NEXCO RESOURCES INC

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
MAY 31, 2019

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Financial Statements

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

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended May 31, 2019 have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed interim financial statements.

NEXCO RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

		May 31, 2019		August 31, 2018
Assets				
Current				
Cash	$	257,674	$	58,092
Amounts receivable		5,936		4,185
		263,610		62,277
Exploration and Evaluation Assets (Note 5)		174,595		174,595
	$	438,205	$	236,872
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 7)	$	16,899	$	52,534
Shareholders' Equity				
Share Capital (Note 6)		876,900		540,344
Contributes surplus (Note 6)		314,321		293,821
Deficit		(769,915)		(649,827)
		421,306		184,338
	$	438,205	$	236,872

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved and authorized for issue on behalf of the Board on July 29, 2019

/s/ "Jeff Tindale" Director */s/ "Brandon Rook"* Director

The accompanying notes are an integral part of these unaudited condensed interim financial statements

NEXCO RESOURCES INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2019 **$**	**2018** **$**	**2019** **$**	**2018** **$**
General and administration				
Consulting fees	18,000	15,000	71,500	45,000
Office and general	63	466	150	713
Professional fees	1,626	1,371	25,466	37,353
Rent	1,875	8,312	9,375	20,578
Transfer agent and filing fees	3,347	2,671	13,597	14,135
Travel and promotion	-	457	-	457
Net and comprehensive loss	(24,911)	(28,277)	(120,088)	(118,236)
Basic and Diluted Loss Per Common Share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted Average Number of Common Shares Outstanding	14,428,000	10,428,000	11,775,985	10,428,000

The accompanying notes are an integral part of these unaudited condensed interim financial statements

NEXCO RESOURCES INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

Nine Months Ended May 31, 2018

	Share Capital				
	# of Shares	Amount	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, September 1, 2017	10,428,000	$ 540,344	$ 293,821	$ (451,973)	$ 382,192
Net loss for the period	-	-	-	(118,236)	(118,326)
Balance, May 31, 2018	10,428,000	$ 540,344	$ 293,821	$ (570,209)	$ 263,956

Nine Months Ended May 31, 2019

	Share Capital				
	# of Shares	Amount	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, September 1, 2018	10,428,000	$ 540,344	$ 293,821	$ (649,827)	$ 184,338
Net proceeds from private placement	8,000,000	357,056	-	-	357,056
Fair value of warrants issued	-	(20,500)	20,500		-
Net loss for the period	-	-	-	(120,088)	(120,088)
Balance, May 31, 2019	18,428,000	876,900	314,321	(769,915)	421,306

The accompanying notes are an integral part of these unaudited condensed interim financial statements

NEXCO RESOURCES INC.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Nine Months Ended May 31	
	2019 **$**	**2018** **$**
Cash Flows from Operating Activities		
Net loss for the period	(120,088)	(118,326)
Changes in non-cash working capital items		
(Increase) decrease in amounts receivable	(1,751)	1,357
(Decrease) increase in accounts payable and accrued liabilities	(35,635)	16,065
	(157,474)	(100,814)
Cash Flows from Investing Activities		
Mineral property acquisition and exploration costs	-	17,863
Cash Flows from Financing Activities		
Proceeds from financing, net of share issue costs	357,056	-
Change in Cash During the Period	199,582	(82,951)
Cash, Beginning of Period	58,092	185,430
Cash, End of Period	257,674	102,479
Cash Paid During the Period for Interest	-	-
Cash Paid During the Period for Income Taxes	-	-

The accompanying notes are an integral part of these unaudited condensed interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Nexco Resources Inc. ("the Company") was incorporated on December 14, 2012 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 750-1095 West Pender Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company has not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $769,915 as at May 31, 2019, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PRESENTATION

These unaudited condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended August 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these unaudited condensed interim financial statements are consistent with those applied in the Company's audited financial statements for the year ended August 31, 2018.

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and 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 factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

ii. the measurement of deferred income tax assets and liabilities; and

iii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities; and

ii. the evaluation of the Company's ability to continue as a going concern.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these unaudited condensed interim financial statements are the same as those applied to the audited financial statements as at and for the year ended August 31, 2018 except as noted below.

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in August 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test. The Company adopted the standard as of September 1, 2018. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

a) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company completed a detailed assessment of its financial assets and liabilities as at September 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Amortized cost	Amortized cost
Amounts receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Loan	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on September 1, 2018.

b) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the interim statements of operations and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the interim statements of operations and comprehensive income (loss) in the period in which they arise.

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the interim statements of operations and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

d) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the interim statements of operations and comprehensive income (loss).

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 15 - *Revenue from Contracts with Customers*

The Company adopted all of the requirements of IFRS 15 Revenue from Contracts with Customers ("IFRS 15") as of September 1, 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract, regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. The change did not impact the revenue recognized or the related assets and liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 15:

Revenue is recognized when the earnings process is complete, as evidenced by an agreement between the customer and the Company, when delivery has occurred, when the fee is fixed or determinable and when collection is reasonably assured. Amounts received from customers in advance of revenue recognition are deferred as deferred revenue liabilities. The Company presents revenues net of taxes collected from customers at the time of sale to be remitted to governmental authorities, including sales and use taxes. No element of financing is deemed present as the sales are made with credit terms standard for the market.

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period, which also includes the date of initial application. The adoption of IFRS 15 resulted in no impact to the opening deficit nor to the opening balance of comprehensive income on September 1, 2018.

IFRS 2 - *Share-based Payment*

In November 2016, the IASB has revised IFRS 2 to incorporate amendments issued by the IASB in June 2016. The amendment provide guidance on the accounting for i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations and iii) 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 amendments are effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard as of September 1, 2018. The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period, which also includes the date of initial application. The adoption of IFRS 2 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on September 1, 2018.

As at the date of these financial statements, the following standards have not been applied in these financial statements:

IFRS 16 – *Leases*

In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of assessing the impact of IFRS 16 on its financial statements and expects increase disclosure upon adoption of IFRS 16.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSET

	Acquisition costs	**Exploration costs**	**Total**
	$	$	$
Balance, August 31, 2017	30,250	162,208	192,458
BC mining tax credit	-	(17,863)	(17,863)
Balance, August 31, 2018 and May 31, 2019	30,250	144,345	174,595

Berger Property

Pursuant to an initial and amended option agreements (the "Agreement") dated August 21, 2014 and July 31, 2015, with the Optionor, the Company was granted an option to acquire a 100% undivided interest in the Berger Property (the "Property") which consists of 2 mining claims located in the Kamloops Mining District of British Columbia.

In accordance with the Agreement, the Company has acquired a 100% undivided interest in the Property by issuing a total of 100,000 common shares and making cash payment of $12,000.

The Optionor will retain a 2% Net Smelter Returns ("NSR") royalty on the Property. The Company has the right to purchase the NSR at a purchase price of $1,000,000 per percentage point during the 5 year period commencing from the date upon which the Property is put into commercial production.

Copper Mountain West Property

On March 8, 2019 the Company announced it terminated the previously announced agreement to purchase 100% right, title and interest in five mineral claims located in Copper Mountain West, Similkameen Mining Division, south central British Columbia.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

As at May 31, 2019 – 18,428,000 (August 31, 2018 – 10,428,000) common shares were issued and outstanding.

c) Financing:

During the nine months ended May 31, 2019, the Company completed a non-brokered private placement (the "Private Placement") of units. The Company issued an aggregate of 8,000,000 units (each, a "Unit") in the capital of the Company at a purchase price of $0.05 per Unit for gross proceeds of $400,000. Each Unit consists of one common share (a "Common Share") of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.10 per Warrant Share and expire three years from the date of issuance. In connection with the Private Placement, the Company paid a certain arm's length finder (the "Finder") a finder's fee of $26,950 in cash, equal to 7% of the gross proceeds raised under the Private Placement from arms' length purchasers that were introduced to the Company by the Finder.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Additionally, the Company issued 539,000 non-transferrable Common Share purchase warrants ("Finder's Warrants") exercisable to acquire 539,000 Common Shares (each, a "Finder's Share"), equal to 7% of the number of Units issued in the Private Placement to arms' length purchasers that were introduced to the Company by the Finder. Each Finder's Warrant has an exercise price of $0.10 per Finder's Share and expires 3 years from the date of issuance.

d) Escrow shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date (May 4, 2017) and 15% on every six month from date of listing. At May 31, 2019, there were 720,000 shares held in escrow.

e) Stock Option Plan:

The Company has adopted a 10% rolling incentive stock option plan, which provides that the Board of the Director may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options ("Options") to purchase up to 10% of the issued and outstanding common shares of the Company at the date of grant. In addition, no Options may be granted under the stock option plan if the number of common shares, calculated on a fully diluted basis, issued within 12 months to (i) related persons, exceeds 10% of the outstanding common shares of the Company, or (ii) a related person and the associates of the related person, exceeds 5% of the outstanding common shares of the Company.

During the nine month period ended May 31, 2019 the Company did not grant any stock options.

The following table summarizes stock option transactions:

	Number of options	**Weighted average exercise price** $
Outstanding, August 31, 2017	600,000	0.15
Cancelled	(200,000)	0.15
Outstanding, August 31, 2018	400,000	0.15
No Activity	-	-
Outstanding, May 31, 2019	400,000	0.15

The following table summarizes the stock options outstanding and exercisable as at May 31, 2019 is:

Exercise price	**Number of options**	**Exercisable**	**Expiry date**
$ 0.15	400,000	400,000	May 4, 2022

As at May 31, 2019, the weighted average remaining useful life of outstanding options is 3 years.

f) Warrants:

During the nine month period ended May 31, 2019 the Company issued 8,000,000 Common Share purchase warrants (a "Warrant").

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

Each Warrant is exercisable to purchase an additional Common Share (a "Warrant Share") of the Company at an exercise price of $0.10 per Warrant Share and expire three years from the date of issuance. Additionally, the Company issued 539,000 non-transferrable Common Share purchase warrants ("Finder's Warrants") exercisable to acquire 539,000 Common Shares (each, a "Finder's Share"), equal to 7% of the number of Units issued in the Private Placement to arms' length purchasers that were introduced to the Company by the Finder. Each Finder's Warrant has an exercise price of $0.10 per Finder's Share and expires 3 years from the date of issuance.

	Number of Warrants	**Weighted average exercise price** $
Outstanding, August 31, 2017	256,000	0.15
No Activity	-	-
Outstanding, August 31, 2018	256,000	0.15
Issued	8,539,000	0.10
Expired	(256,000)	0.15
Outstanding, May 31, 2019	8,539,000	0.10

The following table summarizes the warrants outstanding and exercisable as at May 31, 2019:

Exercise price	**Number of warrants**	**Exercisable**	**Expiry date**
$ 0.10	8,539,000	-	April 16, 2022

As at May 31, 2019, the weighted average remaining useful life of outstanding options is 2.9 years.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	May 31, 2019	**August 31, 2018**
	$	$
Accounts payable and accrued liabilities	-	3,150

The Company had the following related party transactions:

	May 31, 2019	**August 31, 2018**
	$	$
Professional fees	-	33,300
Rent	-	31,632
Total	-	64,932

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at May 31, 2019 are 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)**	**Total**
	$	$	$	$
Cash	257,674	-	-	257,674

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at May 31, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.