

ETRUSCUS RESOURCES CORP.
Financial Statements
For the year ended March 31, 2019
and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)

ETRUSCUS RESOURCES CORP.
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of
Etruscus Resources Corp.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Etruscus Resources Corp. (the "Company"), which comprise the statement of financial position as at March 31, 2019, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2019, and the related notes, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 reports. 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.

Other Matter

The financial statements of the Company as at March 31, 2018 and for the period then ended, which are presented for comparative purposes, were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated December 20, 2018.

Other Information

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and do not and will 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 and remain alert for indicators that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. 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 these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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 responsibility is to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, 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 the 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 auditors' 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 auditors' report is Michael Ryan Ayre.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

July 18, 2019

ETRUSCUS RESOURCES CORP.

Statements of Financial Position

As at March 31, 2019 and 2018

(Expressed in Canadian Dollars)

	March 31, 2019	March 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,276,494	\$ 383,311
Receivables (Note 3)	16,662	2,413
Retainers, deposits and prepaid expenses	2,146	-
Total current assets	1,295,302	385,724
Exploration and evaluation assets (Note 4)	301,789	135,750
Reclamation deposit	20,000	-
Equipment (Note 5)	8,549	-
Total assets	\$ 1,625,640	\$ 521,474
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 20,864	\$ 29,135
Due to related parties (Note 8)	35,700	18,375
Total current liabilities	56,564	47,510
EQUITY		
Share capital (Note 7)	1,947,612	535,000
Equity reserves	430,585	-
Deficit	(809,121)	(61,036)
Total equity	1,569,076	473,964
Total liabilities and equity	\$ 1,625,640	\$ 521,474

Nature and Continuance of Operations (Note 1)

Events After the Reporting Period (Note 13)

Approved and authorized on behalf of the Board on July 18, 2019.

Gordon Lam Director

Fiore Aliperti Director

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

ETRUSCUS RESOURCES CORP.

Statements of Operations and Comprehensive Loss

For the year ended March 31, 2019 and

the period from incorporation on July 1, 2017 to March 31, 2018

(Expressed in Canadian Dollars)

	<i>Year Ended March 31, 2019</i>	<i>Period from incorporation on July 1, 2017 to March 31, 2018</i>
Operating Expenses:		
Advertising, marketing, promotion	\$ 3,222	\$ 673
Consulting fees (<i>Note 8</i>)	204,000	30,000
Depreciation (<i>Note 5</i>)	2,678	-
Office and general	10,010	350
Professional fees	78,975	29,590
Regulatory and transfer agent fees	29,284	483
Rent	10,889	-
Share-based compensation (<i>Note 7</i>)	430,585	-
Total operating expenses	(769,643)	(61,096)
Net interest income	21,558	60
Loss and comprehensive loss for the period	\$ (748,085)	\$ (61,036)
Basic and diluted loss per common share	\$ (0.04)	\$ (0.02)
Weighted average number of common shares outstanding:		
Basic and diluted	20,211,325	3,925,913

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

ETRUSCUS RESOURCES CORP.

Statements of Changes in Equity

**For the year ended March 31, 2019 and
the period from incorporation on July 1, 2017 to March 31, 2018**

(Expressed in Canadian Dollars)

	<i>Share Capital</i>		<i>Equity Reserves</i>	<i>Deficit</i>	<i>Total</i>
	<i>Number of Shares</i>	<i>Amount</i>			
Share issued on incorporation	1	\$ -	\$ -	\$ -	\$ -
Shares issued for cash	13,000,000	455,000	-	-	455,000
Shares issued for property	800,000	80,000	-	-	80,000
Loss for the period	-	-	-	(61,036)	(61,036)
Balance at March 31, 2018	13,800,001	535,000	-	(61,036)	473,964
Shares issued for cash (net)	5,518,000	1,379,500	-	-	1,379,500
Shares rescinded	(224,000)	(41,000)	-	-	(41,000)
Share issuance costs	-	(888)	-	-	(888)
Shares issued for property	300,000	75,000	-	-	75,000
Share based compensation	-	-	430,585	-	430,585
Loss for the year	-	-	-	(748,085)	(748,085)
Balance at March 31, 2019	19,394,001	\$ 1,947,612	\$ 430,585	\$ (809,121)	\$ 1,569,076

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

ETRUSCUS RESOURCES CORP.

Statements of Cash Flows

**For the year ended March 31, 2019 and
the period from incorporation on July 1, 2017 to March 31, 2018**

(Expressed in Canadian Dollars)

	<i>Year ended March 31, 2019</i>	<i>Period from incorporation on July 1, 2017 to March 31, 2018</i>
Cash flows used in operating activities		
Loss for the period	\$ (748,085)	\$ (61,036)
Add-back non-cash items:		
Depreciation	2,678	-
Share-based compensation	430,585	-
Changes in non-cash working capital items:		
Receivables	(14,249)	(2,413)
Retainers, deposits and prepaid expenses	(2,146)	-
Accounts payable and accrued liabilities	(8,271)	23,885
Due to related parties	13,125	18,375
Net cash used in operating activities	<u>(326,363)</u>	<u>(21,189)</u>
Cash flows used in investing activities		
Investment in exploration and evaluation assets	(86,839)	(50,500)
Payment of reclamation deposit	(20,000)	-
Purchase of equipment	(11,227)	-
Net cash used in investing activities	<u>(118,066)</u>	<u>(50,500)</u>
Cash flows provided (used in) financing activities		
Shares issued for cash	1,379,500	455,000
Shares rescinded	(41,000)	-
Share issuance costs	(888)	-
Net cash provided by financing activities	<u>1,337,612</u>	<u>455,000</u>
Change in cash and cash equivalents during the period	893,183	383,311
Cash and cash equivalents, beginning of period	<u>383,311</u>	<u>-</u>
Cash and cash equivalents, end of period	<u>\$ 1,276,494</u>	<u>\$ 383,311</u>
Cash and cash equivalents consist of:		
Cash	\$ 76,494	\$ 383,311
Guaranteed investment certificates	1,200,000	-
Total	<u>\$ 1,276,494</u>	<u>\$ 383,311</u>

Supplemental Disclosure with Respect to Cash Flows (*Note 11*)

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

1. NATURE AND CONTINUANCE OF OPERATIONS

Etruscus Resources Corp. (“the Company”) was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company’s registered office is located at Suite 1780 – 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6. The Company’s common shares were listed for trading on the Canadian Securities Exchange (“CSE”) on January 15, 2019.

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

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

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

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements**

**For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES

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

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), and are presented in Canadian dollars which is the financial currency of the Company.

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

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents consists of short-term highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at March 31, 2019, the Company's cash equivalents consist of a \$1,200,000 (March 31, 2018 - \$Nil) Guaranteed Investment Certificate ("GIC") lodged with a Canadian Schedule I bank.

Receivables

Receivables are recorded at face value less any provisions for uncollectible accounts.

Equipment

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

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

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of mineral properties are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company may occasionally enter into arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction."

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

As at March 31, 2019, the Company does not have any known significant or material rehabilitation obligations.

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as equity reserves. As at March 31, 2019, the Company had not attributed any value to the warrants issued under private placements under the residual value method.

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration programs. Pursuant to the terms of flow-through share agreements, the tax deductibility of qualifying resource expenditures is transferred to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income on settlement of flow-through share premium liability and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares or units are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

Financial assets*IFRS 9, Financial Instruments*

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements**

**For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)*IFRS 9, Financial Instruments (continued)*

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

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

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

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

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

The Company has implemented the following classifications for financial instruments:

- The Company's financial assets are cash and cash equivalents, interest receivable and reclamation deposit. Cash and cash equivalents and reclamation deposit are classified as fair value through profit or loss and any changes to fair value subsequent to initial recognition are recorded in profit or loss for the period in which they occur. Interest receivable is classified as amortized cost.

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

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets

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 evaluated at the cash generating unit ("CGU") level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The recoverable amount of the CGU is the greater of fair value less costs to sell and value in use. Fair value less costs to sell 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 the 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 profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

The Company may, from time to time, grant stock options to purchase common shares of the Company to directors, officers, employees and consultants. The fair values of the stock options are recognized as an expense with a corresponding increase in equity over the vesting period on a graded basis.

The fair values of stock options are measured on the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Consideration paid for the shares on the exercise of stock options is credited to share capital. When vested options are not exercised as of the expiry date the amount previously recognized in equity reserves is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the asset and 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 goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss nor 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 statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. In periods where a loss is reported, diluted loss per share is the same as basic loss per share as the effects of potentially dilutive common shares would be anti-dilutive.

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and significant judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

- a) The carrying value of the investment in exploration and evaluation costs and the recoverability of the carrying value which are included in the statement of financial position;
- b) The Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, but these procedures do not guarantee the Company's title. Properties may be subject to prior agreements or transfers and title may be affected by undetected defects;
- c) Significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;
- d) The inputs used in accounting for share-based compensation expense in the statement of operations and comprehensive loss; and
- e) The assumption that the Company is a going concern and will continue in operating for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 1.

Future changes in accounting policies:IFRS 16, Leases

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

ETRUSCUS RESOURCES CORP.

Notes to the Financial Statements

For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018

(Expressed in Canadian Dollars)

3. RECEIVABLES

	<i>March 31,</i> <i>2019</i>	<i>March 31,</i> <i>2018</i>
Recoverable sales taxes	\$ 6,226	\$ 2,413
Interest	10,436	-
Total receivables	\$ 16,662	\$ 2,413

4. EXPLORATION AND EVALUATION ASSETS – Mineral Properties

	<i>Rock & Roll</i> <i>Property</i>
Balance July 1, 2017	\$ -
Acquisition costs	130,000
Licenses, claim fees and permits	500
Geological and geophysical consulting	5,250
Balance, March 31, 2018	\$ 135,750
Acquisition costs	91,630
Accommodation and camp costs	2,331
Archaeological surveying	16,158
Community relations	20,779
Geological and geophysical consulting	31,460
Helicopters and aircraft support	3,181
Licenses, claim fees and permits	500
Balance, March 31, 2019	\$ 301,789

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

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

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

The Rock & Roll Property (the "Property") consists of thirty-three (33) contiguous mineral claims totaling 14,226 hectares situated in the Liard Mining Division of British Columbia, in the Iskut River valley of the Coast Mountains in northwestern British Columbia.

On March 1, 2018, the Company entered into an agreement with Equity Exploration Consultants Ltd. ("Equity") to acquire 14 contiguous claims for \$50,000 cash (paid) and 800,000 common shares of the Company at a value of \$0.10 per share (issued), for a total acquisition cost of \$130,000, provided that the Company's shares be listed for trading on the CSE (the "Listing Date") by December 31, 2018 ("Listing Deadline Date"). The Property is subject to a 2% net smelter return ("NSR") royalty, held by a group of six parties. The Company received an option to purchase one-half of the 2% NSR ("NSR Buyout Option") whereby a future payment of \$2,000,000 would be made to the royalty holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier. The NSR Buyout Option was granted by the issuance of 300,000 common shares (issued at a fair value of \$75,000) to the group of royalty holders within three (3) days of the Listing Date. By respective amendment agreements all dated December 9, 2018 amending the purchase agreement pertaining to the purchase of the Property and the NSR royalties, the Listing Deadline Date was extended from December 31, 2018 to March 31, 2019. The Listing Date was January 15, 2019 (the "Listing Date"), at which time the 300,000 shares were issued to the royalty holders.

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

In March 2019, 16 additional claims were staked, contiguous to the existing claims, at a cost of \$15,605.

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

ETRUSCUS RESOURCES CORP.

Notes to the Financial Statements

For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)

5. EQUIPMENT

	<i>Computers and software</i>	<i>Furniture and fixtures</i>	Total
Cost			
Balance, July 1, 2017 and March 31, 2018	\$ -	\$ -	\$ -
Additions	3,878	7,349	11,227
Balance, March 31, 2019	\$ 3,878	\$ 7,349	\$ 11,227
Accumulated depreciation			
Balance, July 1, 2017 and March 31, 2018	\$ -	\$ -	\$ -
Depreciation	1,392	1,286	2,678
Balance, March 31, 2019	\$ 1,392	\$ 1,286	\$ 2,678
Net book value - March 31, 2018	\$ -	\$ -	\$ -
Net book value - March 31, 2019	\$ 2,486	\$ 6,063	\$ 8,549

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	<i>March 31, 2019</i>	<i>March 31, 2018</i>
Accounts payable	\$ 8,864	\$ 11,885
Accrued liabilities	12,000	17,250
	\$ 20,864	\$ 29,135

7. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued: 19,394,001 common shares (March 31, 2018 - 13,800,001 common shares), of which 9,000,000 shares are held in escrow and are releasable over a 3-year period after the Listing Date (see Note 4). The release schedule of the escrow shares is 1,000,001 on the Listing Date, and 1,500,000 every 6 months thereafter.

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements**

**For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)**

7. SHARE CAPITAL (continued)

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

- a) On incorporation, the Company issued 1 common share for a nominal amount.
- b) After incorporation in 2017, the Company issued 3,000,000 common shares as seed capital, at a price of \$0.005 per share for proceeds of \$15,000.
- c) On February 5, 2018, the Company issued 7,000,000 common shares at a price of \$0.02 per share for proceeds of \$140,000.
- d) On March 7, 2018, the Company issued 3,000,000 common shares at a price of \$0.10 per share for proceeds of \$300,000.
- e) On March 12, 2018, the Company issued 800,000 common shares to Equity, with a value of \$0.10 per share for the purchase of the Property (Note 4).

Transactions for the year ended March 31, 2019:

- f) On May 10, 2018, the Company completed a two-tranche private placement consisting of 5,218,000 units at a price of \$0.25 per unit. Each unit consists of one common share and one-half of one non-transferrable share purchase warrant. Each full warrant, of which there are 2,609,000, is exercisable into one further common share at a price of \$0.50 per share for a period of two years. The first tranche closed on April 30, 2018 raising \$1,024,500 by issuing 4,098,000 units, and the second tranche closed on May 10, 2018 raising \$280,000 by issuing 1,120,000 units. There was no value attributed to the warrants under the residual value method. Share issuance costs of \$888 were incurred on this private placement.
- g) On December 12, 2018, 100,000 common shares (issued at \$0.10 per share on March 7, 2018) were rescinded and returned to treasury, as were 104,000 common shares (issued at \$0.25 per unit on April 30, 2018), and a further 20,000 common shares (issued at \$0.25 per unit on May 10, 2018). The respective 62,000 warrants issued concurrently with the 124,000 rescinded common shares, previously issued at \$0.25 per unit, were also rescinded.
- h) On December 27, 2018, the Company completed a private placement of \$75,000 consisting of 300,000 units at a price of \$0.25 per unit. Each unit consists of one common share and one-half of one non-transferrable share purchase warrant. Each full warrant, of which there are 150,000, is exercisable into one further common share at a price of \$0.50 per share for a period of two years. There was no value attributed to the warrants under the residual value method. No share issuance costs were incurred on this private placement.
- i) The Company's common shares were listed to trade on the CSE under the symbol "ETR" on January 15, 2019. On that date 1,000,001 common shares released from escrow, leaving 9,000,000 common shares escrowed.
- j) The Company received an option to acquire one-half of the 2% NSR by the issuance of 300,000 common shares to the royalty holders within three days of the Listing Date, at a deemed price of \$0.25 per share. The exercise of the NSR Buyout Option will require a payment of \$2,000,000 to the royalty holders within 30 days of the commencement of commercial production or December 31, 2030, whichever comes earlier.

ETRUSCUS RESOURCES CORP.

Notes to the Financial Statements

For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

Stock options:

The Company, at the time of incorporation, adopted a 10% Rolling Stock Option Plan (“SOP”) under which the Company is authorized to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option equals the market price of the Company's stock as calculated on the date of grant. The options vest upon grant. The fair value of the options will be determined and recorded on grant pursuant to the Black-Scholes option pricing model as a credit to equity reserves. The following options transactions are summarized below:

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

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

On March 15, 2019, the Company granted 50,000 stock options to an adviser, exercisable at \$0.28 per share for a period of five years. The options vested upon grant.

During the year ended March 31, 2019 the Company recognized \$430,585 in share-based payments from the stock options granted based on the following weighted average assumptions:

	2019
Weighted average assumptions:	
Risk-free interest rate	1.61% - 1.93%
Expected dividend yield	-
Expected option life (years)	5
Expected Stock price volatility	150%
Weighted average fair value at grant date	\$0.255 - \$0.288
Expected forfeiture rate	-

	Number of options	Weighted average exercise price
Balance at July 1, 2017 and March 31, 2018	-	\$ -
Options granted	1,885,000	0.25
Options exercised	-	-
Balance at March 31, 2019	1,885,000	\$ 0.25

ETRUSCUS RESOURCES CORP.

Notes to the Financial Statements

**For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)**

7. SHARE CAPITAL (continued)

As at March 31, 2019, the following stock options are outstanding and exercisable:

Expiry Date	Number of Options	Exercise Price (\$)	Weighted average remaining contractual life (years)
January 15, 2024	1,500,000	0.25	4.80
January 21, 2024	335,000	0.25	4.81
March 15, 2024	50,000	0.28	4.96
Total outstanding options	1,885,000		4.81

Warrants:

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

	Number of warrants	Weighted average exercise price
Balance at July 31, 2017 and March 31, 2018	-	\$ -
Warrants issued	2,759,000	0.50
Warrants rescinded	(62,000)	0.50
Balance at March 31, 2019	2,697,000	\$ 0.50

As at March 31, 2019, the following warrants are outstanding:

Expiry Date	Number of Warrants outstanding	Exercise Price (\$)	Weighted average remaining contractual life (years)
April 30, 2020	1,997,000	0.50	1.09
May 10, 2020	550,000	0.50	1.11
December 27, 2020	150,000	0.50	1.72
Total outstanding warrants	2,697,000		1.13

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements**

For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

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

- a) Hatch 8 Consulting is a company controlled by the current Chief Executive Officer and director of the Company, and provides consulting services to the Company;
- b) Lever Capital Corp. is a company owned by the Chief Financial Officer and provides consulting services to the Company;
- c) The Company's Corporate Secretary provides general administrative services, bookkeeping and corporate secretarial services to the Company;
- d) Avanti Consulting Inc. is a company controlled by a director who acts as Chairman of the Board, and provides consulting services to the Company; and
- e) DRW Geological Consultants Ltd. is a company that is controlled by the Company's Vice-President of Exploration and which provides the Company with geological consulting services, the amounts of which are capitalized under exploration and evaluation assets.

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

		Transactions for the year ended March 31, 2019	Transactions for the period from incorporation on July 1, 2017 to March 31, 2018	Balance payable as at March 31, 2019	Balance payable as at March 31, 2018
Hatch 8 Consulting	(a)	\$ 67,500	\$ 15,000	\$ 7,875	\$ 5,250
Lever Capital Corp.	(b)	30,000	2,500	7,875	2,625
Sameen Oates	(c)	30,000	2,500	7,875	2,625
Avanti Consulting Inc.	(d)	30,000	7,500	7,875	7,875
DRW Geological Consultants Ltd.	(e)	\$8,000	-	4,200	-
Total		\$ 165,500	\$ 27,500	\$ 35,700	\$ 18,375

During the year ended March 31, 2019 the Company granted stock options to key management personnel with a fair value at grant date of \$319,200.

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements**

**For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)**

9. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, interest receivable, reclamation deposits, accounts payable, and due to related parties. Except for cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost. The fair values of these financial instruments approximate their carrying value due to their short-term maturities.

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

The three levels of the fair value hierarchy are:

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

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

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

Credit Risk

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

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company has cash and cash equivalents of \$1,276,494 to settle current liabilities of \$56,564. Management believes that the Company has sufficient liquidity for its 2019 exploration and working capital requirements but will require additional financing beyond the ensuing year.

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

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

9. FINANCIAL INSTRUMENTS AND RISK (continued)

Interest rate risk

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

Foreign currency risk

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

10. CAPITAL MANAGEMENT

Capital is comprised of shareholders' equity. The Company's objectives when managing capital are to fund critical exploration work, meet its on-going liabilities, continue as a going concern, maintain creditworthiness and to ultimately maximize returns for shareholders over the long term. Meeting current and future liabilities and obligations as a non-revenue early stage explorer requires mid-term planning with respect to financing, by considering current and future cash needs with the state of Company's internal, exploration and financing risks at any particular time. The Company endeavors to maintain capital balances over the periods to alleviate unexpected cash flow shortfalls. The capital for operations and the acquisition and exploration of exploration and evaluation assets has come from the issuance of common shares. The Company endeavors to minimize shareholder dilution with respect to its future equity financings. To date, the proceeds raised from the Company's initial financings have facilitated the acquisition of a property of merit, funded the costs of going public, and will fund both the initial 2019 exploration season and the Company's working capital needs for the ensuing 12 months. The Company is not subject to externally imposed capital requirements.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the year ended March 31, 2019 were as follows:

- a) 300,000 common shares were issued to the royalty holders with an estimated fair value of \$75,000; the issuance reflects the Company's exercise of the option to purchase 1/2 of the 2% royalty, the cost of which is 300,000 common shares within three days of the Listing Date and \$2,000,000 within 30 days of the commencement of production or December 31, 2030, whichever comes earlier; and
- b) As at March 31, 2019, \$4,000 capitalized to exploration and evaluation assets is included in amounts due to related parties.

ETRUSCUS RESOURCES CORP.

Notes to the Financial Statements

**For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018
(Expressed in Canadian Dollars)**

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

The significant non-cash investing and financing transactions during the period from incorporation on July 1, 2017 to March 31, 2018 were as follows:

- a) The fair value of 800,000 common shares issued for acquisition of the Property (Note 4) was recorded at \$0.10 per share for a value of \$80,000, which is capitalized under exploration and evaluation assets and is recorded as an increase to share capital; and
- b) As at March 31, 2018, \$5,250 capitalized to exploration and evaluation assets is included in accounts payable and accrued liabilities.

12. INCOME TAX

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

	Year ended March 31, 2019	Period from incorporation on July 1, 2017 to March 31, 2018
Loss for the period	\$ (748,085)	\$ (61,036)
Canadian statutory income tax rate	27%	26.3%
Expected income tax (recovery)	\$ (202,000)	\$ (16,000)
Permanent difference	116,000	-
Change in unrecognized deductible temporary differences	86,000	16,000
Total income tax expense (recovery)	\$ -	\$ -

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

	2019	2018
Deferred Tax Assets (Liabilities):		
Equipment	\$ 800	\$ -
Share issuance costs	200	-
Non-capital losses available for future periods	101,000	16,000
	102,000	16,000
Unrecognized deferred tax assets	(102,000)	(16,000)
Net deferred tax assets	\$ -	\$ -

ETRUSCUS RESOURCES CORP.**Notes to the Financial Statements****For the year ended March 31, 2019 and the period from incorporation on July 1, 2017 to March 31, 2018****(Expressed in Canadian Dollars)**

12. INCOME TAXES (continued)

The Company has approximately \$375,000 (2018 – 61,000) of non-capital losses for tax purposes which may be used to reduce income taxes of future years and will expire from 2038 to 2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

13. EVENTS AFTER THE REPORTING PERIOD

In April and May 2019, the Company staked 5 mineral claims in the Liard Mining Division in B.C. totaling 7,110 hectares. The claims are contiguous to the Property which now totals 21,336 hectares.

All amounts due to related parties at March 31, 2019 were paid.

In May and June 2019, exploration costs of \$75,998 incurred on the Property were paid on behalf of the Company by Metallis Resources Inc. (“MTS”), a public company related by two common directors and a common CFO. All amounts were fully repaid to MTS by the Company during the period. The Company utilized MTS’s contractual relationships and exploration subcontractors to execute an early-season field program. There were no transactions with MTS during the periods ended March 31, 2019 or 2018.

In July 2019, the Company moved its office to #604 – 850 West Hastings St., Vancouver, BC, V6C 1E1, under a three-year sublease at a monthly fixed lease payment of \$1,688.