35,000, which is unsecured, bears interest at 10% per annum, and due on demand.

(c) On June 13, 2014, the Company received a loan from an unrelated company for $25,000, which is unsecured, bears interest at 10% per annum, and due on demand.

(d) On August 12, 2014, the Company received a loan from an unrelated company for $20,000, which is unsecured, bears interest at 10% per annum, and due on demand.

(e) On January 20, 2015, the Company received a loan from an unrelated company for $12,000, which is unsecured, bears interest at 10% per annum, and due on demand.

(f) On April 23, 2015, the Company received a loan from an unrelated company for $25,000, which is unsecured, bears interest at 10% per annum, and due on demand.

(g) On May 31, 2017, the Company received a loan from a director of the Company for $50,000, which is unsecured, non-interest bearing, and due on demand.

8. Related Party Transactions

(a) As at April 30, 2019, the Company owed $724,650 (2018 - $614,310) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

(b) As at April 30, 2019, the Company owed $10,170 (2018 - $10,170) to a company controlled by common directors, which is unsecured, non-interest bearing, and due on demand.

(c) During the year ended April 30, 2019, the Company incurred exploration and evaluation expenditures of $35,000 (2018 - $nil), management fees of $72,000 (2018 - $72,000), and rent of $6,000 (2018 - $6,000) to a company controlled by the Chief Executive Officer of the Company.

(d) On May 31, 2017, the Company received a loan from a director of the Company for $50,000, which is unsecured, non-interest bearing, and due on demand. Refer to Note 7(g).

9. Share Capital

Authorized: Unlimited common shares without par value

10. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

As at April 30, 2019 and 2018, the Company does not have any issued and outstanding stock options.

11. Financial Instruments and Risk Management

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at April 30, 2019 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, April 30, 2019 $
Cash	3,815	–	–	3,815
Marketable securities	17,917	–	–	17,917
	21,732	–	–	21,732

The fair values of other financial instruments, which include amounts receivable, loan receivable, accounts payable and accrued liabilities, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of accrued interest from the loan receivable and GST refunds due from the Government of Canada. Loan receivable is comprised of a loan to a third-party company. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk. The Company has minimal transactions in US dollars, and a 10% change in foreign exchange rates would not have a material effect on the Company's consolidated financial statements.

(d) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

12. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, and equity portion of convertible debenture.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2018.

(Expressed in Canadian dollars)

13. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2019 $	2018 $
Canadian statutory income tax rate	27%	26.33%
Income tax recovery at statutory rate	(45,008)	(32,680)
Tax effect of:		
Permanent differences and other	(334)	–
Change in enacted tax rates	–	(116,049)
True up of prior year difference	5,102	–
Change in unrecognized deferred income tax assets	40,240	148,729
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2019 $	2018 $
Deferred income tax assets		
Non-capital losses carried forward	1,850,034	1,813,418
Marketable securities	9,675	967
Resource pools	1,307,417	1,312,501
Total deferred income tax assets	3,167,126	3,126,886
Unrecognized deferred income tax assets	(3,167,126)	(3,126,886)
Net deferred income tax asset	–	–

As at April 30, 2019, the Company has non-capital losses carried forward of $6,851,976, which are available to offset future years' taxable income. These losses expire as follows:

	$
2026	95,272
2027	159,476
2028	241,374
2029	133,126
2030	211,190
2031	945,293
2032	1,166,878
2033	995,129
2034	804,412
2035	950,799
2036	879,602
2038	133,742
2039	135,683
	6,851,976

The Company also has available mineral resource related expenditure pools totalling $4,958,267, which may be deducted against future taxable income on a discretionary basis.