IM EXPLORATION INC.
(FORMERLY PRIZE EXPLORATION INC.)
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IM Exploration Inc. (formerly Prize Exploration Inc.)

Opinion

We have audited the financial statements of IM Exploration Inc. (the "Company"), which comprise the statements of financial position as at March 31, 2019, and 2018 and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2019 and the period from April 19, 2017 (incorporation) to March 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018, and its financial performance and its cash flows for the year ended March 31, 2019 and period from April 17, 2017 (incorporation) to March 31, 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 and 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 Goertz.

DMCL

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

July 22, 2019

IM Exploration Inc. (formerly Prize Exploration Inc.)
Statements of Financial Position
(Expressed in Canadian Dollars)

		As at March 31, 2019		As at March 31, 2018
ASSETS				
Current assets				
Cash	**$**	**192,859**	$	38,440
Other receivable		**253**		-
Prepaid expenses (note 5)		**38,825**		20,000
Total current assets		**231,937**		58,440
Non-current assets				
Exploration and evaluation assets (note 6)		**15,000**		15,000
Total assets	**$**	**246,937**	$	73,440
EQUITY AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (note 7)	**$**	**120,442**	$	45,221
Total liabilities		**120,442**		45,221
Equity				
Share capital (note 8)		**289,971**		30,000
Common shares subscribed, not issued		**-**		45,000
Deficit		**(163,476)**		(46,781)
Total equity		**126,495**		28,219
Total equity and liabilities	**$**	**246,937**	$	73,440

Nature of operations and going concern (note 1)
Subsequent events (note 12)

Approved on behalf of the Board:

(Signed) "Yaron Conforti" Director

(Signed) "Joel Freudman" Director

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

IM Exploration Inc. (formerly Prize Exploration Inc.)

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended March 31, 2019	Period from April 19, 2017 (incorporation) to March 31, 2018
Operating expenses		
General and administrative	**$ 1,989**	$ 2,197
Consulting fees (note 11)	**27,393**	-
Professional fees (note 11)	**78,838**	44,584
Filling fees	**8,475**	-
	(116,695)	(46,781)
Net loss and comprehensive loss for the year	**$ (116,695)**	$ (46,781)
Basic and diluted net loss per share	**$ (0.02)**	$ (0.03)
Weighted average number of common shares outstanding	**5,311,264**	1,500,000

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

IM Exploration Inc. (formerly Prize Exploration Inc.)

Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended March 31, 2019	Period from April 19, 2017 (incorporation) to March 31, 2018
Operating activities		
Net loss	**$ (116,695)**	$ (46,781)
Changes in non-cash working capital items:		
Other receivable	**(253)**	-
Prepaid expenses	**(18,825)**	(20,000)
Amounts payable and accrued liabilities	**75,221**	45,221
Net cash used in operating activities	**(60,552)**	(21,560)
Investing activities		
Exploration and evaluation expenditures	**-**	(15,000)
Net cash used in investing activities	**-**	(15,000)
Financing activities		
Proceeds from share issuances	**214,971**	75,000
Net cash provided by financing activities	**214,971**	75,000
Net change in cash	**154,419**	38,440
Cash, beginning of year	**38,440**	-
Cash, end of year	**$ 192,859**	$ 38,440

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

IM Exploration Inc. (formerly Prize Exploration Inc.)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares		Share Capital		Shares subscribed, to be issued		Deficit		Total
Balance at April 19, 2017 (incorporation)	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Issuance of common stock	1,500,000		30,000		-		-		30,000
Subscriptions received in advance	-		-		45,000		-		45,000
Net loss for the period	-		-		-		(46,781)		(46,781)
Balance, March 31, 2018	**1,500,000**		**30,000**		**45,000**		**(46,781)**		**28,219**
Shares issued during the year	5,600,000		259,971		(45,000)		-		214,971
Net loss for the year	-		-		-		(116,695)		(116,695)
Balance, March 31, 2019	**7,100,000**	**$**	**289,971**	**$**	**-**	**$**	**(163,476)**	**$**	**126,495**

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

1. Nature of operations and going concern

IM Exploration Inc. (formerly Prize Exploration Inc.) (the "Company") was incorporated under the Canada Business Corporations Act on April 19, 2017. The Company is in the business of acquiring, exploring and evaluating mineral resource properties. The address of the Company's corporate office and principal place of business is Suite 4400, 181 Bay Street, Brookfield Place, Toronto, Ontario.

These financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The mineral properties of the Company are in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company's properties depend on the ability of the Company to obtain financing.

The Company's future viability depends upon the acquisition and financing of mineral exploration or other projects. If the mineral projects are to be successful, additional funds will be required for development and, if warranted, to place them into commercial production. The sources of future funds presently available to the Company is through the issuance of common shares or through the sale of an interest in any of its properties or assets in whole or in part. The ability of the Company to arrange such financing or the sale of an interest will depend, in part, on prevailing market conditions as well as the business performance of the Company. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution.

2. Significant accounting policies

Statement of compliance

The Company applies 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").

The policies applied in these financial statements are based on IFRSs issued and outstanding as of July 22, 2019, the date the Board of Directors approved the statements.

2. Significant accounting policies (continued)

Basis of measurement

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make estimates and judgments concerning the future. The Company's management reviews these estimates and underlying judgments 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 assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the fair value of measurements of financial instruments, and the recoverability and measurement of deferred tax assets

Financial instruments

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Amortized cost
Accounts receivable	Amortized cost

Financial liabilities:	Classification:
Accounts payable	Amortized cost

Measurement

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

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

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are capitalized.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

2. Significant accounting policies (continued)

Exploration and evaluation assets (continued)

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.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration 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 Company's estimates of restoration 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 asset with a corresponding entry to the restoration 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 restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

2. Significant accounting policies (continued)

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Income taxes

<u>Current income tax:</u>

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Income taxes (continued)

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

New standards adopted

The Company has adopted the following amendment to accounting standards, effective April 1, 2018. This change was made in accordance with the applicable transitional provision.

IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014) to come into effect on January 1, 2018.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on April 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on April 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash	Fair value through profit or loss	Amortized cost
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Accounts payable	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company’s financial instruments under IAS 39 has not changed under IFRS 9.

2. Significant accounting policies (continued)

New standards adopted (continued)

IFRS 16 - Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, replacing IAS 17, "Leases". IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

Effective April 1, 2018, the Company adopted the following and there was no material impact on the Company's financial statements.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

2. Significant accounting policies (continued)

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

3. Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company plans to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions for junior mineral exploration companies. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

4. Financial instruments and risk management

Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company's primary exposure to credit risk is on its cash and other receivable. Cash is held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is high credit quality financial institution as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is considered high

(Expressed in Canadian Dollars)

5. Prepaid expenses

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	**$ 12,500**	$ 10,000
Deposits	**26,325**	10,000
Total prepaid expenses	**$ 38,825**	$ 20,000

6. Exploration and evaluation assets

On November 30, 2017, the Company entered into an option agreement to earn a 90% interest in the Mulloy project situated in the Rowlandson Township, Porcupine Division in Ontario in exchange for $15,000 (paid) and 300,000 common shares of the Company which are to be issued upon the Company's initial public offering (see note 12).

Pursuant to the option agreement, the Company is required to make the aforementioned payments and complete a feasibility study to earn 90% interest free and clear of all encumbrances.

A 2% royalty on net smelter returns ("NSR") from all production by the Company at the property will be payable in cash or in kind. The Company can purchase 1% of the NSR for $1,000,000.

The Company's exploration and evaluation assets consist of the following:

	Mulloy Property	Total
Acquisition of property	15,000	15,000
Balance, March 31, 2018 and March 31, 2019	**$ 15,000**	**$ 15,000**

7. Accounts payable and accrued liabilities

	As at March 31, 2019	As at March 31, 2018
Accounts payable	**$ 795**	$ 8,358
Accrued liabilities	**119,647**	36,863
Total accounts payable and accrued liabilities	**$ 120,442**	$ 45,221

(Expressed in Canadian Dollars)

8. Share capital

a) Authorized share capital

Authorized share capital consists of an unlimited number of common shares without par value.

b) Common shares issued

	Number of common shares		Amount
Balance at April 19, 2017	**-**	**$**	**-**
Issuance of common stock (i)	1,500,000		30,000
Balance, March 31, 2018	**1,500,000**	**$**	**30,000**
Private placements (ii) (iii) (iv)	5,600,000		280,000
Share issue costs	-		(20,029)
Balance, March 31, 2019	**7,100,000**	**$**	**289,971**

(i) During the period April 19, 2017ncorporation) to March 31, 2018, the Company issued 3,000,000 pre-consolidation common shares to relat (ied parties at $0.01 per common share for gross proceeds of $30,000. Subsequent to this financing, the Company completed a 2 for 1 share consolidation and all share and per share disclosures have been retroactively restated.

(ii) On July 13, 2018, the Company completed a private placement (tranche 1) with the issuance of 3,600,000 common shares, at a price of $0.05 per common share, for gross proceeds of $180,000. Gross proceeds of $45,000 was received prior to March 31, 2018 and was recorded in subscriptions received in advance at the year ended March 31, 2018.

(iii) On July 26, 2018, the Company completed a private placement (tranche 2) with the issuance of 1,300,000 common shares, at a price of $0.05 per common share, for gross proceeds of $65,000.

(iv) On October 5, 2018, the Company completed a private placement (tranche 3) with the issuance of 700,000 common shares, at a price of $0.05 per common share, for gross proceeds of $35,000.

9. Income taxes

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

		2019		2018
Loss before income taxes	$	(116,695)	$	(46,781)
Statutory income tax rates		26 %		26 %
Computed income tax recovery		(30,000)		(12,000)
Net change in valuation allowance		30,000		12,000
Income tax recovery	$	-	$	-

(Expressed in Canadian Dollars)

9. Income taxes

Significant components of the Company's deferred tax assets and liabilities are as follows:

	2019	2018
Deferred income tax assets		
Non-capital loss carry-forwards	$ 42,000	$ 12,000
	42,000	12,000
Valuation allowance	(42,000)	(12,000)
Deferred income tax asset	$ -	$ -

The Company has non-capital losses of approximaetly $160,000 which may be carried forward to reduce taxable income in future years. The non-capital losses expire in 2039.

The conditions required under IFRS, to recognize net potential deferred tax assets based on the establishment of likely recovery through future profitability have not been met. Accordingly, a 100% valuation allowance has been provided

10. Loss per share

For the year ended March 31, 2019, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of $116,695 (period from April 19, 2017 (incorporation) to March 31, 2018 - $46,781) and the weighted average number of common shares outstanding of 5,311,264 (period from April 19, 2017 (incorporation) to March 31, 2018 - 1,500,000).

11. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

a) The Company has entered into the following transactions with related parties:

	Year Ended March 31, 2019	Period from April 19, 2017 to March 31, 2018
Marrelli Support Services Inc. ("Marrelli Support") (i)	**$ 28,531**	$ 3,090
2411763 Ontario Incorporated ("2411763 ONT") (ii)	**7,500**	-
	$ 36,031	$ 3,090

11. Related party transactions (continued)

a) The Company has entered into the following transactions with related parties (continued)

i) For the year ended March 31, 2019, the Company expensed $28,531, (period from April 19, 2017 (incorporation) to March 31, 2018 - $3,090) to Marrelli Support for bookkeeping services. Victor Hugo, CFO of the Company, is an employee of Marrelli Support. As at March 31, 2019, Marrelli Support was owed $15,340 (March 31, 2018 - $8,072) and this amount was included in accounts payable and accrued liabilities.

ii) For the year ended March 31, 2019 the Company expensed $7,500 (period from April 19, 2017 (incorporation) to March 31, 2018 - $nil), to 2411763 ONT, for strategic advisory services provided to the Company. 2411763 ONT is a corporation controlled by a director of the Company.

12. Subsequent events

i) On May 29, 2019, the Company, pursuant to an agency agreement dated March 29, 2019 with Haywood Securities Inc. (“Haywood”), issued of 3,000,000 common shares (the "Offered Shares") at a price of $0.10 per share, for an aggregate gross proceeds of $300,000. The Company paid a commission at 10% of those gross proceeds, a corporate finance fee of $12,500, and issued 100,000 corporate finance warrants plus 300,000 agent warrants, with each such warrant entitling Haywood to purchase, one common shares at an exercise price of $0.10 exercisable for a period of 24 months from the date of closing of the Offering.

ii) On May 29, 2019, the Company issued 300,000 shares in regard to the option agreement on the Mulloy property (see note 6).

iii) On May 29, 2019, the Company granted an aggregate of 725,000 stock options to directors, officers and consultants of the Company at an exercise price of $0.10 with a term of 5 years.

iv) On July 2, 2019, the Company granted an aggregate of 100,000 stock options to a consultant of the Company at an exercise price of $0.10 each with a term of 5 years.