WHITE METAL RESOURCES CORP.

Consolidated Financial Statements

April 30, 2018
and
April 30, 2017

(Expressed in Canadian Dollars)

DeVISSERGRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of White Metal Resources Corp.,

We have audited the accompanying financial statements of White Metal Resources Corp. and its subsidiary, which are comprised of the consolidated statements of financial position as at April 30, 2018 and 2017, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of White Metal Resources Corp. as at April 30, 2018 and 2017, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 of the financial statements, which indicates the Company has limited working capital, limited sources of revenue, and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
August 27, 2018

WHITE METAL RESOURCES CORP.

Consolidated Statements of Financial Position
As at April 30, 2018 and 2017
(Expressed in Canadian Dollars)

	April 30, 2018	April 30, 2017
	$	$
Assets		
Current assets		
Cash	91,948	205,829
Cash – restricted (Note 3)	301,065	215,727
Amounts receivable	12,970	100,061
Prepaid expenses	4,105	2,693
Marketable securities (Note 4)	46,401	7,500
Refundable security deposits (Note 11)	32,700	-
	489,189	531,810
Exploration and evaluation assets (Note 5)	521,260	341,814
	1,010,449	873,624
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	27,187	88,991
Deferred premium on flow-through shares (Note 6(a)(viii))	22,808	18,500
	49,995	107,491
Equity		
Share capital (Note 6)	1,516,980	1,233,812
Reserves	700,032	631,484
Accumulated other comprehensive loss	(9,037)	(1,052)
Deficit	(1,247,521)	(1,098,111)
	960,454	766,133
	1,010,449	873,624

See accompanying notes to the consolidated financial statements

Nature and continuance of operations (Note 1)
Commitment (Note 12)
Subsequent events (Note 13)

Approved by the Board of Directors and authorized for issue on August 27, 2018.

"Jean-Pierre Colin" — Jean-Pierre Colin, Director

"Elliot Strashin" — Elliot Strashin, Director

WHITE METAL RESOURCES CORP.

Consolidated Statements of Comprehensive Loss
For the years ended April 30, 2017 and 2016
(Expressed in Canadian Dollars)

	2018	2017
	$	$
Operating costs and expenses		
Advertising and promotion	23,260	15,955
Bank charges and interest	1,558	730
Consulting	8,995	4,810
General exploration	12,351	357
Insurance	10,327	9,251
Legal and accounting (Note 7)	36,313	32,042
Share-based payments (Note 7)	66,937	-
Salaries and benefits	18,586	-
Office and miscellaneous	6,713	2,473
Trust and filing fees	23,770	18,162
Loss before other items	(208,810)	(83,780)
Other items:		
Interest income	-	34
Write-off exploration and evaluation assets	-	(681,833)
Gain on disposal of marketable securities (Note 4)	-	7,977
Gain on disposition of exploration and evaluation assets	2,700	-
Premium on flow-through shares (Note 6(a)(viii))	56,700	-
Net loss for the year	(149,410)	(757,602)
Other comprehensive loss		
Unrealized loss on marketable securities	(7,985)	(11,302)
Comprehensive loss for the year	(157,395)	(768,904)
Weighted average number of common shares outstanding	37,542,868	27,779,293
Basic and diluted loss per share	$ (0.00)	$ (0.03)

See accompanying notes to the consolidated financial statements

WHITE METAL RESOURCES CORP.

Consolidated Statements of Cash Flows
For the years ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
	$	$
Cash provided by (used for):		
Operating activities		
Net loss for the year	(149,410)	(757,602)
Items not involving the use of cash:		
Flow-through shares premium	(56,700)	
Share-based payments	66,937	-
Write-off of exploration and evaluation assets	-	681,833
Gain on disposal of marketable securities	-	(7,977)
Gain on disposition of exploration and evaluation assets	(2,700)	-
Changes in non-cash operating capital:		
Amounts receivable	87,091	(4,966)
Prepaid expenses	(1,412)	(900)
Accounts payable and accrued liabilities	(49,657)	31,712
	(105,851)	(57,900)
Investing activities		
Exploration and evaluation expenditures	(313,029)	(414,567)
Refundable security deposits	(32,700)	-
Proceeds on disposition of exploration and evaluation assets	90,000	-
Proceeds from disposal of marketable securities	-	19,800
	(255,729)	(394,767)
Financing activities		
Cash from shares issued	347,125	852,500
Share issue costs	(14,088)	(49,088)
	333,037	803,412
Change in cash for the year	(28,543)	350,745
Cash, beginning of the year	421,556	70,811
Cash, end of the year	393,013	421,556
Cash consists of the following:		
Cash	91,948	205,829
Cash - restricted	301,065	215,727
	393,013	421,556
Supplemental information		
Shares issued for exploration and evaluation assets	12,750	34,250
Shares received for exploration and evaluation assets	46,887	5,250

See accompanying notes to the consolidated financial statements

WHITE METAL RESOURCES CORP.

Consolidated Statements of Changes in Equity
For the years ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated other comprehensive income (loss)	Deficit	Total Equity
		$	$	$	$	$
April 30, 2016	19,316,076	436,300	609,834	10,250	(340,509)	715,875
Issued for cash:						
Private placement	14,824,997	852,500	-	-	-	852,500
Share issue costs - cash	-	(49,088)	-	-	-	(49,088)
Share issue costs – finder's warrants	-	(21,650)	21,650	-	-	-
Deferred premium on flow-through shares (note 6 a)(viii))	-	(18,500)	-	-	-	(18,500)
Issued in connection with property option agreements	650,000	34,250	-	-	-	34,250
Unrealized loss on available-for-sale investment	-	-	-	(11,302)	-	(11,302)
Net loss for the year	-	-	-	-	(757,602)	(757,602)
April 30, 2017	34,791,073	1,233,812	631,484	(1,052)	(1,098,111)	766,133
Issued for cash:						
Private placement	4,601,667	330,250	-	-	-	330,250
Share issue costs - cash	-	(14,088)	-	-	-	(14,088)
Share issue costs – finder's warrants	-	(1,611)	1,611	-	-	-
Deferred premium on flow-through shares (Note 6(a)(viii)	-	(61,008)	-	-	-	(61,008)
Issued upon exercise of warrants	112,500	16,875	-	-	-	16,875
Issued in connection with property option agreements	350,000	12,750	-	-	-	12,750
Unrealized gain on available-for-sale investment	-	-	-	(7,985)	-	(7,985)
Share-based payments	-	-	66,937	-	-	66,937
Net loss for the year	-	-	-	-	(149,410)	(149,410)
April 30, 2018	39,855,240	1,516,980	700,032	(9,037)	(1,247,521)	960,454

See accompanying notes to the consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in British Columbia, Canada and has been primarily involved in the acquisition and exploration of mineral properties in the Province of Ontario, Canada. The address of its corporate office and principal place of business is 684 Squier Street, Thunder Bay, Ontario, Canada, P7B 4A8.

At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties. The ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. Although the Company is unaware of any defects in its title to its mineral properties, no guarantee can be made that none exist.

These financial statements have been prepared on the basis of a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as going concern as described in the following paragraph. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

The Company has a need for financing for working capital, and the exploration and development of its properties. The ability of the Company to continue operations is dependent upon the continued financial support of its shareholders, other investors and lenders, and the successful development of the Company's interests in the mineral properties in which it holds interests. The Company has not determined whether any of the properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Since inception, the Company has incurred cumulative operating losses of $1,247,521 and expects to incur further losses in the development of its business, and at April 30, 2018 has no source of operating revenue. These financial statements include no adjustments which might become necessary if the Company cannot meet its obligations and continue on a going-concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These 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").

b) Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar. These financial statements include the accounts of the Company and its wholly-owned subsidiary 1191557 Ontario Corp.

All transactions and balances between the Company and its subsidiary are eliminated on consolidation. Amounts reported in the financial statements of the subsidiary have been adjusted where necessary to ensure consistency with the accounting principles adopted by the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (*continued)*

c) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in these financial statements:

- The determination that the Company will continue as a going concern for the next year; and
- The determination that there have been no events or changes in circumstances that indicate that the carrying amounts of exploration and evaluation assets may not be recoverable.

d) Exploration and evaluation assets

Once a permit to explore an area has been secured, exploration and evaluation expenditures are capitalized to exploration and evaluation assets and classified as a non-current asset.

Exploration expenditures relate to the initial search for mineral deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

Exploration expenditure costs incurred are included in exploration and evaluation assets and these include any cash consideration and advance earn-in payments and the fair market value of shares issued, if any, related to the mineral property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest, as described in note 2(g). To the extent that an expenditure is not expected to be recovered, it is charged to comprehensive income.

Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

e) Investment income

The Company recognizes in operating income interest income as earned, dividends when declared, and marketable security gains and losses when realized. Interest income includes amortization of any premium or discount recognized at date of purchase. Realized gains and losses represent the difference between the amounts received through the sale of

2. SIGNIFICANT ACCOUNTING POLICIES (*continued)*

marketable securities and their respective cost base. Unrealized gains and losses on available-for-sale marketable securities are recorded in other comprehensive income and recognized in operations when realized.

Transaction costs are included in the acquisition cost of individual marketable securities and recognized as part of the realized gains or losses when they are sold or written down. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

f) Marketable securities

Marketable securities are classified as available-for-sale securities and are measured at fair market value with unrealized gains or losses recorded in other comprehensive income or loss. At the time securities are sold or otherwise disposed of, gains or losses are included in profit or loss.

g) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

h) Share capital

The Company records in share capital proceeds from share issuances, net of issue costs and any tax effects. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Stock options and other equity instruments issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model.

i) Share-based payments

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus amount is transferred to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (*continued)*

j) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource-related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow-through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. For accounting purposes, the proceeds from the issuance of these shares are allocated between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted market price of the shares and the amount the investor pays for the shares. A liability is recognized for this difference. The liability is reduced and this reduction is recorded in revenue as the eligible expenditures are incurred.

l) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

m) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

<u>Financial Assets at Fair Value through Profit or Loss</u>

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Cash and cash equivalents are included in this category of financial assets.

<u>Loans and Receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost less any impairment. Other receivables, excluding GST/HST, and reclamation deposits are included in this category of financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Available-For-Sale

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income or loss and classified as a component of equity. When the assets are sold or an impairment write-down is required, the accumulated fair value adjustments recognized in equity are included in the statement of comprehensive loss. AFS assets include marketable securities which consist of investments in equities of other entities.

(ii) Financial liabilities

The Company classifies its financial liabilities in the following categories: borrowings and other financial liabilities and derivative financial liabilities.

Borrowings and Other Financial Liabilities

Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transactions costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statement of comprehensive loss over the period to maturity using the effective interest method. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Accounts payable and accrued liabilities have been classified under this category of financial liabilities.

Derivative Financial Liabilities

Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit or loss. There are no financial liabilities classified under this category.

n) Accounting standards and amendments issued but not yet adopted

New standards, amendments and interpretations to existing standards not adopted by the Company

The following revised standards are effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Company has assessed the impact of these standards and has determined that they would not have a material impact on the Company.

- IFRS 9, Financial Instruments (January 1, 2018)
- IFRS 16, Leases (January 1, 2019)

There are no other IFRS's or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company.

(Expressed in Canadian Dollars)

3. RESTRICTION ON THE USE OF CASH

During the year ended April 30, 2018, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross cash proceeds for the exclusive purpose of incurring qualified Canadian exploration expenditures, and not for other purposes.

	April 30 2018	April 30, 2017
Restricted cash, beginning of year	$ 215,727	$ -
Gross proceeds received upon issuance of flow-through shares	330,250	547,500
Qualified exploration expenditures incurred with these funds	(259,912)	(331,773)
GIC held as credit card collateral	15,000	-
Restricted cash, end of year	$ 301,065	$ 215,727

4. MARKETABLE SECURITIES

	April 30, 2018		April 30, 2017	
	Number of Shares	Market Value	Number of Shares	Market Value
		$		$
Benton Resources Inc.	25,000	1,500	25,000	2,500
Minfocus Exploration Corp.	430,000	8,600	250,000	5,000
Ardiden Limited	2,592,949	36,301	-	-
Balance, end of year		46,401		7,500

All marketable securities are classified as available for sale.

During the year ended April 30, 2017, the Company disposed of 350,000 shares of Minfocus Exploration Corp. ("Minfocus") for net proceeds of $15,475. The shares sold had an adjusted cost base of $8,823 and the resulting realized gain of $6,652 was recorded as income in the current year. The Company received an additional 150,000 shares of Minfocus International during the year ended April 30, 2017 related to the Seagull property option agreement. The shares were valued at $5,250 and were recorded as a reduction in the deferred exploration and evaluation assets during the previous fiscal year. During the year ended April 30, 2018, the Company received an additional 180,000 shares of Minfocus valued at $2,700. The 430,000 shares of Minfocus on hand at April 30, 2018 were valued at the closing price of $0.02 per share.

In addition during the year ended April 30, 2017, the Company disposed of 25,000 shares of Alset Energy Corp. for net proceeds of $4,325. The shares had an adjusted cost base of $3,000 and the resulting realized gain of $1,325 was recorded in income in the 2017 fiscal year.

Finally, during the year ended April 30, 2018, the Company received 2,592,949 shares of Ardiden Limited (ASX: ADV) related to the disposition of the Pickle Lake project more fully described in note 5(b) below. The shares were valued at the closing market price of $0.014 AUD per share translated at the April 30, 2018 exchange rate of $0.9678 CAD.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

For the year ended April 30, 2018

		Shebandowan (a)	Pickle Lake (b)	Gunners Cove (d)	Other (e)	Total
April 30, 2017 - Acquisition Costs	$	24,775	76,250	-	-	101,025
Additions		4,061	15,000	23,560	8,384	51,005
Recoveries		-	(91,250)	-	-	(91,250)
Subtotal	$	4,061	(76,250)	23,560	8,384	(40,245)
April 30, 2018- Acquisition Costs	$	**28,836**	**-**	**23,560**	**8,384**	**60,780**
April 30, 2017 - Exploration and Evaluation Expenditures	$	39,539	201,250	-	-	240,789
Assaying		34,269	-	7,125	2,685	44,079
Prospecting		37,324	-	27,912	10,076	75,312
Geology		6,062	1,005	20,591	2,368	30,026
Geophysics		6,614	-	56,979	30,882	94,475
Trenching		15,267	-	-	250	15,517
Drilling		369	-	-	135	504
Miscellaneous		-	2,715	-	-	2,715
Recoveries		-	(42,937)	-	-	(42,937)
Subtotal	$	99,905	(39,217)	112,607	46,396	219,691
April 30, 2018 - Exploration and Evaluation Expenditures	$	**139,444**	**162,033**	**112,607**	**46,396**	**460,480**
April 30, 2018 - Total	$	**168,280**	**162,033**	**136,167**	**54,780**	**521,260**

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

For the year ended April 30, 2017

		Shebandowan (a)	Pickle Lake (b)	Seagull/Disraeli (c)	Total
April 30, 2016 - Acquisition Costs	$	-	-	-	-
Additions		24,775	76,250	-	101,025
Writedowns/Recoveries		-	-	-	-
Subtotal	$	24,775	76,250	-	101,025
April 30, 2017- Acquisition Costs	$	**24,775**	**76,250**	**-**	**101,025**
April 30, 2016 - Exploration and Evaluation Expenditures	$	-	-	687,083	687,083
Assaying		949	-	-	949
Prospecting		23,417	-	-	23,417
Geology		15,173	9,908	-	25,081
Drilling		-	281,343	-	281,343
Miscellaneous		-	320	-	320
Writedowns/Recoveries		-	(90,321)	(687,083)	(777,404)
Subtotal	$	39,539	201,250	(687,083)	(446,294)
April 30, 2017 - Exploration and Evaluation Expenditures	$	**39,539**	**201,250**	**-**	**240,789**
April 30, 2017 - Total	$	**64,314**	**277,500**	**-**	**341,814**

a) Shebandowan, Ontario

The Shebandowan project consists of the Company's 100% owned Vanguard property, as well as the recently acquired and contiguous claim group known as the Shebandowan Gold Project ("Shebandowan").

The Vanguard property consists of 99 boundary and single cell mining claims totalling 2,107 hectares located in the Burchell Lake, Greenwater Lake, and Kashabowie Lake areas in the Thunder Bay Mining District, northwestern Ontario, approximately 100 kilometres west of the City of Thunder Bay, Ontario.

In December 2016, the Company executed an Option Agreement with Benton Resources Inc. ("Benton", a company related by common director Michael Stares) to acquire the Shebandowan property, which consists of 125 boundary and single cell mining claims totalling 2,661 hectares, and which adjoins the Vanguard claims to the south and east in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas. The Company will have the option to earn a 100% interest in the Shebandowan property under the following terms:

- Paying Benton $15,000 cash and issuing 200,000 shares of the Company on signing, acceptance and approval by the TSX Venture Exchange (paid and issued);
- Benton will retain a 2% Net Smelter Return Royalty ("NSR") on the Shebandowan property with the Company having the option to buy-back 1% for $1 million;
- The Company agrees to keep all claims in good standing and should the Company elect to drop any claims contained within the option agreement, it will ensure that all claims have at least six months of assessment credits recorded; and,

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

- Paying Benton $500,000 in cash, shares or a combination of cash and shares at the Company's election upon completion of a National Instrument 43-101 ("NI 43-101") compliant mineral resource estimation on any claims subject to the option agreement.

In addition, during the year ended April 30, 2018, the Company entered into an Option Agreement to purchase a 100% ownership of a five unit claim adjacent to the West Vanguard claim group. The agreement, with a local Thunder Bay prospector (the "Vendor"), is structured such that the Company can purchase 100% ownership of the property by making a one-time cash payment of $15,000 and issuing 100,000 shares of the Company (issued) to the Vendor. The Vendor was to retain a 2% NSR of which 1% can be purchased for $1 million. The Company also retained the right of first refusal ("ROFR") on the remaining 1% NSR. The claims were returned to the Vendor during the current year prior to the cash payment becoming due.

b) Pickle Lake, Ontario

The Pickle Lake properties consist of four claims packages in the Pickle Lake area, Ontario:

- Dorothy-Dobie Lake Property
- Kasagiminnis Lake Property
- South Limb Property
- Pickle Lake West Property

Dorothy-Dobie Lake Property

The Dorothy-Dobie Lake property consists of two separate option agreements and claim groups which are more fully described below.

On July 4, 2016, the Company secured an Option Agreement (the "Murchison Option") with its Joint Venture Partner, Murchison Minerals Ltd. (CSE:MUR) ("Murchison"), formerly Manicouagan Minerals Inc., to acquire Murchison's joint venture interest in certain mining claims located in the Pickle Lake area of northwestern Ontario. The Murchison Option requires the Company to pay Murchison $45,000 ($10,000 paid) over the first two years of the three year option period and to expend $1,200,000 in exploration work over three years to acquire Murchison's 51% ownership of the Pickle Lake Claims (the "claims"). Once the option is completed, Murchison would retain a 1% NSR, of which one-half could be bought by the Company for $1,000,000, with the second 50% purchasable for $1,500,000. Included in the Murchison Option are certain claims held 100% by Murchison and also all claims that were included in its Joint Venture Agreement with the Company.

The Company secured a second Option Agreement (the "Kukkee Option") for certain mining claims located in the Pickle Lake area of northwestern, Ontario. The Kukkee Option requires the Company to issue to the vendor 1,500,000 common shares over the four-year option period (200,000 common shares were issued on July 11, 2016 and 250,000 common shares were issued on April 25, 2017) and also to make cash payments to the vendor that total $110,000 ($15,000 paid) over the first three years of the four-year option period. The property of the Kukkee Option is subject to a 2% NSR of which 1% can be bought out at any time by the Company for $1,000,000. Annual advance royalty payments of $50,000 cash are due and payable to the Optionor commencing April 15, 2026, and will continue until commencement of commercial-scale production.

During the year ended April 30, 2017, the Company applied for an exploration grant related to the Dorothy-Dobie Lake property under the Junior Exploration Assistance Program ("JEAP") sponsored by the Government of Ontario. Subsequent to April 30, 2017, the Company received $90,321 from the program related to exploration work carried out at the project in the fall of 2016. The grant was accrued at April 30, 2017 and recorded as a reduction in exploration and evaluation assets.

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Kasagiminnis Lake Property

The Kasagiminnis Lake property is located in northwestern Ontario approximately 25 kilometres southwest of the Town of Pickle Lake, and approximately 15 kilometres west of Mishkeegogamang First Nation Community of New Osnaburgh. The claim group consists of a contiguous block of 49 single cell mining claims totalling 987 hectares that is situated in the Little Ochig Lake Area.

South Limb Property

The South Limb property consists of 89 boundary and single cell mining claims totalling 1,788 hectares and is located in the Dona Lake area near Pickle Lake, Ontario.

Pickle Lake West Property

The Pickle Lake West property consists of 76 boundary and single cell mining claims totalling 1,525 hectares and is located in the Kapkichi Lake Area near Pickle Lake, Ontario.

During the year ended April 30, 2018, the Company announced that it signed a Letter of Intent (“LOI”) with Ardiden Limited. (“Ardiden”), a public company the shares of which trade on the Australian Securities Exchange (ASX: ADV). The LOI will allow Ardiden to acquire a 100% interest in all of the Company’s Pickle Lake projects, inclusive of assuming the obligations of all existing underlying option agreements on these properties (collectively the “Project”). Ardiden can acquire this 100% interest in the Project by making aggregate cash payments of $140,000 and by issuing 5,592,949 Ardiden shares as follows (all funds are in Canadian dollars):

- Ardiden shall pay the Company a non-refundable deposit of $70,000 (received and recorded as a reduction in deferred exploration and evaluation expenditures) and 1,592,949 Ardiden shares (received) within five business days of executing the LOI;
- Ardiden will have the exclusive right to complete due diligence on the project for 12 months (to allow access to the site in the 2017 field season). After six months Ardiden is required to make an additional payment of $20,000 (received) and to issue an additional 1,000,000 Ardiden shares (received) to retain the exclusive due diligence right for the remaining six months;
- Upon completion of the 12 month due diligence period, Ardiden may elect to exercise the option to acquire the Project; and
- Should Ardiden elect to acquire the Project, Ardiden shall pay the Company a further $50,000 and issue a further 3,000,000 Ardiden common shares.

The Company will maintain the right to purchase the existing 1% NSR held by Murchison Minerals Ltd. on the Murchison joint venture claims on the Dorothy-Dobie and Kasagiminnis properties, pursuant to which 0.5% can be purchased for $1,000,000 and the second 0.5% can be purchased for $1,500,000. The original vendor of the Kasagiminnis property will retain a 2% NSR of which 1% can be purchased by Ardiden Limited for $1,000,000 along with a Right of First Refusal (“ROFR”) on the remaining 1%. With respect to the newly acquired claims located within the Dorothy-Dobie claim group, the “Kukkee Option” (see press release dated July 4, 2016), the vendor retains a 2% NSR of which 1% can be purchased by Ardiden for $1,000,000 with Ardiden retaining a ROFR on the remaining 1% NSR from the original vendor. In addition, the Company will hold a 1% NSR on this same Kukkee Option claim group. The Company will retain a 2% NSR on the 100%-owned West Pickle and South Limb properties of which 1% can be purchased by Ardiden for $1,000,000. Ardiden will have a ROFR on the remaining 1% NSR.

See Note 13.

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

c) Seagull/Disraeli Property, Ontario

The Seagull/Disraeli property is owned 40% by Canadian International Pharma Corp. (formerly Black Panther Mining Corp.), with the Company and Rainy Mountain Royalty Corp. ("Rainy Mountain") each owning 30% interests (the three owners consolidated to be, collectively, the "Companies"). The Seagull/Disraeli Property consists of 133 single cell mining claims totalling 2,808 hectares in the Anders Lake and Leckie Lake areas and is subject to an aggregate 2.4% NSR, of which 1.4% can be purchased by the Company or Rainy Mountain at any time for $2,000,000.

On February 17, 2011, the Companies granted an option to Minfocus International Inc. (subsequently renamed Minfocus Exploration Corp.) ("Minfocus" or the "Optionee") of Toronto, Ontario, entitling the Optionee to earn an interest in the Seagull/Disraeli property. Under this Agreement, the Optionee has the initial option to earn a 55% interest in the Seagull/Disraeli property from the Companies upon paying each its pro-rata share of $55,000 cash and 50,000 common shares of Minfocus (of which the Company received $15,000 in cash and 63,559 common shares valued at $12,000, based on the reorganized share capital of Minfocus). Additionally, the Optionee is required to pay the Companies an aggregate of $25,000 (in cash and/or common shares of the Optionee) on each of the 12, 24 and 36 month anniversaries of the agreement (an aggregate of $3,750 in cash and 211,441 shares of Minfocus received by the Company). The Optionee is also required to incur minimum exploration expenditures on the Seagull/Disraeli property of $250,000 in each year of the four-year initial option term (the first three years of expenditures have been completed). The Optionee could acquire a further 15% interest in the property (to 70%) by incurring an additional $2,000,000 in expenditures during the initial four-year option term. Finally, the Optionee has the right to increase its interest to 85% by completing a feasibility study on the property. By an amending agreement, dated February 11, 2015, the Companies agreed to allow the Optionee to extend the four-year exploration period to September 30, 2015 and to extend the additional 70% earn in option period to September 30, 2016 in return for the Optionee issuing 1,000,000 Minfocus shares to the Companies (300,000 shares received by the Company on February 27, 2015, valued at $6,000, representing the Company's 30% pro rata share of the issuance).

During the year ended April 30, 2017, the Companies granted another extension of the option period to September 30, 2017, with Minfocus able to extend the option period to September 30, 2018 by paying the Companies $30,000 (180,000 shares valued at $2,700 received by the Company in lieu of cash on June 28, 2017). With this extension, Minfocus is required to incur $250,000 in exploration expenditures (originally required to be incurred during the fourth year of the option) by September 30, 2017, or by September 30, 2018 if the option period is extended, to earn the initial 55% interest in the Seagull/Disraeli property and can earn a 70% interest by incurring cumulative expenditures of $3,000,000 and issuing 1,000,000 Minfocus shares to the Companies prior to September 30, 2019. Minfocus issued 500,000 Minfocus common shares to the Companies as consideration for this extension (150,000 shares received by the Company on September 8, 2016, valued at $5,250, representing the Company's 30% pro rata share of the issuance).

At April 30, 2017 the Company recognized a probable impairment of the property, based on a lack of recent exploration work, by writing off all related deferred costs.

d) Gunners Cove

During the year ended April 30, 2018, the Company signed a Letter of Intent ("LOI") to earn 100% of the Gunners Cove property located approximately 20 kilometres north of St. Anthony, Newfoundland and Labrador and consisting of 654 claim units (59,402 ha or 594 square-kilometres). Under the terms of the LOI, the Company has the right to acquire a 100% interest from the vendor over a three-year period under the following terms:

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

- Total cash payments of $55,000:
  - Signing $5,000 (paid)
  - 1st Anniversary $10,000
  - 2nd Anniversary $20,000
  - 3rd Anniversary $20,000

- Total payment of 1,000,000 common shares:
  - Signing 250,000 (issued)
  - 1st Anniversary 250,000
  - 2nd Anniversary 250,000
  - 3rd Anniversary 250,000

Should the Company outline NI 43-101 compliant mineral resources totalling greater than 500,000 ounces of gold, the Company agrees to pay the vendor an additional 1,000,000 common shares. In addition, the vendor will retain a 2% Net Smelter Return Royalty of which 1% can be bought back for $1,000,000; the Company will have the ROFR on the remaining 1% NSR.

e) Other Properties

The Company also retains certain other early stage mineral property interests and noteworthy transactions in "Other" properties and includes the following below:

Far Lake Property

During the year ended April 30, 2018, the Company acquired by staking a 100% interest in the Far Lake property located approximately 80 kilometres northwest of Thunder Bay, Ontario. The property consists of 84 single cell mining claims totalling 1,785 hectares.

6. SHARE CAPITAL

a) The authorized share capital of the Company consists of an unlimited number of common shares.

Details of the Company's share capital transactions during the year ended April 30, 2018 and 2017 are as follows:

(i) On July 11, 2016 the Company issued 200,000 common shares valued at $0.075 per share related to the on-signing share payment on the Kukkee option described in note 5.

(ii) In July and August 2016, the Company closed a non-brokered private placement in two tranches by issuing 6,041,666 flow-through units ("FT") at a price of $0.06 per FT unit and 5,083,331 non flow-through units ("NFT") at a price of $0.06 per NFT unit for gross proceeds of $667,500. Each FT unit consists of one flow-through common share and one-half of one share purchase warrant, each whole warrant entitling the holder to acquire one additional common share at a price of $0.15 per share expiring between July and August 2018. Each NFT unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to acquire an additional common share of the Company at a price of $0.15 expiring between July and August 2018. The warrants are subject to an acceleration clause if the Company trades at or above $0.25 for a period of 10 consecutive days. In addition, the shares issued in the private placement are subject to a four-month hold period.

6. SHARE CAPITAL *(continued)*

The Company also paid cash finders' fees, commissions and expenses totaling $36,242 related to the private placement and issued a total of 397,333 broker warrants valued at $21,650 with each warrant entitling the holder to acquire a common share of the Company at a price of $0.15 per share for a period of 24 months following closing.

(iii) On January 18, 2017, the Company issued 200,000 shares valued at $0.04 per share to Benton Resources Inc. related to the Shebandowan property option described in Note 5 above.

(iv) On April 25, 2017, the Company issued 250,000 common shares valued at $0.045 per share related to the first anniversary share payment on the Kukkee option described in Note 5.

(v) On April 25, 2017, the Company closed the first tranche of a non-brokered private placement by issuing 3,700,000 flow-through units at a price of $0.05 per unit for gross proceeds of $185,000. Each FT unit consists of one flow-through common share and one-half of one share purchase warrant, each whole warrant entitling the holder to acquire an additional common share of the company at a price of $0.15 until April 25, 2019. The warrants are subject to an acceleration clause if the Company trades at or above $0.25 for a period of 10 consecutive days. In addition, the shares issued in the private placement are subject to a four-month hold period.

The Company also paid cash finders' fees, commissions and expenses totaling $12,845 related to the private placement.

(vi) On May 9, 2017, the Company closed the second tranche of a non-brokered private placement, issuing 800,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of $40,000. Each flow-through unit consists of one flow-through common share of the Company and one-half of one common share purchase warrant, with each warrant exercisable at $0.15 per warrant share for 24 months from closing, with the Company able to accelerate the exercise period of the warrants if the Company's shares trade at or above $0.25 for 10 consecutive trading days. In conjunction with the closing of this second tranche, the Company paid net cash commissions of $2,787 and issued 56,000 finders' warrants valued at $1,611, with each warrant exercisable at $0.15 per warrant share for a period of 24 months from closing.

(vii) On October 6, 2017, the Company issued 250,000 common shares valued at $0.035 per share to the vendor of the Gunners Cove property as outlined in note 5(d).

(viii) On November 1, 2017, the Company closed a non-brokered private placement, issuing 2,800,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of $140,000. Each flow-through unit consists of one flow-through common share of the Company and one common share purchase warrant entitling the holder thereof to acquire an additional common share of the Company at $0.10 for a period of 24 months from the date of issuance.

On December 28, 2017, the Company closed a non-brokered private placement issuing 1,001,667 flow-through units at a price of $0.15 per flow-through unit. Each flow-through unit consists of one flow-through common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder thereof to acquire an additional common share of the Company at $0.25 for a period of 24 months from the date of issuance. In conjunction with closing this private placement, the Company paid a total of $10,937 in cash finders' fees to certain finders in accordance with the policies of the TSX Venture Exchange. All securities issued in the private placement were subject to a four-month hold period.

(ix) On January 8, 2018, the Company issued 112,500 common shares upon the exercise of 112,500 common share purchase warrants with an exercise price of $0.15.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL *(continued)*

The deferred premium on the issuance of the 3,801,667 flow-through shares issued during the year ended April 30, 2018, and described in notes 6 a) (vii) and (ix) above, was $61,008 (April 30, 2017 - $18,500 on the issuance of 3,700,000 flow-through shares described in note 6 a)(v)). The cash proceeds of the placements in excess of the fair value of the Company's shares issued is treated as a liability in accordance with IFRS. This liability is reversed into earnings as the Company incurs flow-through eligible exploration and evaluation expenditures. $56,700 in flow-through share premiums was recognized as income during the year ended April 30, 2018 (April 30, 2017 – nil) resulting in a remaining deferred premium balance of $22,808 (April 30, 2019 - $18,500). The Company did not recognize a flow-through premium in connection with the July 2016 financing described further at (ii) above or the May 2017 financing described at (vi) above.

b) Share-based payments and share purchase options

The Company applies the fair value method of accounting for share-based payments using the Black Scholes valuation model.

For options granted on February 8, 2018, the fair value of each vested option is $0.08386 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.14% and an expected life of approximately 5 years.

For options granted on August 29, 2017, the fair value of each vested option is $0.03308 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 189%, a risk-free interest rate of 0.88% and an expected life of approximately 5 years.

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding, April 30, 2016/April 30, 2017	1,385,000	0.10
Granted	1,755,000	0.10
Expired/Cancelled	-	-
Outstanding, April 30, 2018	3,140,000	0.10

(1) At April 30, 2018, the weighted-average remaining contractual life of stock options outstanding is 3.17 years (April 30, 2017– 2.65 years)

As at April 30, 2018, the following options were outstanding:

Number of Options	Exercise Price	Expiry Date
	$	
1,110,000	0.10	August 27, 2019
275,000	0.10	April 12, 2021
1,580,000	0.10	August 29, 2022
175,000	0.10	February 8, 2023
3,140,000		

(Expressed in Canadian Dollars)

6. SHARE CAPITAL *(continued)*

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Outstanding, April 30, 2016	1,100,000	0.15
Expired/Cancelled	(1,100,000)	0.15
Issued to investors in private placement	9,954,164	0.15
Issued to finders' in private placement	397,333	0.15
Outstanding, April 30, 2017	10,351,497	0.15
Issued to investors in private placement	3,700,832	0.13
Issued to finders' in private placement	56,000	0.15
Exercised during the year	(112,500)	0.15
Outstanding, April 30, 2018	13,995,829	0.14

As at April 30, 2018, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
	$	
2,160,000	0.15	July 18, 2018
6,228,997	0.15	August 18, 2018
1,850,000	0.15	April 25, 2019
456,000	0.15	May 9, 2019
2,800,000	0.10	November 1, 2019
500,832	0.25	December 28,2019

160,000 finder's warrants issued on July 18, 2016 pursuant to closing of the first tranche of a non-flow-through private placement. The recorded fair value of each warrant is $0.0521 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 189.7%, a risk-free interest rate of 0.58% and an expected life of approximately 2 years using the Black Scholes valuation model. $8,336 was recorded as share issue costs pursuant to this issuance.

237,333 finder's warrants were issued on August 18, 2016 pursuant to closing of the second tranche of a non-flow-through private placement. The recorded fair value of each warrant is $0.0561 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 188.4%, a risk-free interest rate of 0.57% and an expected life of approximately 2 years using the Black Scholes valuation model. $13,314 was recorded as share issue costs pursuant to this issuance.

56,000 finders' warrants were issued on May 9, 2017 pursuant to the second tranche closing of the April 2017 flow-through private placement. The recorded fair value of each warrant is $0.02876 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 158%, a risk-free interest rate of 0.71% and an expected life of approximately 2 years using the Black Scholes valuation model. $1,611 was recorded as share issue costs pursuant to this issuance.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	April 30, 2018	April 30, 2017
	$	$
Salaries and benefits	32,000	
Share-based payments	42,791	-
Accounting, property contracting services and office rent	106,563	74,279
Total key management personnel compensation	181,354	74,279

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value.

During the year ended April 30, 2018, Michael Stares, former President of the Company, earned $32,000 in salary (2017 – billed $1,350) for property contracting and administrative services. At April 30, 2018 the Company owed Michael Stares $107 (April 30, 2017 - $361).

During the year ended April 30, 2018, Benton Resources Inc. ("Benton"), a company Michael Stares is a director and former employee of, billed $71,115 (2017 - $55,679) to the Company for property contracting, administrative services and office rent. At April 30, 2018, the Company owed Benton $3,074 (April 30, 2017 - $20,145).

During the year ended April 30, 2018, Stares Prospecting Ltd., a company controlled by Company director Alex Stares, billed $26,448 (2017 - $17,250) to the Company for property contracting services. At April 30, 2018, the Company owed Stares Prospecting Ltd. $nil (April 30, 2017 - $2,008).

During the year ended April 30, 2018, Scott Jobin-Bevans, a Company director and VP Exploration, billed $9,000 (2017 - $nil) for property contracting services. At April 30, 2018, the Company owed Scott Jobin-Bevans $nil (April 30, 2017 - $nil).

8. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments entered into pursuant to flow-through share purchase agreements.

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to $393,013 at April 30, 2018 (2017 - $421,556). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Interest Rate Risk

The Company currently has cash balances only. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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.

The fair value classification of the Company's financial instruments as at April 30, 2018 and 2017 are as follows:

		2018		2017	
	Fair value level	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost
		$	$	$	$
Financial assets:					
Cash and restricted cash	1	393,013	-	421,556	-
Reclamation deposits		-	-	-	-
		393,013	-	421,556	-
Financial liabilities:					
Accounts payable and accrued liabilities		-	27,187	-	88,991
		-	27,187	-	88,991

During the years ended April 30, 2018 and 2017, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

(Expressed in Canadian Dollars)

10. INCOME TAXES

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

	2018	2017
	$	$
Net loss for the year before tax	(149,410)	(757,602)
Expected income tax recovery	(40,341)	(196,977)
Net adjustment for deductible and non-deductible amounts	(1,469)	172,480
Unrecognized benefit of tax pool assets	41,810	24,497
	-	-

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

	2018	2017
	$	$
Deferred income tax assets (liabilities):		
Non-capital loss carry-forwards	790,544	722,041
Exploration and evaluation assets	1,319,096	1,338,519
Other items	19,665	16,259
	2,129,305	2,076,819
Valuation allowance	(2,129,305)	(2,076,819)
Net deferred income tax assets (liabilities)	-	-

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2018	2017
	$	$
Deferred income tax assets:		
Non-capital loss carry-forwards	2,927,942	2,773,418
Exploration and evaluation assets	4,885,539	5,148,151
Other items	72,835	62,536
	7,886,316	7,984,105

(Expressed in Canadian Dollars)

10. INCOME TAXES *(continued)*

The Company has non-capital losses available for possible deduction against future years' taxable income of approximately $2,928,000 (2017 - $2,774,000). The Company has not recognized any future benefit for these tax losses, credits and resource deductions, as the likelihood of their utilization is unknown. If unused, these non-capital losses will expire as follows:

	$
2026	221,000
2027	373,000
2028	802,000
2029	199,000
2030	202,000
2031	140,000
2032	223,000
2033	238,000
2034	109,000
2035	101,000
2036	75,000
2037	90,000
2038	155,000
	2,928,000

11. REFUNDABLE SECURITY DEPOSITS

Refundable security deposits of $32,700 (April 30, 2017 - $nil) represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These refundable security deposits are refundable to the Company upon submission by the Company of a report covering the first year work requirements, which meets the requirements of the Government of Newfoundland and Labrador.

12. COMMITMENT

On January 8, 2018, the Company entered into an agreement with a consultant to provide media and investor awareness services to the Company from January 8, 2018 to January 8, 2019 for $2,000 per month, with monthly payments payable at signing and on the first of each month from February 2018 to December 2018. At April 30, 2018, the Company had a commitment to pay a remaining $16,000 for services to be provided under the agreement.

13. SUBSEQUENT EVENTS

The following events occurred subsequent to the year ended April 30, 2018:

- The Company received proceeds of $118,650 from the exercise of 824,400 warrants and issued common shares accordingly. In addition, 7,664,597 warrants with an exercise price of $0.15 expired unexercised.

- Ardiden Limited elected to exercise its option to acquire a 100% interest in the Company's Pickle Lake projects and paid to the Company $50,000 in cash and issued 3,000,000 Ardiden Limited common shares pursuant to the LOI previously executed.