

HIGH POINT EXPLORATION INC.

FINANCIAL STATEMENTS

April 30, 2020

(Expressed in Canadian Dollars)

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Adam Kim

ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of
High Point Exploration Inc.

Opinion

I have audited the financial statements of High Point Exploration Inc. (the "Company"), which comprise the statements of financial position as at April 30, 2020 and April 30, 2019, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the year ended April 30, 2020 and for the period from the date of incorporation September 27, 2018 to April 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020 and April 30, 2019, and its financial performance and its cash flow for the year ended April 30, 2020 and for the period from the date of incorporation September 27, 2018 to April 30, 2019 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$38,498 during the period ended April 30, 2020 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$38,498 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

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

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I 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 IFRSs, 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

DRAFT
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
July 15, 2020

High Point Exploration Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	April 30, 2020	April 30, 2019
ASSETS			
Current assets			
Cash		\$ 195,484	\$ -
GST receivable		881	1
		196,365	1
Exploration and evaluation assets	5	93,395	-
TOTAL ASSETS		\$ 289,760	\$ 1
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		35,045	\$ -
Due to related party	7	21,745	-
TOTAL LIABILITIES		\$ 56,790	\$ -
SHAREHOLDERS' EQUITY			
Share capital	6	301,467	1
Deficit		(68,497)	-
TOTAL SHAREHOLDERS' EQUITY		232,970	1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 289,760	\$ 1

Nature of operations and going concern (Note 1)

Approved by the Board of Directors and authorized for issue July 15, 2020:

"Brent Hahn"
Brent Hahn, Director

"Barry Hartley"
Barry Hartley, Director

The accompanying notes are an integral part of these financial statements

High Point Exploration Inc.
Statements of Loss Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended April 30, 2020	For the period from September 27, 2018 (inception) to April 30, 2019
Expenses		
Office and general	\$ 213	\$ -
Management fees	30,000	-
Professional fees	17,649	-
Regulatory fees	20,635	-
	\$ (68,497)	\$ -
Loss and comprehensive loss for the period	\$ (68,497)	\$ -
Loss per share – basic and diluted	\$ (0.02)	\$ -
Weighted average number of common shares outstanding	3,957,594	1

The accompanying notes are an integral part of these financial statements

High Point Exploration Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Share capital			Total
		Number of shares	Amount	Deficit	
Balance at September 27, 2018 (inception)		-	\$ -	\$ -	-
Issuance of common shares		1	1	-	1
Loss for the period		-	-	-	-
Balance at April 30, 2019		1	\$ 1	\$ -	1
Balance at May 1, 2019		1	\$ 1	\$ -	1
Cancellation of common shares	6	(1)	(1)	-	(1)
Issuance of common shares for property	5,6	5,759,282	92,063	-	92,063
Issuance of common shares for cash	6	2,200,000	220,000	-	220,000
Share issue costs		-	(10,596)	-	(10,596)
Loss for the year		-	-	(68,497)	(68,497)
Balance at April 30, 2020		7,959,282	\$ 301,467	\$ (68,497)	232,970

The accompanying notes are an integral part of these financial statements

High Point Exploration Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended April 30,		For the period from September 27, 2018 (inception) to April 30,
	2020		2019
Operating activities			
Loss for the period	\$ (68,497)	\$	-
Changes in non-cash working capital items:			
GST receivable	(881)		-
Accounts payable and accrued liabilities	35,045		-
Net cash flows used in operating activities	(34,333)		-
Investing activities			
Exploration and evaluation assets	(459)		-
Net cash flows used in investing activities	(459)		-
Financing activities			
Proceeds from issuance of shares	220,000		-
Loan from related party	20,872		-
Share issue costs	(10,596)		-
Net cash flows used in financing activities	230,277		-
Change in cash	195,484		-
Cash, beginning	-		-
Cash, ending	\$ 195,484	\$	-
Supplemental disclosure with respect to cashflows			
Shares issued for property	\$ 92,063	\$	-
Tax paid	\$ -	\$	-
Interest paid	\$ -	\$	-

The accompanying notes are an integral part of these financial statements

1. Nature of operations and going concern

High Point Exploration Inc. (the "Company") was incorporated on September 27, 2018, under the laws of the Province of British Columbia, Canada. On September 20, 2019, the Company completed a plan of arrangement (the "Arrangement") with its former parent, Zenith Exploration Inc. ("Zenith"), whereby the Mantle property was transferred to the Company, Zenith's one common share in the Company was cancelled and 5,759,282 common shares were issued to the shareholders of Zenith. The Company has been listed on the Canadian Securities Exchange. On March 5, 2020, the Company commenced trading on the Canadian Securities Exchange (the "Exchange") under the trading symbol "HGH".

The Company is a resource exploration company that is acquiring and exploring mineral properties. The head office, principal address, records office and registered address of the Company are located at 1080 - 789 West Pender Street, Vancouver BC.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At April 30, 2020, the Company had not yet achieved profitable operations, had accumulated losses of \$68,497 (April 30, 2019 - \$Nil) since its inception and expects to incur further losses in the development of its property, all of which casts significant doubt about the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from coronavirus (COVID-19). The Company continues to operate its business and move its exploration activity forward at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows during the year ended April 30, 2021.

2. Basis of preparation

Statement of compliance with International Financial Reporting Standards

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

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments classified as fair value through profit and loss, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting and are presented in Canadian dollars unless otherwise specified.

2. Basis of preparation (cont'd)

Use of estimates and judgements

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

- i) **Going concern**
These financial statements have been prepared assuming the Company will continue on a going-concern basis. At April 30, 2020, the Company had not yet achieved profitable operations and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing for continuing operations. Management has determined that the Company will be able to continue as a going concern for the next year.

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

3. Significant Accounting Policies

Financial Instruments

(i) Classification

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

3. Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

(ii) 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 are 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 consolidated statements of net (loss) income. 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 consolidated statements of net (loss) income in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(iii) 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 consolidated statements of net (loss) income, 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.

(iv) 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.

3. Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

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.

Impairment of assets

The carrying amount of the Company's 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 income and comprehensive income.

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, however, not 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.

Income taxes

i) Current income tax

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.

3. Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

ii) Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date 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.

4. New accounting policies

Exploration and evaluation assets

Exploration and evaluation expenditures relating to mineral properties include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

4. New Accounting Policies (cont'd)

Leases

On May 1, 2019, the Company adopted the new accounting standard IFRS 16, Leases. On January 13, 2016, the IASB published the new standard, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated and

the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures. The adoption of IFRS 16 had no material impact on the Company's financial statements as the Company has no leases.

5. Exploration and evaluation assets

Mantle Property

On September 20, 2019, the Company received a 100% interest in the mineral property Mantle, located in British Columbia, from its former parent, Zenith. The property is subject to a 1% net smelter return royalty.

At April 30, 2020, the total value of the Mantle Property was \$93,395

Property acquisition costs	
Balance, beginning	\$ -
Additions	92,063
Balance, ending	92,063
Exploration and evaluation costs	
Balance, beginning	-
Costs incurred during the year	1,332
Balance, ending	1,332
Total	\$ 93,395

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

On September 20, 2019, the Company cancelled one common share and issued 5,759,282 common shares pursuant to the Arrangement (Note 1).

On February 19, 2020, the Company closed a non-brokered private placement and issued 2,200,000 at a price of \$0.10 per common shares for proceeds of \$220,000.

At April 30, 2020, the Company has 7,959,282 common shares issued and outstanding.

There were no outstanding stock options and warrants as at April 30, 2020.

7. Due to related parties

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 members of the Company's Board of Directors and corporate officers.

Key management compensation

During the year ended April 30, 2020, remuneration of the Company's key management, consisted of management fees in the amount of \$30,000 (2019 - \$Nil) and it was expensed as management fees in the income statement.

Related party balances

As at April 30, 2020, \$51,745 (2019 - \$Nil) was due to directors of the Company and a company with common directors. The amounts are non-interest bearing, unsecured and due on demand.

8. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 a financial loss. The Company is not exposed to credit risk.

8. Financial risk and capital management (cont'd)

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates, but it does not believe it is currently subject to any significant interest rate risk.

Capital Management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Fair value

The Company's financial instruments consist of amounts receivable, accounts payable and accrued liabilities and due to related party. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Cash has been classified as Level 1.

High Point Exploration Inc.
Notes to Financial Statements
Year ended April 30, 2020
(Expressed in Canadian Dollars)

9. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

10. Income taxes

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

	April 30, 2020	April 30, 2019
Loss for the period	\$ 68,497	\$ -
Statutory tax rate	27%	27%
Expected recovery of income taxes	18,494	-
Permanent and other differences	2,862	-
Change in benefit not recognized	(15,632)	-
Deferred income tax recovery	\$ -	\$ -

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

	April 30, 2020	April 30, 2019
Non-capital losses and others	\$ 15,632	\$ -

The Company has approximately \$41,000 of non-capital losses available, which will expire through to 2040 and may be applied against future taxable income. At April 30, 2020, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.