NORTHERN LIGHTS RESOURCES CORP.

FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

April 30, 2018

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Vancouver, BC
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Canada

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Northern Lights Resources Corp.

We have audited the accompanying financial statements of Northern Lights Resources Corp., which comprise the statements of financial position as at April 30, 2018 and 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Northern Lights Resources Corp. as at April 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Northern Lights Resources Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

August 27, 2018

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT APRIL 30,

	2018	2017
ASSETS		
Current		
Cash	$ 30,208	$ 63
Receivables	4,083	2,303
Prepaid expenses	10,316	-
	44,607	2,366
Equipment (Note 3)	1,512	1,890
Exploration and evaluation assets (Note 4)	65,069	-
	$ 111,188	$ 4,256
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 109,503	$ 711,417
Loans payable (Notes 6)	6,386	218,945
	115,889	930,362
Shareholders' deficiency		
Share capital (Note 7)	3,952,943	2,674,365
Share-based payment reserve	138,500	138,500
Subscription received in advance (Note 7)	12,000	-
Deficit	(4,108,144)	(3,738,971)
	(4,701)	(926,106)
	$ 111,188	$ 4,256

Nature and continuance of operations (Note 1)
Subsequent event (Note 13)

On behalf of the Board:

"Albert (Rick) Timcke" Director

"Jason Bahsen" Director

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

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

	2018	2017
EXPENSES		
Amortization	$ 378	$ 472
Consulting	15,750	-
Filing and regulatory fees	77,880	-
Gain on settlement of accounts payable (Note 5)	(25,989)	-
Loss on settlement of loans payable (Note 6)	70,831	-
Interest expense	24,118	-
Management fees (Note 8)	87,500	120,000
Office and miscellaneous	22,742	86
Professional fees	62,865	7,829
Travel and promotion	34,298	34,358
Reversal of accounts payable	(1,200)	(88,884)
Loss and comprehensive loss for the year	$ (369,173)	$ (73,861)
Basic and diluted loss per common share	$ (0.02)	$ (0.00)
Weighted average number of common shares outstanding	21,245,910	15,106,948

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

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Number of shares	Share Capital	Share-based payment reserve	Subscription received in advance	Deficit	Total Shareholders' Equity (Deficiency)
April 30, 2016	15,106,948	$ 2,674,365	$ 138,500	$ -	$ (3,665,110)	$ (852,245)
Loss for the year	-	-	-	-	(73,861)	(73,861)
April 30, 2017	15,106,948	2,674,365	138,500	-	(3,738,971)	(926,106)
Debt settlements (Note 7)	18,449,884	1,278,578	-	-	-	1,278,578
Subscription received in advance	-	-	-	12,000	-	12,000
Loss for the year	-	-	-	-	(369,173)	(369,173)
April 30, 2018	33,556,832	$ 3,952,943	$ 138,500	$ 12,000	$ (4,108,144)	$ (4,701)

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

NORTHERN LIGHTS RESOURCES CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED APRIL 30,

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (369,173)	$ (73,861)
Non-cash items:		
Amortization	378	472
Loan interest accrual	24,118	-
Reversal of accounts payable	(1,200)	(88,884)
Gain on settlement of accounts payable	(25,989)	-
Loss on settlement of loans payable	70,831	-
Changes in non-cash working capital items:		
Receivables	(1,780)	(2,303)
Prepaid expenses	(10,316)	-
Accounts payable and accrued liabilities	42,191	164,635
Net cash provided by (used in) operating activities	(270,940)	59
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(65,069)	-
Net cash used in financing activities	(65,069)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	354,154	-
Subscription received in advance	12,000	-
Net cash provided by financing activities	366,154	-
Change in cash for the year	30,145	59
Cash, beginning of year	63	4
Cash, end of year	$ 30,208	$ 63
Cash paid for interest	$ -	$ -
Cash paid for income taxes	-	-
Supplemental disclosure with respect to cash flows (non-cash transactions)		
Exploration and evaluation asset expenditures included in accounts payable	$ -	$ 30,000
Debt settlement with issuance of shares	1,278,578	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Northern Lights Uranium Corp. (the "Company") was incorporated under the laws of British Columbia on March 28, 2007. On April 22, 2008, the Company changed its name to Northern Lights Resources Corp. The Company's principal business activities include the acquisition and exploration of resource properties. On June 28, 2012, the Company completed its initial public offering ("IPO") by way of prospectus, and a listing on the Canadian Securities Exchange ("CSE"). On October 31, 2013, the CSE halted the shares of the Company due to the Company being in default of CSE requirements. On January 22, 2014, the CSE delisted the common shares. The common shares remain delisted. On November 9, 2017 revocation orders were received from the British Columbia Securities Commission and the Ontario Securities Commission lifting the cease trade orders previously issued on September 10, 2013 and September 24, 2013, respectively. On November 10, 2017 a revocation order was received from the Alberta Securities Commission lifting the final cease trade order previously issued on December 10, 2014. The Company has submitted a listing statement and will advise all shareholders when the resumption of trading may occur.

Effective December 28, 2017, the Company consolidated its common shares on a 1.75 to 1 basis. These financial statements have been retrospectively adjusted to reflect the share consolidation.

The Company expects its current capital resources will not be sufficient to complete its exploration plans and operations through its current operating year and will be required to raise additional funds through future equity issuances. The Company's ability to continue as a going concern is therefore dependent on its ability to raise additional funds through equity issuances. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been recorded at fair value. The financial statements are presented in Canadian dollars which is the functional currency of the Company.

These financial statements have been prepared in with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC").

The policies applied in these financial statements are presented below and are based on IFRS issued and outstanding as of April 30, 2018.

The Board of Directors approved these financial statements on August 27, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Comprehensive income

Comprehensive income (loss) reflects the net gain (loss) and other comprehensive income (loss) for the period. Other comprehensive income (loss) includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided on a declining balance basis at 20% per annum for furniture and equipment.

Estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

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

Significant Judgments

a. Economic recoverability and probability of future benefits of exploration and evaluation costs

   Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

b. Deferred taxes

   The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred income and resource tax assets.

Significant Estimates

a. Share-based payments

   Share-based payments are determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive income (loss) over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Loss per share

The Company computes the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Basic loss per common share is calculated using the weighted average number of common shares outstanding during the year.

Exploration and evaluation assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments – recognition and measurement

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through other comprehensive income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash at fair value through profit and loss. The Company's receivables are classified as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities and loans payable are classified as other financial liabilities.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Recent accounting pronouncements not yet effective

Accounting Standards Issued and Effective for fiscal years beginning on or after January 1, 2018

IFRS 9 *Financial Instruments* replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value.

The Company does not expect the adoption of the standard to have a material impact on its financial statements.

3. EQUIPMENT

		Furniture and equipment
Cost		
Balance at April 30, 2016	$	14,150
Addition		-
Balance at April 30, 2017		14,150
Addition		-
Balance at April 30, 2018	$	14,150
Accumulated amortization		
Balance at April 30, 2016	$	11,788
Amortization		472
Balance at April 30, 2017		12,260
Amortization		378
Balance at April 30, 2018	$	12,638
Carrying amounts		
At April 30, 2017	$	1,890
At April 30, 2018	$	1,512

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Del Undur Project		Medicine Springs		Total	
Acquisition Costs:						
Balance at April 30, 2016 and 2017	$	-	$	-	$	-
Cash		10,830		31,843		42,673
Balance at April 30, 2018		10,830		31,843		42,673
Deferred Exploration Costs:						
Balance at April 30, 2016 and 2017		-		-		-
Consulting		-		22,396		22,396
Balance at April 30, 2018		-		22,396		22,396
Total	$	10,830	$	54,239	$	65,069

Del Undur Project

The Company entered into an earn-in agreement dated June 17, 2017 whereby the Company can earn up to 100% interest in the property located in north-eastern Mongolia for aggregate consideration of (i) cash payments of $500,000, (ii) issuing 20,000,000 shares, and (iii) incurring exploration expenditures totaling $2,000,000, all over a four year term. In addition, the property owner will retain a 2.0% net smelter return royalty (“NSR”) of which the Company has the option to buy back 1% for $1,000,000.

Medicine Springs

The Company entered into a mineral property option agreement dated August 20, 2017 to acquire 100% of the property in southeastern Elko County, Nevada for aggregate consideration of (i) cash payments of US$950,000, (ii) issuing shares having a value of US$250,000, and (iii) incurring exploration expenditures totaling US$2,700,000, all over a six year term. In addition, the property owner will retain a 2.5% NSR. The Company has the option to purchase back 1.5% of the NSR for US$3,000,000 on a portion of the mineral claims (126,149) and US$1,000,000 on a portion of the mineral claims (23/149). The royalty to the project vendors is in addition to a further 0.5% royalty over a portion of the mineral claims (23/149). Subsequent to April 30, 2018, the Company made a US$ 25,000 payment pursuant to the agreement.

(Expressed in Canadian Dollars)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2018	April 30, 2017
Trade payables	$ 93,553	$ 676,417
Accrued liabilities	15,950	35,000
	$ 109,503	$ 711,417

During the year ended April 30, 2018, the Company:

i) entered into an agreement with a creditor to settle an outstanding amount of $35,700 for $9,711, resulted in a gain on settlement of accounts payable of $25,989.

ii) issued 7,050,469 common shares to settle an aggregate of $616,916 in accounts payable and accrued liabilities (Note 7).

6. LOANS PAYABLE

During the year ended April 30, 2018, a loan payable to a director of the Company was settled through the issuance of 2,445,085 shares (Note 7). As of April 30, 2018, the loan payable was $Nil (April 30, 2017 - $213,945).

During the year ended April 30, 2016, the Company received a $5,000 loan accruing 10% interest per annum, repayable on the earlier of July 23, 2016 and the date the Company completes its next private placement. During the year ended April 30, 2017, the Company missed the repayment date and interest continues to accrue. As of April 30, 2018, the loan payable total was $6,386 (April 30, 2017 - $5,000) and accrued $1,386 of interest expenses during the year ended April 30, 2018.

During the year ended April 30, 2018, the Company received loans totaling $354,154. The loans accrued interest at 12% per annum, repayment on the earlier of April 1, 2018 and the date the Company completes its next private placement. The loans accrued interest expense of $22,732. The loans and accrued interest were fully settled through the issuance of 8,954,330 shares (Note 7). As of April 30, 2018, the loans payable total was $Nil.

7. SHARE CAPITAL

Authorized: Unlimited common shares, without par value

During the year ended April 30, 2018, the Company:

i) consolidated its common shares on a 1.75 to 1 basis. All references to previous share and per share amounts have been adjusted to reflect the share consolidation.

ii) issued 9,495,554 post-consolidation common shares at a value of $830,861 to settle an aggregate indebtedness of $830,861 (Note 5 and 6).

iii) issued 8,954,330 common shares, including a 20% common stock bonus, valued at $447,717 to settle loans payable of $376,886 and recorded a loss on settlement of $70,831.

iv) received subscription proceeds of $12,000 towards the issuance of 120,000 units, with each unit consisting of one common share and share purchase warrant, each warrant exercisable into one common share at a price of $0.20 per share for a period of 24 months.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd…)

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 stock of the Company. Under the plan, the exercise price of each option will not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at April 30, 2016 and 2017	671,429	$ 0.175
Expired	(671,429)	0.175
Outstanding as at April 30, 2018	-	$ -

8. TRANSACTIONS WITH RELATED PARTIES

The Company defines key management as officers and directors. During the year ended April 30, 2018, the Company:

i) owed a director of the Company $Nil (April 30, 2017 - $213,945) for a non-interest bearing loan.

ii) owed $Nil (April 30, 2017 - $43,160) to an accounting firm in which the former officer and director of the Company is a partner.

iii) paid or accrued management fees of $60,000 (2017 - $60,000) to a director of the Company. At April 30, 2018, the Company owed a director $Nil (April 30, 2017 - $259,733) recorded in accounts payable.

iv) paid or accrued management fees of $27,500 (2017 - $Nil) to the Chief Executive Officer ("CEO") of the Company.

v) paid or accrued professional fees of $3,000 (2017 - $Nil) to the Chief Financial Officer ("CFO") of the Company.

vi) paid or accrued management fees of $Nil (2017 - $60,000) to the former CEO of the Company. At April 30, 2018, the Company owed the former CEO $Nil (April 30, 2017 - $131,250) recorded in accounts payable.

Included in prepaid expenses as at April 30, 2018 is $5,000 (April 30, 2017 - $Nil) paid to the Company's CEO and $5,000 (April 30, 2017 - $Nil) paid to a Company's director.

During the year ended April 30, 2018, the Company issued 5,222,229 common shares to a director of the Company to settle an aggregate of $456,945 of indebtedness.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has applied a three-level hierarchy to reflect the significance of the inputs used in making fair value measurements. The three levels of fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and loans payables. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk

The Company is exposed to nominal foreign currency risk.

b) Credit risk

Credit risk is risk of financial loss to the Company if the counterparty to a financial statement fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and is not exposed to significant credit risk.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds non-interest bearing debt.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) Price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of commodities. The Company monitors these prices to determine the appropriate course of action to be taken.

(Expressed in Canadian Dollars)

10. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company did not change its approach to capital management during the year ended April 30, 2018.

11. SEGMENTED INFORMATION

The Company's primary business activity is the acquisition and exploration of exploration and evaluation assets. Geographic information is as follows:

		April 30, 2018		April 30, 2017
Exploration and evaluation assets				
United States	$	54,239	$	-
East Asia		10,830		-
Equipment				
Canada	$	1,512	$	1,890

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2018		2017
Loss for the year before income tax	$	(369,173)	$	(73,861)
Income tax expense (recovery) at statutory income tax rate	$	(97,000)	$	(19,000)
Change in statutory, foreign tax foreign exchange rates and other		(57,000)		-
Permanent difference		1,000		-
Change in unrecognized deductible temporary differences		147,000		19,000
	$	(1,000)	$	-

(Expressed in Canadian Dollars)

12. INCOME TAXES (cont'd…)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2018	Expiry Date Range		2017	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	1,867,000	No expiry date	$	1,802,000	No expiry date
Investment tax credit		4,000	2020 to 2037		1,000	2020 to 2036
Property and equipment		12,000	No expiry date		14,000	No expiry date
Non-capital losses available for future years		1,923,000	2027 to 2038		1,591,000	2027 to 2037

13. SUBSEQUENT EVENT

Subsequent to April 30, 2018, the Company received subscription proceeds of $123,000 toward future private placement. To date, no units have been issued (Note 7).