DELREY METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canada Dollars)

FOR THE YEAR ENDED FEBRUARY 28, 2019

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Delrey Metals Corp.

Opinion

We have audited the consolidated financial statements of Delrey Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the year ended February 28, 2019 and for the period from incorporation on October 18, 2017 to February 28, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2019 and 2018, and its financial performance and its cash flows for the year ended February 28, 2019 and for the period from incorporation on October 18, 2017 to February 28, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

Management is responsible for the preparation and fair presentation of the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David J. Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

June 27, 2019

An independent firm associated with Moore Stephens International Limited

MOORE STEPHENS

DELREY METALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

		February 28, 2019		February 28, 2018
ASSETS				
Current Assets				
Cash	$	1,231,092	$	562,418
Amounts receivable		37,052		1,035
Prepaid expenses (Note 11)		198,459		-
Deposit (Note 4)		-		25,000
Total current assets		1,466,603		588,453
Property and equipment (Note 5)		8,596		-
Exploration and evaluation assets (Note 6)		1,398,495		18,000
Total Assets	$	2,873,694	$	606,453
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	$	357,720	$	425
Accrued liabilities		19,806		8,700
Total Liabilities		377,526		9,125
Shareholders' Equity				
Share capital (Note 7)		5,104,960		616,811
Reserves (Note 7)		510,398		-
Deficit		(3,119,190)		(19,483)
Total Shareholders' Equity		2,496,168		597,328
Total Liabilities and Shareholders' Equity	$	2,873,694	$	606,453

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 13)

APPROVED ON BEHALF OF THE BOARD ON JUNE 27, 2019

"Morgan Good" Director *"Mike Blady"* Director

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

DELREY METALS CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		For the year ended February 28, 2019		Period from incorporation on October 18, 2017 to February 28, 2018
GENERAL AND ADMINISTRATIVE EXPENDITURES				
Bank and interest charges	$	1,129	$	61
Consulting fees (Note 8)		170,000		7,500
Depreciation (Note 5)		1,231		-
Foreign exchange loss		3,953		-
Investor relations fees		396,207		-
Management fees (Note 8)		83,500		-
Office costs		17,993		205
Professional fees (Note 8)		64,093		11,717
Rent		42,500		-
Share-based payments (Notes 6, 7 and 8)		2,259,900		-
Transfer agent and filing fees		40,861		-
Travel and entertainment		18,340		-
Loss and comprehensive loss for the year	$	(3,099,707)	$	(19,483)
Loss per common share, basic and diluted	$	(0.16)	$	(0.01)
Weighted average number of common shares outstanding		19,486,897		3,330,016

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

DELREY METALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended February 28, 2019	Period from incorporation on October 18, 2017 to February 28, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (3,099,707)	$ (19,483)
Items not affecting cash		
Depreciation	1,231	-
Share-based payments	2,259,900	-
Changes in non-cash working capital items:		
Deposit	-	(25,000)
Amounts receivable	(36,017)	(1,035)
Prepaid expenses	(198,459)	-
Accounts payables and accrued liabilities	368,401	9,125
Net cash used in operating activities	(704,651)	(36,393)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,827)	-
Expenditures on exploration and evaluation assets	(120,495)	(18,000)
Net cash used in investing activities	(130,322)	(18,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,770,000	616,811
Proceeds from stock option exercises	18,787	-
Share issuance costs	(285,140)	-
Net cash provided by financing activities	1,503,647	616,811
Change in cash for the year	668,674	562,418
Cash, beginning	562,418	-
Cash, ending	$ 1,231,092	$ 562,418

Supplemental Cash Flow Information (Note 9)

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

DELREY METALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Shares	**Amount**	**Reserves**	**Deficit**	**Total**
Balance, October 18, 2017	-	$ -	$ -	$ -	$ -
Seed shares issued	4,250,001	42,500	-	-	42,500
Shares issued for private placement	7,866,000	589,950		-	589,950
Share issuance costs	-	(15,639)	-	-	(15,639)
Loss and comprehensive loss for the period	-	-	-	(19,483)	(19,483)
Balance, February 28, 2018	12,116,001	616,811	-	(19,483)	597,328
Shares issued for private placement	3,600,000	270,000	-	-	270,000
Shares issued for initial public offering	7,500,000	1,500,000	-	-	1,500,000
Shares issued for exploration and evaluation assets and acquisitions (Note 6)	10,416,667	3,071,250	-	-	3,071,250
Shares issued for stock options exercised	93,937	28,769	(9,982)	-	18,787
Share issuance costs – cash	-	(310,140)	-	-	(310,140)
Share issuance costs – agents' options	-	(71,730)	71,730	-	-
Share-based payments	-	-	448,650	-	448,650
Loss and comprehensive loss for the year	-	-	-	(3,099,707)	(3,099,707)
Balance, February 28, 2019	33,726,605	$ 5,104,960	$ 510,398	$ (3,119,190)	$ 2,496,168

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Delrey Metals Corp. (the "Company") was incorporated on October 18, 2017 under the Business Corporations Act of British Columbia. The Company's head office address is 4302 – 1151 West Georgia Street, Vancouver, BC. The registered office address is located at 800 – 885 West Georgia Street, Vancouver, BC. The Company's common shares began trading on the Canadian Securities Exchange (the "CSE") on October 24, 2018, under the symbol "DLRY". The Company's consolidated financial statements include the financial statements of the following subsidiaries:

Company	Place of Incorporation	Effective Interest
BC Vanadium Corp. ("**BCVC**")	British Columbia	100%
WEM Western Energy Metals Ltd. ("**WEM**")	British Columbia	100%

The principal business of the Company is the exploration and evaluation of mineral property interests. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's ability to continue in the normal course of operations is dependent on its ability to raise equity financing or through the sale of its investments at amounts favorable to the Company. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management estimates there is sufficient working capital as at February 28, 2019 to continue current operations for the next twelve months. These consolidated 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.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared using accounting policies consistent 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 consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

The consolidated financial statements of the Company for the year ended February 28, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 27, 2019.

Use of Estimates and Critical Judgments

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carry value of the exploration and evaluation assets, the measurements for financial instrument, the measurement of share-based payments and the recoverability of deferred tax assets.

2. BASIS OF PREPARATION *(cont'd…)*

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and the classification of exploration and evaluation assets.

Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its controlled and wholly owned subsidiaries BCVC and WEM. Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances and transactions have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise indicated.

Cash

Cash includes cash on hand and deposits held with financial institutions.

Financial instruments

Financial assets

Financial assets are classified as either financial assets at affair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

Fair value through profit or loss ("FVTPL") **-** financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Changes in fair value are recognized in profit and loss.

Amortized cost – financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) The objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the assets contractual cash flow represents solely payments of principal and interest.

The Company's cash is recorded at FVTPL. The Company's amounts receivable are recorded at amortized cost.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial instruments *(cont'd…)*

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. 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 in profit and loss.

Amortized cost: This category includes trade payables and accrued liabilities, which are recognized at amortized cost.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration expenditures reflect the capitalized costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquisition of rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition. Evaluation expenditures include the cost of:

i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,

ii) determining the optimal methods of extraction and metallurgical and treatment processes,

iii) studies related to surveying, transportation and infrastructure requirements,

iv) permitting activities, and

v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

From time-to-time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received. The Company does not accrue the estimated costs of maintaining its interests in good standing.

From time-to-time the Company may issue shares for option-in agreements in respect of acquisition of mineral interests. These equity-settled share-based payment transactions are measured by reference to the fair value of the entity instruments granted and the corresponding increase in equity. The Company capitalizes its acquisition costs and exploration and evaluation costs.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Exploration and evaluation assets *(cont'd…)*

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

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. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both 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 date of the statement of financial position.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company will reassesses any unrecognized deferred tax assets. The Company will recognize any previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Property and Equipment

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company. Property and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

Depreciation is recognized in operations using the declining balance method at the following rates over the assets useful life:

Computer equipment	30%
Furniture and fixtures	20%

Depreciation methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, common share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new common shares, common share warrants, or stock options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per common share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the year.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding (if any) at year-end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

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.

Decommissioning provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mineral properties, oil and gas interests, 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 the related 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 the related asset.

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 the related 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 period.

Share-based payments

A stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Foreign currency translation

The functional and presentation currency, as determined by management, of the Company is the Canadian dollar. Transactions in currencies other than the functional currency of each entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the entity that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the year, which approximates those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

New standards, interpretations and amendments adopted

We have adopted the new IFRS pronouncement for financial instruments as at March 1, 2018, in accordance with the transitional provisions outlined in the respective standard and described below. The adoption of the new IFRS pronouncement has not resulted to adjustments in previously reported figures and no change to the opening deficit balance as at March 1, 2018, under the IFRS 9 transition provisions.

Overview of Changes in IFRS 9

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

Under IFRS 9, on initial recognition, a financial asset or liability is classified at amortized cost or at fair value (either through other comprehensive income ("FVOCI") or profit or loss ("FVTPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income (FVOCI).

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

New standards, interpretations and amendments adopted (cont'd…)

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

Classification and Measurement Changes

There has been no change in the measurement categories, carrying values or to previously reported figures of our financial instruments. The adoption of the Standard did not have a significant impact on the financial statements.

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information. The Company has determined that the application of IFRS 9's impairment requirements as at March 1, 2018 does not result in any additional impairment allowances.

New standards not yet adopted

Certain pronouncements were issued by the IASB or IFRIC that are not mandatory for accounting periods beginning on or after March 1, 2019. They have not been early adopted in these consolidated financial statements, and they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below:

IFRS 16 Leases will be effective for accounting periods beginning on or after January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

The Company will be adopting IFRS 16 on March 1, 2019 using the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption. For all leases, the lease liability will be measured at March 1, 2019 as the present value of any future minimum lease payments discounted using the appropriate incremental borrowing rate. The associated right of use assets will be measured at the amount equal to the lease liability on March 1, 2019. The Company's accounting for finance leases remained substantially unchanged.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. DEPOSIT

On December 21, 2017, the Company executed an agreement with Leede Jones Gable (the "Agent") to act as an agent for the Company with respect to the proposed initial public offering (the "Offering"), of up to 7,500,000 shares priced at $0.20 per share for total proceeds of $1,500,000.

In consideration of the services performed by the Agent, the Company will: (i) pay an agent's commission equal to 9% of the proceeds raised by the Agent; and (ii) grant the option to purchase shares of the Company equal to 9% of the Offering shares sold by the Agent with an exercise price of $0.20 per share for a period of 24 months from the date of issuance. In addition, the Company will pay the Agent a corporate finance fee of $30,000, with the first half paid during the period and the balance to be paid from the proceeds of the Offering.

(Expressed in Canadian Dollars)

4. DEPOSIT *(cont'd…)*

During the year ended February 28, 2018, the Company had paid a $25,000 deposit which was reclassified as a share issuance cost against share capital during the year ended February 28, 2019 upon completion of the Offering.

5. PROPERTY AND EQUIPMENT

A continuity of the Company's property and equipment is as follows:

		Furniture and Fixtures		Computer Equipment		Total
Cost						
Balance, October 18, 2017 and February 28, 2018	$	-	$	-	$	-
Additions		3,783		6,044		9,827
Balance, February 28, 2019		3,783		6,044		9,827
Accumulate Depreciation						
Balance, October 18, 2017 and February 28, 2018	$	-	$	-	$	-
Additions		349		882		1,231
Balance, February 28, 2019		349		882		1,231
As at February 28, 2018	$	-	$	-	$	-
As at February 28, 2019	$	3,434	$	5,162	$	8,596

6. EXPLORATION AND EVALUATION ASSETS

Sunset Mining Property, British Columbia

On November 7, 2017, the Company entered into an agreement, whereby it will have the right to earn a 100% interest in the Sunset Property consisting of four mineral claims.

The Company will earn a 100% interest in the Sunset Property subject to a 2% Net Smelter Royalty, by completing $1,000,000 in exploration, making cash payments of $15,000 (paid) and issuing 666,667 common shares (issued during the year ended February 28, 2019) of the Company to the optionor.

The Company will incur $1,000,000 of exploration on the property as follows:

By June 30, 2018	$	100,000	*(completed during the year ended February 28, 2019)*
By June 30, 2019		200,000	
By June 30, 2020		700,000	
	$	1,000,000	

Excess expenditures from one year can be applied to the next period. If there is a shortfall in exploration in any one year, the agreement can be maintained in good standings by making a payment in the equivalent cash, of the shortfall to the Optionor. On June 25, 2018, the $100,000 in exploration expenditure to incur by June 30, 2018 was extended to September 30, 2018.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

BCVC acquisition, British Columbia

On December 6, 2018, pursuant to the terms of an agreement the Company acquired 100% of issued and outstanding common shares of BCVC in exchange for 5,500,000 common shares and agreed to pay $10,000 in BCVC's existing payables. The acquisition of BCVC was accounted for as an asset acquisition. BCVC owns a 100% interest in the Star and the Porcher vanadium properties, located in northwestern British Columbia. The Company determined that of the 5,500,000 common shares issued, 3,500,000 common shares with a fair value of $1,260,000 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 2,000,000 common shares issued were considered as the purchase price consideration of BCVC.

The following table summarizes the consideration paid, the relative fair value of the assets acquired, and the liabilities assumed:

Purchase price consideration		
Fair value of 2,000,000 common shares issued at $0.36	$	720,000
Assets acquired and liabilities assumed		
Exploration and evaluation assets	$	730,000
Trade payables and accrued liabilities		(10,000)
Total purchase price allocated	$	720,000

WEM acquisition, British Columbia

On December 12, 2018, pursuant to the terms of an agreement the Company acquired 100% of issued and outstanding common shares of WEM in exchange for 4,250,000 common shares and agreed to pay $10,000 in WEM's existing payables. The acquisition of WEM was accounted for as an asset acquisition. WEM owns a 100% interest in the Blackie and the Peneece vanadium properties, located in northwestern British Columbia. The Company determined that of the 4,250,000 common shares issued, 2,250,000 common shares with a fair value of $551,250 were compensatory in nature and recognized these as share-based payments for the year ended February 28, 2019. The remaining 2,000,000 common shares issued were considered as the purchase price consideration of WEM.

The following table summarizes the consideration paid, the relative fair value of the assets acquired, and the liabilities assumed:

Purchase price consideration		
Fair value of 2,000,000 common shares issued at $0.245	$	490,000
Assets acquired and liabilities assumed		
Exploration and evaluation assets	$	500,000
Trade payables and accrued liabilities		(10,000)
Total purchase price allocated	$	490,000

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

A continuity of the Company's exploration and evaluation assets is as follows:

	Sunset	Star / Porcher	Blackie / Peneece	Total
Acquisition costs:				
Balance, October 18, 2017	$ -	$ -	$ -	$ -
Additions	15,000	-	-	15,000
Balance, February 28, 2018	15,000	-	-	15,000
Additions	50,000	730,000	500,000	1,280,000
Balance, February 28, 2019	65,000	730,000	500,000	1,295,000
Exploration costs:				
Balance, October 18, 2017	-	-	-	-
Supplies and other	3,000	-	-	3,000
Balance, February 28, 2018	3,000	-	-	3,000
Field Personnel	59,000	-	-	59,000
Sampling	21,182	-	-	21,182
Supplies and other	2,615	-	-	2,615
Travel and meals	17,698	-	-	17,698
Balance, February 28, 2019	103,495	-	-	103,495
Balance, February 28, 2018	$ 18,000	$ -	$ -	$ 18,000
Balance, February 28, 2019	$ 168,495	$ 730,000	$ 500,000	$ 1,398,495

7. CAPITAL STOCK

Authorized capital stock

An unlimited number of common shares without par value, issuable in series.

Issued share capital

During the year ended February 28, 2019, the Company:

a) issued 666,667 common shares with a fair value of $50,000, in connection with the Sunset Property agreement (Note 6). Of these, 300,000 were issued to a director of the Company (Note 8);

b) completed a private placement by issuing 3,600,000 common shares for gross proceeds of $270,000;

(Expressed in Canadian Dollars)

7. CAPITAL STOCK *(cont'd…)*

Issued share capital *(cont'd…)*

c) closed its initial public offering ("IPO") by issuing 7,500,000 common shares at a price of $0.20 per common share for gross proceeds of $1,500,000. In conjunction with the IPO, the Company paid total cash commissions of $135,000 and granted an aggregate of 675,000 agents' options, each of which entitles the holder thereof to purchase one common share at a price of $0.20 per common share for a period of 24 months from the date of issuance. The agents' options were valued at $71,730 using the Black Scholes pricing model using an expected life of two years, volatility of 100%, risk-free interest rate of 1.61% and expected dividends of $nil. The Company incurred additional closing and legal fees of $175,140 including $49,049 paid to the CEO for services rendered relating to the IPO (Note 8);

d) issued 5,500,000 common shares with a fair value of $0.36 per common share, for a total value of $1,980,000 in connection with the acquisition of BCVC (Note 6). Of the total common shares issued, 3,500,000 were considered compensatory and $1,260,000 was recognized as share-based payments for the year ended February 28, 2019;

e) issued 4,250,000 common shares with a fair value of $0.245 per common share, for a total value of $1,041,250 in connection with the acquisition of WEM (Note 6). Of the total common shares issued, 2,250,000 were considered compensatory and $551,250 was recognized as share-based payments for the year ended February 28, 2019; and

f) issued 93,937 common shares at a price of $0.20 per common share, for gross proceeds of $18,787 on the exercise of stock options.

During the period from incorporation on October 18, 2017 to February 28, 2018, the Company:

a) issued 4,250,001 common shares at $0.01 for proceeds of $42,500; and

b) completed a private placement of 7,866,000 common shares for gross proceeds of $589,950. In connection with the share issuances, the Company incurred share issuance costs of $15,639.

Stock options

During the year ended February 28, 2019, the Company adopted a stock option plan. The stock option plan provides that, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire no later than the date that is five years from the date that such options are granted.

The following is a summary of stock options outstanding as at February 28, 2019 and February 28, 2018 and changes during the periods ended:

	Number of Stock Options		Weighted Average Exercise Price
Balance, October 18, 2017 and February 28, 2018	-	$	-
Issued	3,063,000		0.24
Cancelled	(25,000)		0.25
Exercised	(93,937)		0.20
Balance, February 28, 2019– outstanding and exercisable	2,944,063	$	0.24

(Expressed in Canadian Dollars)

7. CAPITAL STOCK *(cont'd…)*

Stock options *(cont'd…)*

At February 28, 2019 the following stock options were outstanding:

Number outstanding	Number outstanding and exercisable		Exercise Price	Expiry Date
581,063	581,063	$	0.20	October 23, 2020
2,363,000	2,363,000	$	0.25	October 29, 2023
2,944,063	2,944,063			

The weighted average fair value of incentive options granted during the year ended February 28, 2019 was $0.19 (2018 - $nil). Total share-based payments recognized in the statement of shareholders' equity for the year ended February 28, 2019 was $448,650 (2018 - $nil) for incentive options was recognized in the profit or loss.

The fair value of incentive options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	February 28, 2019	February 28, 2018
Weighted average share and exercise price	$0.25	-
Risk-free interest rate	2.33%	-
Expected life of option	5 years	-
Expected annualized volatility	100%	-
Expected dividend rate	Nil	-

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, the Chief Executive Officer, and Chief Financial Officer.

		Management fees		Professional fees		Consulting fees		Share-based payments		Total
Chief Executive Officer(1)	$	62,500	$	-	$	49,049	$	37,575	$	149,124
Chief Financial Officer		9,000		-		-		-		9,000
Former Chief Financial Officer		-		18,938		-		4,697		23,635
Non-executive directors		-		-		25,000		75,150		100,150
	$	71,500	$	18,938	$	74,049	$	117,422	$	281,909

(1) Consulting fees comprise $49,049 in consulting fees included in share issuance costs.

There were no key management personnel payments for the comparative the year ended February 28, 2019.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS *(cont'd…)*

As at February 28, 2019, $669 (2018 - $nil) was included in trade payables and accrued liabilities for fees owed to related parties and $20,000 (2018 - $nil) was included in prepaid expenses for amounts prepaid to related parties for travel advances and March 2019 management fees.

The terms of the Sunset Property agreement included a property option payment of $9,000 (Note 6) to an optionor of the property, who is also a director of the Company.

Under the terms of the acquisition agreements, the Company issued 300,000 common shares of the Company to a director of the Company on April 1, 2018 (Notes 6 and 7).

9. SUPPLEMENTAL CASH FLOW INFORMATION

The Company had the following non-cash transactions:

		February 28, 2019		February 28, 2018
Deposit reallocated to share issuance costs	$	25,000	$	-
Fair value of agents' options included in equity reserves	$	71,730	$	-
Fair value of options reclassified from equity reserves on exercise	$	9,982	$	-
Fair value of common shares issued for exploration and evaluation asset	$	1,260,000	$	-

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of amounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Amounts receivable and trade payables and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT *(cont'd…)*

Risk management *(cont'd…)*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

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

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at February 28, 2019, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

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, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

(Expressed in Canadian Dollars)

11. COMMITMENTS

The Company has entered into an operating lease contract for office space. As at February 28, 2019, the Company has included $25,500 in prepaid expenses relating to prepayments on monthly rent through May 2019. The future minimum payments under the lease at February 28, 2019 is as follows:

2020	$	76,500
2021		59,500
	$	136,000

12. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes for the years ended February 28, 2019 and 2018 are as follows:

		2019		2018
Loss before income taxes	$	(3,099,707)	$	(19,483)
Expected income tax (recovery)	$	(837,000)	$	(5,000)
Permanent differences		612,000		-
Share issuance cost		(84,000)		(4,000)
Change in unrecognized deductible temporary differences		309,000		9,000
Income tax recovery	$	-	$	-

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

		2019	Expiry Date Range
Property and equipment		1,000	N/A
Share issue costs		257,000	2038-2041
Non-capital losses		918,000	2032-2038
	$	1,176,000	

13. SUBSEQUENT EVENTS

Subsequent to the year ended February 28, 2019, the Company:

a) granted an aggregate of 500,000 stock options to various consultants with a life of 5 years and exercise price of $0.25;

13. SUBSEQUENT EVENTS *(cont'd…)*

b) entered into a mineral property option agreement to acquire an undivided 80% right, title, and interest in the Four Corners Project, located in west-central Newfoundland. The option will be deemed to be exercised by the Company upon the Company:

(i) paying the following amounts to the optionor:

- $25,000 upon entry into the term sheet (paid subsequent to February 28, 2019);
- $25,000 upon executing the option agreement (paid subsequent to February 28, 2019);
- $50,000 on or before the first anniversary date;
- $50,000 on or before the second anniversary date;
- $50,000 on or before the third anniversary date; and
- $250,000 on or before the earlier of the fourth anniversary date or the 30th day after completion of an approved exploration program.

(ii) issuing the following amounts of common shares to the optionor:

- 1,200,000 upon executing the option agreement (issued subsequent to February 28, 2019);
- 2,600,000 on or before the first anniversary date;
- 3,600,000 on or before the second anniversary date;
- 2,600,000 on or before the third anniversary date; and
- 2,000,000 on or before the fourth anniversary date.

(iii) incurring the following exploration expenditures:

- $1,000,000 on or before the first anniversary date;
- $2,000,000 on or before the second anniversary date;
- $1,000,000 on or before the third anniversary date; and
- $1,000,000 on or before the fourth anniversary date.

c) granted 600,000 stock options to a consultant with a life of five years and exercise price of $0.13. These options were subsequently exercised for proceeds of $78,000.