Omni Commerce Corp.

(Formerly Mezzi Holdings Inc.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Omni Commerce Corp. (formerly Mezzi Holdings Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
AS AT

	January 31, 2019	April 30, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,534,954	$ 3,899,419
Marketable securities	5,400	22,800
Amounts receivable (Note 6)	81,549	34,893
Prepaid expenses and deposits (Note 7)	190,815	8,566
Total current assets	2,812,718	3,965,678
Non-current assets		
Intangible assets	1	1
Investments (Note 8)	100,000	-
Total non-current assets	100,001	1
Total assets	$ 2,912,719	$ 3,965,679
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 102,196	$ 264,178
Total current liabilities	102,196	264,178
Equity		
Share capital	16,166,397	16,066,397
Share subscriptions receivable	-	(245,920)
Reserves	785,304	785,304
Deficit	(14,141,178)	(12,904,280)
Total equity	2,810,523	3,701,501
Total liabilities and equity	$ 2,912,719	$ 3,965,679

Approved and authorized on behalf of the Board:

"Anthony Srdanovic", Director *"Gary Thompson"*, Director

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

Omni Commerce Corp. (formerly Mezzi Holdings Inc.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED JANUARY 31

	Three months ended January 31, 2019	Three months ended January 31, 2018	Nine months ended January 31, 2019	Nine months ended January 31, 2018
EXPENSES				
Consulting (Note 10)	(232,000)	(204,271)	(595,172)	(417,899)
Advertising	-	-	(141)	-
Interest expense	-	-	-	(1,687)
Marketing	(4,058)	5,908	(26,686)	3,688
Office and miscellaneous	(50,970)	(39,400)	(134,193)	(127,338)
Professional fees	(43,260)	9,445	(230,803)	(79,392)
Salaries	-	2,329	-	(26,848)
Shareholder communication	-	-	-	(40,859)
Share-based payments (Notes 9 and 10)	-	2,042	-	(104,763)
Transfer agent and regulatory fees	(3,342)	(10,802)	(18,506)	(22,586)
Travel and accommodation	(14,281)	(5,370)	(52,844)	(9,255)
	(347,911)	(240,119)	(1,058,345)	(826,939)
OTHER ITEMS				
Other income	-	-	-	29,048
Foreign exchange gain (loss)	(805)	(3,071)	(1,113)	14
Gain on settlement of debt	-	-	20,000	-
Loss on marketable securities	(17,400)	-	(17,400)	-
Write down on investments	(130,040)	-	(130,040)	-
Provision for bad debts	(50,000)	-	(50,000)	-
Write down on inventory	-	(36,845)	-	(36,845)
Write-off of accounts payable	-	46,149	-	46,149
Total other items	(198,245)	6,233	(178,553)	38,366
Loss from continuing operations	$ (546,156)	$ (233,886)	$ (1,236,898)	$ (788,573)
Gain from discontinued operations (note 5)	-	(10,976)	-	126,407
Net loss for the period	$ (546,156)	$ (244,862)	$ (1,236,898)	$ (662,166)
Attributed to				
Equity holders of the Company	$ (546,156)	$ (230,562)	$ (1,236,898)	$ (716,421)
Non-controlling interest	-	(14,300)	-	54,255
	$ (546,156)	$ (244,862)	$ (1,236,898)	$ (662,166)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.06)
Weighted average common share outstanding	40,598,202	16,714,893	40,511,245	10,706,056

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

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)
FOR THE THREE AND NINE-MONTHS PERIODS ENDED JANUARY 31,

	Three months ended January 31, 2019	2018	Nine months ended January 31, 2019	2018
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the period	$ (546,156)	$ (233,886)	$ (1,236,898)	$ (788,573)
Items not affecting cash:				
Foreign exchange	3,431	-	805	-
Gain on sale of investment	17,400	-	17,400	-
Provision for bad debts	50,000	-	50,000	-
Write down on investments	130,040	-	130,040	-
Share-based payments	-	(2,042)	-	104,763
Changes in non-cash working capital items:				
Amounts receivable	(14,417)	11,631	(96,656)	(43,699)
Prepaid expenses	25,604	23,505	(182,249)	34,538
Accounts payable and accrued liabilities	(12,569)	404,851	(162,787)	347,201
Operating cash used in continuing operations	(346,667)	204,059	(1,480,345)	(345,770)
Operating cash used in discontinued operations (note5)	-	29,340	-	10,182
Net cash used in operating activities	(346,667)	233,399	(1,480,345)	(335,588)
CASH FLOW FROM INVESTING ACTIVITIES				
Equity investment	-	-	(230,040)	(30,000)
Net cash used in investing activities from continuing operations	-	-	(230,040)	(30,000)
Net cash used in investing activities from discontinued operations (note 5)	-	-	-	168,341
Net cash used in investing activities	-	-	(230,040)	138,341
CASH FLOW FROM FINANCING ACTIVITIES				
	-			
Proceeds from private placement		2,696,102		3,221,102
Proceeds from exercise of warrants	-	73,700	100,000	73,700
Proceeds from exercise of stock options	-	-	-	205,000
Share issuance costs	-	(153,248)	-	(200,122)
Subscriptions received	11,000	285,009	245,920	285,009
Loans paid	-	(4,000)	-	(65,474)
Net cash provided by financing activities	11,000	2,897,563	345,920	3,519,215
Effects of translation	-	(323)	-	(1,312)
Change in cash and cash equivalents for the period	(335,667)	3,130,639	(1,364,465)	3,320,656
Cash and cash equivalents, beginning of period	2,870,621	204,903	3,899,419	14,886
Cash and cash equivalents, end of period	$ 2,534,954	$ 3,335,542	$ 2,534,954	$ 3,335,542

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

Omni Commerce Corp.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital						
	Common Shares	Amount	Share subscriptions receivable	Reserves	Non-Controlling Interest	Deficit	Total Equity
Balance, April 30, 2017	8,098,098	$ 10,636,278	$ -	$ 598,755	$ -	$ (10,098,891)	$ 1,136,142
Shares issued for acquisition of Mekenix (Note 4)	765,000	229,500	-	-	12,230	-	241,730
Exercise of options	410,000	309,763	-	(104,763)		-	205,500
Exercise of warrants	737,000	77,949	-	(4,249)		-	73,700
Shares issued for private placement	19,225,007	3,221,102	-	-		-	3,221,102
Share issuance costs	-	(200,122)	-	-		-	(200,122)
Share-based payments	-	(136,246)	-	241,009		-	104,763
Currency translation adjustment	-	-	-	(1,312)		-	(1,312)
Share subscriptions			285,009	-		-	285,009
Loss for the period	-	-	-	-	54,255	(716,421)	(471,559)
Balance, January 31, 2018	29,265,105	14,138,224	285,009	729,440	66,485	(10,815,312)	4,403,846
Balance, April 30, 2018	39,598,202	$ 16,066,397	$ (245,920)	$ 785,304		$ (12,904,280)	$ 3,701,501
Exercise of warrants	1,000,000	100,000	-	-		-	100,000
Share subscriptions receivable	-	-	245,920	-		-	245,920
Loss for the period	-	-	-	-		(1,236,898)	(1,236,898)
Balance, January 31, 2019	40,598,202	$ 16,166,397	$ -	$ 785,304		$ (14,141,178)	$ 2,810,523

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

1. CORPORATE INFORMATION AND GOING CONCERN

Omni Commerce Corp. ("Omni" or the "Company") is a publicly listed company incorporated on April 16, 2006 under the *Business Corporations Act* (British Columbia) as Mezzi Holdings Inc. ("Mezzi"). On March 28, 2018, the Company changed its name to Omni Commerce Corp. Previously, the Company was engaged in the sale and distribution of luxury accessories and eyewear. During the year ended April 30, 2018, management made the decision to exit the branded goods business.

The Company trades on the TSX Venture Exchange (the "Exchange") under the symbol "OMNI." The Company's corporate office is located on 1001-1185 West Georgia Street, Vancouver, BC, Canada.

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 settle its obligations in the normal course of business. During the nine-month period ended January 31, 2019, the Company incurred a net loss of $1,236,898 (2018 - $662,166) and had an accumulated deficit of $14,141,178 (April 30, 2018 - $12,904,280). The Company has not generated significant cash inflows from operations and pursuant to the decision to exit the luxury branded goods business, no longer has any revenue generating operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These consolidated financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on March 28, 2019.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements.

Basis of presentation

These unaudited interim consolidated financial statements have been prepared on a historical cost basis. In addition, these unaudited interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The Company has determined that the functional currencies of its subsidiaries are Canadian dollars and US dollars, respectively.

Significant accounting judgments and critical accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of polices and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the report amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These interim consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the unaudited interim consolidated financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (cont'd…)

Significant accounting judgments and critical accounting estimates (cont'd…)

The significant accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been applied consistently by the Company and its subsidiaries to all periods presented and during the most recent fiscal year. Please refer to the audited consolidated financial statements for the year ended April 30, 2018 for a complete summary of significant accounting policies.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 8918627 Canada Ltd., a company incorporated in the province of British Columbia, which holds the Mezzi trademark and Capital Eyewear Inc. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

New accounting pronouncements

The following standards have not yet been adopted. Management has evaluated the impact of these pronouncements on the Company's consolidated financial statements and determined that the effects are immaterial. The Company plans to adopt these standards as soon as they become effective for the Company's reporting year.

i) IFRS 9 Financial Instruments

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives.* The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

• Classification and measurement of financial assets:

Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".

• Classification and measurement of financial liabilities:

When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

• Impairment of financial assets:

An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelvemonth expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting pronouncements (cont'd…)

i) IFRS 9 *Financial Instruments* (cont'd…)

• Hedge accounting:

Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

The new standard is effective for the Company's annual period beginning May 1, 2018.

ii) IFRS 15 *Revenue from Contracts with Customers*

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue — Barter Transactions Involving Advertising Services*.

The main features introduced by this new standard compared with predecessor IFRS are as follows:
Revenue is recognized based on a five-step model:

1. Identify the contract with customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue when (or as) the performance obligations are satisfied.

New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The new standard is effective for the Company's annual period beginning May 1, 2018.

iii) Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 *Share-based Payment*)

The amendments provide guidance on the accounting for:
the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;

- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The new standard is effective for the Company's annual period beginning May 1, 2018.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting pronouncements (cont'd…)

iv) IFRS 16 *Leases*

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard is effective for the Company's annual period beginning May 1, 2019.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. MEKENIX COMMERCE INC.

On May 1, 2017, the Company completed the acquisition of a majority interest of Mekenix Commerce Inc. ("Mekenix"). Mekenix is an e-commerce sales firm that partners with businesses to manage and execute their e-commerce sales channels. Pursuant to the transaction, the Company issued 765,000 common shares with a fair value of $229,500 as consideration for a 51% ownership interest in Mekenix.

As Mekenix did not meet the definition of a business in accordance with IFRS 3 *Business Combinations*, the acquisition of Mekenix was accounted for as an asset acquisition. The assets acquired on May 1, 2017 are included in the consolidated statements of financial position from May 1, 2017. Mekenix's revenues and expenses are consolidated into the Company's consolidated statements of loss and comprehensive loss from May 1, 2017.

The total purchase price was allocated as follows:	
Cash	$ 33,734
Amounts receivable	25,000
Accounts payable and accrued liabilities	(33,774)
Non-controlling interest	(12,230)
Transaction costs	216,770
	$229,500

The total purchase price of $229,500 is comprised of:	
Issuance of 765,000 common shares of Omni	$ 229,500

(Expressed in Canadian Dollars)

4. MEKENIX COMMERCE INC. (cont'd…)

In April 2018, the Company sold its 51% stake back to shareholders of Mekenix for a cash consideration of $105,000, resulting in a loss on sale of investment of $124,500.

The results of Mekenix has been presented as discontinued operations for the three and nine-month periods ended January 31, 2019 and 2018 (Note 5).

5. DISCONTINUED OPERATIONS

During the year ended April 30, 2018, management decided to cease its luxury brand and its consulting business. Its luxury brand business consisted of luxury leather goods, premium luggage cases, and hand-made eyewear. As a result, the results of these operations are presented as discontinued operations for the three and nine-month periods ended January 31, 2019 and 2018.

	Three months ended January 31, 2019	Three months ended January 31, 2018	Nine months ended January 31, 2019	Nine months ended January 31, 2018
SALES	$ -	$ (2,671)	$ -	$ 52,116
COST OF SALES	-	(6,364)	-	(13,972)
	-	(9,035)	-	38,144
OTHER ITEMS				
Amortization	-	(3,151)	-	(6,211)
Total other items	-	(3,151)	-	(6,211)
Net income for the period	$ -	$ (12,186)	$ -	$ 31,933

During the year ended April 30, 2018, the Company sold its 51% stake back to shareholders of Mekenix. As a result, the results of the operations of Mekenix are presented as discontinued operations for the periods ended January 31:

	Three months ended January 31, 2019	Three months ended January 31, 2018	Nine months ended January 31, 2019	Nine months ended January 31, 2018
EXPENSES				
Amortization	$ -	$ 1,210	$ -	$ (3,945)
Consulting	-	-	-	(47,003)
Gain on sales of investments	-	-	-	145,422
Transaction costs	-	-	-	-
Net income for the period	$ -	$ 1,210	$ -	$ 94,474
Attributed to				
Equity holders of the Company	$ -	$ 3,324	-	72,152
Non-controlling interest	-	(14,300)	-	54,255
	$ -	$ (10,976)	$ -	126,407

(Expressed in Canadian Dollars)

5. DISCONTINUED OPERATIONS (cont'd…)

Cash flows from discontinued operations are as follows:

	Three months ended January 31, 2019	Three months ended January 31, 2018	Nine months ended January 31, 2019	Nine months ended January 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the period	$ -	$ (10,976)	$ -	$ 126,407
Items not affecting cash:				
Amortization	-	3,151	-	6,211
Gain on sale of investments	-	-	-	(145,422)
Changes in non-cash working capital items:				
Inventory	-	37,165	-	44,840
Accounts payable and accrued liabilities	-	-	-	(21,854)
Transaction costs	-	-	-	-
Net cash used in operating activities	-	29,340	-	10,182
CASH FLOW FROM INVESTING ACTIVITIES				
Net cash on acquisition of subsidiary	-	-	-	33,734
Proceeds from sale of investment	-	-	-	134,607
Net cash used in investing activities	-	-	-	168,341

6. AMOUNTS RECEIVABLE

Amounts receivable relate to GST receivables. On June 9, 2018, the Company advanced $50,000 to December 33 Capital Corp., a company in which the Company's former CEO had served as the CEO of. The loan was non-interest bearing, unsecured and was due December 31, 2018. The Company is currently negotiating the repayment of the receivable and as at January 31, 2019 has provided for the amount as a bad debt.

7. PREPAID EXPENSES AND DEPOSITS

Included in the balance is a $150,000 prepayment made in June 2018. The amount was advanced to a private entity whereby the Company would be provided business development services. The Company is currently negotiating the terms of future advances whereby certain objectives are attained with regards to the marketing and distribution of cannabidiol products.

(Expressed in Canadian Dollars)

8. INVESTMENTS

		January 31, 2019		April 30, 2018
Cultivate Capital Corp.	$	100,000	$	-
Purekana LLC		-		34,893
Total	$	100,000	$	34,893

On June 20, 2018, the Company acquired 1,000,000 shares of Cultivate Capital Corp. ("Cultivate Capital") for $100,000. Cultivate Capital is a private Calgary, AB based company connecting cannabis business owners with investors to provide financing options.

In July 30, 2018, the Company signed a binding letter agreement (the "Agreement") to acquire all issued and outstanding securities of Purekana LLC ("Purekana"), a company which distributes cannabidiol products. A non-refundable payment of $130,040 was made as a deposit. Under the Agreement, it was contemplated that the Company would complete a 4 for 1 share consolidation, pay USD $4,600,000 in cash, and issue 25,333,334 post-consolidated common shares to the sellers of Purekana. In addition, the Company would issue 6,000,000 post-consolidated shares to the sellers if Purekana generates $8,000,000 in sales in any fiscal quarter following the closing of the agreement, and another 6,000,000 shares if Purekana generates $10,000,000 in sales in any fiscal quarter following the closing of the agreement. As at the period ended January 31, 2019 the Company has concluded not to pursue the Purekana transaction and has written off the investment.

9. SHARE CAPITAL AND RESERVES

a) Authorized share capital:

Unlimited number of voting common shares without par value
Unlimited number of preferred shares without par value

b) Issued share capital

As at January 31, 2019, the Company had 40,598,202 common shares issued and outstanding (April 30, 2018 – 39,598,202).

During the nine-month period ended January 31, 2019, the Company:

- Issued 1,000,000 common shares upon exercise of warrants for gross proceeds of $100,000.
- Received $245,920 in outstanding share subscriptions receivable.

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company.

During the nine months ended January 31, 2019, the Company did not grant any stock options (April 30, 2018: 410,000).

(Expressed in Canadian Dollars)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the nine-month period ended January 31:

	2019	2018
Risk-free interest rate	-	0.94%
Expected life of options	-	5 years
Annualized volatility	-	140%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

Volatility is determined based on the average historical stock prices for the Company.

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, April 30, 2017	325,000		1.62
Granted	410,000		0.50
Cancelled	(165,500)		1.58
Exercised	(410,000)		0.50
Balance, April 30, 2018	159,500	$	1.67
Cancelled	(57,000)		2.44
Balance, January 31, 2019	102,500	$	1.23
Number of options currently exercisable	102,500	$	1.23

c) Stock options (cont'd…)

As at January 31, 2019, the following stock options were outstanding and exercisable:

Number of options	Exercise Price	Expiry Date
2,000	$ 2.50	May 23, 2019
3,000	$ 2.50	August 27, 2019
5,000	$ 2.50	October 16, 2019
17,500	$ 2.00	September 21, 2020
37,500	$ 0.90	June 10, 2021
17,500	$ 0.90	October 17, 2021
20,000	$ 0.85	December 6, 2021
102,500		

(Expressed in Canadian Dollars)

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2017	1,853,362	$	1.38
Issued	19,851,568		0.26
Exercised	(815,000)		0.10
Expired	(1,853,362)		1.38
Balance, April 30, 2018	19,036,568	$	0.26
Expired	(6,758,302)		0.35
Exercised	(1,000,000)		0.10
Balance, January 31, 2019	11,278,266	$	0.23

Volatility is determined based on the average historical stock prices for the Company.

As at January 31, 2019, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
5,576,622	$ 0.10	August 15, 2019
5,701,644	$ 0.35	February 6, 2019
11,278,266		

10. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its corporate officers. During the nine-months period ended January 31, 2019, the Company incurred the following amounts charged by directors and officers and companies controlled and/or owned by directors and officers of the Company:

		2019		2018
Key management personnel				
Short-term employee benefits included in consulting and management fees	$	324,000	$	90,000
Share-based compensation		-		-
Total	$	324,000	$	90,000

Short-term employee benefits include salaries and fees incurred within the nine months of the statement of financial position date and other annual employee benefits.

At January 31, 2019, accounts payable and accrued liabilities included $nil (April 30, 2018 - $nil) owing to a director and/or officer and/or companies controlled by the directors.

(Expressed in Canadian Dollars)

Amounts owing to or from related parties are non-interest bearing, unsecured and due on demand.

11. FINANCIAL INSTRUMENTS AND RISK

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

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash and cash equivalents	FVTPL
Marketable securities	AFS
Amounts receivable	LAR
Accounts payable and accrued liabilities	OFL

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short-term nature.

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

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and amounts receivable. The Company limits its exposure to credit risk with respect to cash and cash equivalents by holding it with major Canadian financial institutions. At January 31, 2019, cash equivalents are comprised of $28,750 (April 30, 2018 - $11,500) held in an investment account with cash available on demand, and $2,456,569 (April 30, 2018 - $3,887,919) in various business accounts held in a major Canadian financial institution. The Company's amounts receivable consists primarily of GST receivables and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2019, the Company had a cash and cash equivalents balance of $2,534,954 (April 30, 2018 - $3,889,419) to settle current liabilities of $102,196 (April 30, 2018 - $264,178). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand, and are subject to normal trade terms.

Market risk

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

a) Interest rate risk

The Company has cash and cash equivalent balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks. As of January 31, 2019, the Company did not hold any investments bearing interest. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

As at January 31, 2019, the Company had the Canadian equivalent of cash and cash equivalents totaling US$1,017 (April 30, 2018 - $2,069) and accounts payable totaling $nil (April 30, 2018 - $11,017) denominated in US dollars. Assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would not materially affect the loss from operations.

12. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the 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 common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the three-month period ended January 31, 2019.