ETRUSCUS RESOURCES CORP.

Condensed Interim Financial Statements

December 31, 2018

(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.

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For the nine-month period ended December 31, 2018

(Expressed in Canadian Dollars)

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying condensed interim financial statements of Etruscus Resources Corp. (the "Company") are the responsibility of management.

These condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Company has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the condensed interim financial statements and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Financial Position

As at December 31, 2018

(Expressed in Canadian Dollars)

(Unaudited- prepared by management)

	December 31, 2018	*March 31, 2018*
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,458,478**	**$ 383,311**
Receivables *(Note 3)*	**10,669**	**2,413**
Retainers, deposits and prepaid expenses	**2,470**	**-**
Total current assets	**1,492,390**	**385,724**
Exploration and evaluation assets (*Note 4*)	**161,496**	**135,750**
Equipment *(Note 5)*	**9,057**	**-**
Total assets	**$ 1,642,170**	**$ 521,474**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**$ 32,176**	**$ 29,135**
Due to related parties *(Note 8)*	**31,750**	**18,375**
Total current liabilities	**63,926**	**47,510**
EQUITY		
Share capital *(Note 7)*	**1,872,612**	**535,000**
Deficit	**(294,368)**	**(61,036)**
Total equity	**1,578,244**	**473,964**
Total liabilities and equity	**$ 1,642,170**	**$ 521,474**

Nature and Continuance of Operations and Going Concern *(Note 1)*
Events After the Reporting Period (*Note 11*)

Approved and authorized on behalf of the Board on February 26, 2019.

Gordon Lam Director

Fiore Aliperti Director

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss

For the three and nine-month periods ended December 31, 2018

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

	Three Months Ended December 31, 2018	*Three Months Ended December 31, 2017*	*Nine Months Ended December 31, 2018*	*Period from incorporation July 1, 2017 to December 31, 2017*
Operating Expenses:				
Consulting fees (Note 10)	$ 45,000	$ -	$ 150,000	$ -
Depreciation (Note 6)	1,015	-	1,663	-
Advertising, marketing, promotion	414	673	630	673
Office and general	1,732	-	5,390	91
Professional fees	31,028	-	66,612	-
Regulatory and transfer agent fees	10,752	382	18,487	382
Rent	4,638	-	6,132	-
Total operating expenses	(94,579)	(1,055)	(248,914)	(1,146)
Net interest income	5,949	-	15,582	-
Loss and comprehensive loss for the period	$ (88,630)	$ (1,055)	$ (233,332)	$ (1,146)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding:				
Basic and diluted	18,984,784	2,396,739	18,396,925	1,850,544

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statements of Changes in Equity

For the nine-month period ended December 31, 2018 and the period from incorporation on July 1, 2017 to March 31, 2018

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

	Share Capital			
	Number of Shares	*Amount*	*Deficit*	*Total*
Share issued on incorporation	1	$ -	$ -	$ -
Shares issued for cash	13,000,000	455,000	-	455,000
Shares issued for property	800,000	80,000	-	80,000
Loss for the period	-	-	(61,036)	(61,036)
Balance at March 31, 2018	**13,800,001**	**535,000**	**(61,036)**	**473,964**
Shares issued for cash (net)	5,294,000	1,338,500	-	1,304,500
Share issuance costs	-	(888)	-	(888)
Loss for the period	-	-	(144,702)	(144,702)
Balance at December 31, 2018	**19,094,001**	**$ 1,872,612**	**$ (205,738)**	**$ 1,632,874**

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

ETRUSCUS RESOURCES CORP.

Condensed Interim Statement of Cash Flows

For the nine-month period ended December 31, 2018

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

	Nine months ended December 31, 2018	*Period from incorporation on July 1, 2017 to December 31, 2017*
Cash flows used in operating activities		
Loss for the period	$ (233,332)	$ (1,146)
Add-back non-cash item:		
Depreciation	1,663	-
Changes in non-cash working capital items:		
Receivables	(8,256)	(14)
Retainers, deposits and prepaid expenses	(2,470)	-
Accounts payable and accrued liabilities	3,041	1,070
Due to related parties	13,375	-
Net cash used in operating activities	(225,979)	(90)
Cash flows used in investing activities		
Investment in exploration and evaluation assets	(25,746)	-
Purchase of equipment	(10,720)	-
Net cash used in investing activities	(25,507)	-
Cash flows provided (used in) financing activities		
Shares issued for cash	1,338,500	15,000
Share issuance costs	(888)	-
Net cash provided by financing activities	1,337,612	15,000
Change in cash and cash equivalents during the period	1,075,167	14,910
Cash and cash equivalents, beginning of period	383,311	-
Cash and cash equivalents, end of period	$ 1,458,478	$ 14,910

There were no non-cash financing or investing activities for the periods presented, other than the issuance of 800,000 common shares at a deemed value of $0.10 per share during the initial fiscal period ended March 31, 2018, for the acquisition of exploration and evaluation assets.

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Etruscus Resources Corp. ("the Company") was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company's registered office is located at Suite 1780 – 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6. The Company intends to list its shares for trading on the Canadian Securities Exchange ("CSE").

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is considered to be in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

These financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

Going Concern of Operations

These financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company has incurred net operating losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to ultimately develop profitable operations.

Since incorporation on July 1, 2017, the Company has raised equity financing from investors and expects these funds to provide for its early stage exploration and working capital needs through 2019. Additional fundraising may involve further private placements, convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of the Company's operations. To the extent future financing is not available, future working capital commitments may not be satisfied and future exploration programs may face curtailment and could result in a loss of property ownership or earning opportunities for the Company.

There can be no assurance that the Company will be able to raise the funds necessary to continue future operations beyond 2019. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Management has assessed that it has sufficient working capital for the Company to continue operations through the ensuing twelve months.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Basis of presentation

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

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

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the initial period from incorporation on July 1, 2017 to March 31, 2018. These condensed interim financial statements do not include all disclosures required in annual financial statements but rather they follow recommendations for condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of their application as those followed in the March 31, 2018 financial statements, except for the following policies that were adopted by the Company in the current fiscal year:

New accounting policies adopted in the current period

The following accounting policies were adopted April 1, 2018:

IFRS 9, Financial Instruments

IFRS 9 is a new standard effective for fiscal years beginning on or after January 1, 2018, which is principles-based and less complex than IAS 39, *Financial Instruments: Recognition and Measurement*, which IFRS 9 has replaced. IFRS 9 includes new guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost, at fair value through profit or at fair value through other comprehensive income (loss). The classification and measurement is based on the Company's business model for managing financial assets and on the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. The standard does not have any material impact on the Company's reporting.

Financial instruments consist of financial assets and financial liabilities and are initially recognized at fair value along with, in the case of a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting policies adopted in the current period (continued)

IFRS 9, Financial Instruments (continued)

The Company classifies its financial assets and financial liabilities in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
ii) those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income.

Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). Any fair value changes due to credit risk for liabilities designated at fair value through profit and loss are recorded in other comprehensive income.

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash and cash equivalents, receivables and deposits. These assets are classified as assets at fair value and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. The fair values of these financial instruments approximate their carrying value due to their short-term maturities.

- Financial liabilities comprise accounts payable and accrued liabilities and due to related parties. These financial liabilities are classified as other financial liabilities and are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit or loss, as applicable.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting policies adopted in the current period (continued)

IFRS 9, Financial Instruments (continued)

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

The three levels of the 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 the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data, with fair value measurement derived from valuation techniques.

The fair values of cash and cash equivalents are measured based on Level 1 inputs of the fair value hierarchy.

Impairment of financial assets:

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any assets carried at amortized cost.

IFRS 15, Revenue from Contracts with Customers

IFRS 15, which is also effective for fiscal periods beginning on or after January 1, 2018, contains new standards on revenue recognition that supersede IAS 18, *Revenue*, IAS 11, *Construction Contracts* and related interpretations. The standard does not have any material impact on the Company's reporting.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents consists of short-term highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at December 31, 2018, the Company's cash equivalents consist of a $1,200,000 (March 31, 2018 - $Nil) GIC lodged with a Canadian Schedule I bank.

Equipment

Equipment is recorded at historical cost less accumulated depreciation and impairment charges. Equipment is depreciated using a declining balance basis over the estimated useful lives of the individual assets. The Company provides for depreciation computed under the declining balance method for computers and software at 55% per annum and furniture and fixtures at 30% per annum.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting policies adopted in the current period (continued)

Equipment (continued)

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The cost of replacing part of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Future changes in accounting policies

IFRS 16, Leases

This new standard on leases supersedes IAS 17, *Leases*, and related interpretations. The standard is effective for years beginning on or after January 1, 2019. The Company has assessed that the adoption of this standard has no material impact on its financial statements.

3. RECEIVABLES

	December 31, 2018	*March 31, 2018*
Recoverable sales taxes	$ 5,401	$ 2,413
Interest	5,268	-
Total receivables	$ 10,669	$ 2,413

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	Rock & Roll Property
Acquisition costs	$ 130,000
Licenses, claim fees and permits	500
Geological and geophysical	5,250
Balance, March 31, 2018	$ 135,750
Acquisition costs	1,025
Accommodation and camp costs	2,331
Geological and geophysical	19,209
Helicopters and aircraft support	3,181
Balance, December 31, 2018	$ 161,496

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, titles are in good standing.

Rock & Roll Property – Liard Mining Division, Northwest British Columbia, Canada

The Rock & Roll Property (the "Property") consists of seventeen (17) contiguous mineral claims in the Liard Mining Division of British Columbia, totalling 5,309 hectares (13,120 acres) in the Iskut River valley of the Coast Mountains in northwestern British Columbia.

On March 1, 2018, the Company entered into an agreement with Equity Exploration Consultants Ltd. ("Equity") to acquire 14 contiguous claims for $50,000 cash (paid) and 800,000 common shares of the Company at a value of $0.10 per share (issued), for a total acquisition cost of $130,000, provided that the Company's shares be listed for trading on the CSE (the "Listing Date") by December 31, 2018 ("Listing Deadline Date"). The Property is subject to a 2% net smelter return ("NSR") royalty, held by a group of six parties. Half of the royalty may be purchased by paying $2,000,000 to the royalty holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier, and issuing 300,000 common shares (issued) to the group of royalty holders within three (3) days of the Listing Date. By respective amendment agreements all dated December 9, 2018 amending the purchase agreement pertaining to the purchase of the Property and the NSR royalties, the Listing Deadline Date was extended from December 31, 2018 to March 31, 2019. The Listing Date was January 15, 2019 at which time the 300,000 shares were issued to the royalty holders.

On June 12, 2018, the Company staked an additional three claims contiguous to the other 14 claims, at a cost of $1,025.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS – Mineral Properties (continued)

Equity has notified the Company that there may be unregistered royalties on the Property in favour of Prime Equities International Corporation. To the Company's best information and belief, such royalties (i) are not evidenced by any completed legal instrument and (ii) have not been the subject of any notice or claim to Equity asserting such royalties. The Company has agreed to indemnify Equity against all costs, charges, and expenses, including any amount paid to settle a threatened or an actual action or to satisfy a judgment, reasonably incurred by Equity in the event that such possible royalties are validated as existing legal obligations binding on the Property.

5. EQUIPMENT

	Computers and software	*Furniture and fixtures*	Total
Cost			
Balance, March 31, 2018	$ -	$ -	$ -
Additions	3,371	7,349	10,720
Balance, December 31, 2018	$ 3,371	$ 7,349	$ 10,720
Accumulated depreciation			
Balance, March 31, 2018	$ -	$ -	$ -
Depreciation	928	735	1,663
Balance, December 31, 2018	$ 928	$ 735	$ 1,663
Net book value - December 31, 2018	$ 2,443	$ 7,165	$ 9,057

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are comprised as follows:

	December 31, 2018	*March 31, 2018*
Accounts payable	$ 32,176	$ 11,885
Accrued liabilities	-	17,250
	$ 32,176	$ 29,135

7. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued: 19,094,001 common shares (March 31, 2018 - 13,800,001 common shares), of which 10,000,001 shares are held in escrow and are releasable over a 3 year period after the listing date.

Transactions for the initial period from incorporation on July 1, 2017 to March 31, 2018:

a) On incorporation, the Company issued 1 common share for a nominal amount.

b) After incorporation in 2017, the Company issued 3,000,000 common shares as seed capital, at a price of $0.005 per share for proceeds of $15,000.

c) On February 5, 2018, the Company issued 7,000,000 common shares at a price of $0.02 per share for proceeds of $140,000.

d) On March 7, 2018, the Company issued 3,000,000 common shares at a price of $0.10 per share for proceeds of $300,000.

e) On March 12, 2018, the Company issued 800,000 common shares to Equity, with a value of $0.10 per share for the purchase of the Property (Note 4).

Transactions for nine-month period ended December 31, 2018:

f) On May 10, 2018, the Company completed a two-tranche private placement consisting of 5,218,000 units at a price of $0.25 per unit. Each unit consists of one common share and one-half of one non-transferrable share purchase warrant. Each full warrant, of which there are 2,609,000, is exercisable into one further common share at a price of $0.50 per share for a period of two years. The first tranche closed on April 30, 2018 raising $1,024,500 by issuing 4,098,000 units, and the second tranche closed on May 10, 2018 raising $280,000 by issuing 1,120,000 units. There was no value attributed to the warrants. Share issuance costs of $888 were incurred on this private placement.

g) On December 12, 2018, 100,000 common shares (issued at $0.10 per share on March 7, 2018) were rescinded and returned to treasury, as were 104,000 common shares (issued at $0.25 per unit on April 30, 2018), and a further 20,000 common shares (issued at $0.25 per unit on May 10, 2018). The respective 62,000 warrants issued concurrently with the 124,000 rescinded common shares, previously issued at $0.25 per unit, were also rescinded.

h) On December 27, 2018, the Company completed a private placement of $75,000 consisting of 300,000 units at a price of $0.25 per unit. Each unit consists of one common share and one-half of one non-transferrable share purchase warrant. Each full warrant, of which there are 150,000, is exercisable into one further common share at a price of $0.50 per share for a period of two years. There was no value attributed to the warrants. No share issuance costs were incurred on this private placement.

ETRUSCUS RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

For the nine-month period ended December 31, 2018

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options:

The Company, at the time of incorporation, adopted a 10% Rolling Stock Option Plan ("SOP") under which the Company is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option equals the market price of the Company's stock as calculated on the date of grant. The options vest upon grant. The fair value of the options will be determined and recorded on grant pursuant to the Black-Scholes option pricing model as a credit to equity reserves. The Company has no stock options outstanding as at December 31, 2018.

Warrants:

Through certain unit offerings that completed, the Company has issued warrants in addition to shares. Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance at March 31, 2018	-	$ -
Warrants issued	2,759,000	0.50
Warrants rescinded	(62,000)	0.50
Balance at December 31, 2018	2,697,000	$ 0.50

As at December 31, 2018, the following warrants are outstanding:

Expiry Date	Number of Warrants	Exercise Price ($)	Weighted average remaining contractual life (years)
April 30, 2020	1,997,000	0.50	1.33
May 10, 2020	550,000	0.50	1.36
December 19, 2020	150,000	0.50	1.97
Total outstanding warrants	2,697,000		1.37

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

The following related parties for the periods presented include directors and key management personnel, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

a) Hatch 8 Consulting is a company controlled by the current Chief Executive Officer and director of the Company, and provides consulting services to the Company.

b) Lever Capital Corp. is a company owned by the Chief Financial Officer and provides consulting services to the Company.

c) The Company's Corporate Secretary provides general administrative services, bookkeeping and corporate secretarial services to the Company.

d) Avanti Consulting Inc. is a company controlled by a director who acts as Chairman of the Board, and provides consulting services to the Company.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted related parties are as follows:

		Transactions for the nine-month period ended December 31, 2018	**Balance payable as at December 31, 2018**	Balance payable as at March 31, 2018
Hatch 8 Consulting	**(a)**	**$ 45,000**	**$ 250**	**$ 5,250**
Lever Capital Corp.	**(b)**	**22,500**	**10,500**	**2,625**
Sameen Oates	**(c)**	**22,500**	**10,500**	**2,625**
Avanti Consulting Inc.	**(d)**	**22,500**	**10,500**	**7,875**
Total		**$ 112,500**	**$ 31,750**	**$ 18,375**

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying value due to their short-term maturities.

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

<u>Credit Risk</u>

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and receivables. The Company manages credit risk associated with its cash by using reputable financial institutions, from which management believes the risk to be remote. Receivables consist primarily of recoverable Canadian sales taxes and accrued interest on short term money market investments for which management believes the collectability of these amounts to be assured.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

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 December 31, 2018, the Company has cash of $1,458,478 to settle current liabilities of $63,926. The Company has sufficient liquidity for its 2019 exploration and working capital requirements but will require additional financing beyond the ensuing year.

The Company has relied on equity financings to satisfy its capital requirements and will continue to depend upon equity capital as required. The Company may also enter into earn-in arrangements or the sale of certain property interests. There can be no assurance the Company will be able to obtain its future planned financings on acceptable terms. The ability of the Company to continue on this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs.

Interest rate risk

The Company is not exposed to material risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations, nor are current interest rates onerous.

Foreign currency risk

The Company's functional currency is the Canadian dollar and an immaterial amount of transactions are in other currencies. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

10. CAPITAL MANAGEMENT

Capital is comprised of shareholders' equity. The Company's objectives when managing capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness and to ultimately maximize returns for shareholders over the long term. Meeting current and future liabilities and obligations as a non-revenue early stage explorer requires mid-term planning with respect to financing, by considering current and future cash needs with the state of Company's internal, exploration and financing risks at any particular time. The Company endeavors to maintain capital balances over the periods to alleviate unexpected cash flow shortfalls. The capital for operations and the acquisition and exploration of exploration and evaluation assets has come from the issuance of common shares. The Company endeavors to minimize shareholder dilution with respect to its future equity financings. To date, the proceeds raised from the Company's initial financings have facilitated the acquisition of a property of merit, funded the costs of going public, and will fund both the initial 2019 exploration season and the Company's working capital needs for the ensuing 12 months.

The Company is not subject to externally imposed capital requirements other than the CSE which requires at least $200,000 of working capital at the time of listing for a non-revenue resource company.

11. EVENTS AFTER THE REPORTING PERIOD

The Company's common shares were listed to trade on the CSE under the symbol "ETR" on January 15, 2019. On that date 1,000,001 common shares released from escrow, leaving 9,000,000 common shares escrowed.

The Company exercised its option to acquire one-half of the 2% NSR, by the issuance of 300,000 common shares to the royalty holders within three days of the Listing Date, at a deemed price of $0.25 per share. Completion of the 1% NSR purchase will require a payment of $2,000,000 to the royalty holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier.

On January 15, 2019, the Company granted 1,500,000 stock options to directors, officers and consultants, exercisable at $0.25 per share for a period of five years. The options vested upon grant.

On January 21, 2019, the Company granted a total of 335,000 stock options to an officer and two consultants, exercisable at $0.25 per share for a period of five years. The options vested upon grant.