WESTERN PACIFIC
RESOURCES CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 28, 2019 and 2018

(Audited – Expressed in Canadian Dollars)

Index

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Western Pacific Resources Corp.

Opinion

We have audited the accompanying consolidated financial statements of Western Pacific Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2019 and 2018 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company's accumulated deficit was $14,431,638, and the Company's current liabilities exceeded its current assets by $746,698. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The consolidated financial statements of Western Pacific Resources Corp. for the year end February 28, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on June 27, 2018.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Erez Bahar.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

June 14, 2019

WESTERN PACIFIC RESOURCES CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
(Expressed in Canadian Dollars)

	Note		**February 28, 2019**		**February 28, 2018**
ASSETS					
Current assets					
Cash		$	2,086	$	22,171
Other receivables			11,953		5,183
Prepaid expenses and deposits			-		4,750
			14,039		32,104
Non-current assets					
Property and equipment	5		2,942		3,678
Exploration and evaluation assets	6		102,800		16,229
			105,742		19,907
TOTAL ASSETS		**$**	**119,781**	**$**	**52,011**
LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)					
Current liabilities					
Accounts payable and accrued liabilities		$	321,357	$	65,508
Due to related parties	10		439,380		393,038
Total liabilities			760,737		458,546
Shareholders' equity (deficiency)					
Share capital	8		11,112,697		11,112,697
Shares to be issued for property	6		92,800		-
Other equity reserves	9		2,585,185		2,580,529
Deficit			(14,431,638)		(14,099,761)
Total shareholders' equity (deficiency)			(640,956)		(406,535)
TOTAL LIABILITIES and SHAREHOLDERS' EQUITY (DEFICIENCY)		**$**	**119,781**	**$**	**52,011**

Nature of operations and going concern (notes 1 & 2)
Subsequent event (note 15)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON JUNE 14, 2019:

"Jeff Sundar", Director
Jeff Sundar

"Jim Paterson", Director
Jim Paterson

See accompanying notes to the consolidated financial statements

WESTERN PACIFIC RESOURCES CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the years ended February 28, 2019 and 2018
(Expressed in Canadian Dollars)

	Note	2019	2018
EXPLORATION EXPENDITURES	7	$ -	$ 47,071
GENERAL AND ADMINISTRATIVE EXPENSES			
Amortization		736	1,835
Consulting fees	10	114,000	-
Directors fees	10	29,550	46,290
Investor relations and shareholder information		1,984	2,150
Management fees	10	98,275	177,675
Office and administration		15,728	47,510
Professional fees	10	75,350	64,973
Salaries and benefits	10	11,281	18,108
Share-based payments	9,10	4,656	37,822
Transfer agent and regulatory fees		25,972	11,892
Travel		-	1,072
		377,532	409,327
Loss before other items		**(377,532)**	**(456,398)**
OTHER ITEMS			
Interest income		88	183
Foreign exchange gain (loss)		(8,923)	5,969
Income from leasing exploration and evaluation assets	6	33,911	-
Gain on sale of net smelter royalty	6	20,579	-
Impairment on available-for-sale investment		-	(21,000)
Write-down of reclamation bond		-	(16,431)
		45,655	(31,279)
Net loss and comprehensive loss for the year		**$ (331,877)**	**$ (487,677)**
Loss per share, basic and diluted		$ (0.21)	$ (0.31)
Weighted average number of common shares outstanding		1,575,584	1,575,584

See accompanying notes to the consolidated financial statements

WESTERN PACIFIC RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the years ended February 28, 2019 and 2018
(Expressed in Canadian Dollars)

			Other equity reserves				
	Number of common shares	**Share capital**	**Share-based payments**	**Share purchase warrants**	**Shares to be issued**	**Deficit**	**Total**
Balance, February 28, 2017	1,575,584	$ 11,112,697	$ 1,227,777	$ 1,314,930	$ -	$ (13,612,084)	$ 43,320
Net loss for the period	-	-	-	-	-	(487,677)	(487,677)
Share-based payments	-	-	37,822	-	-	-	37,822
Balance, February 28, 2018	1,575,584	$ 11,112,697	$ 1,265,599	$ 1,314,930	$ -	$ (14,099,761)	$ (406,535)
Net loss for the period	-	-	-	-	-	(331,877)	(331,877)
Shares to be issued for property	-	-	-	-	92,800	-	92,800
Share-based payments	-	-	4,656	-	-	-	4,656
Balance, February 28, 2019	**1,575,584**	**$ 11,112,697**	**$ 1,270,255**	**$ 1,314,930**	**$ 92,800**	**$ (14,431,638)**	**$ (640,956)**

See accompanying notes to the consolidated financial statements

WESTERN PACIFIC RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended February 28, 2019 and 2018
(Expressed in Canadian Dollars)

	Note(s)		February 28, 2019		February 28, 2018
CASH PROVIDED BY (USED IN):					
OPERATING ACTIVITIES					
Net loss for the period		$	(331,877)	$	(487,677)
Items not affecting cash:					
Amortization	5		736		1,835
Share-based payments	9,10		4,656		37,822
Gain on sale of marketable securities			-		-
Gain on sale of net smelter royalty	6		(20,579)		-
Cost recovery from leasing income	6		16,229		-
Gain on sale of marketable securities			-		(179)
Impairment on available-for-sale investments			-		21,000
Write-down of reclamation bond			-		16,431
			(330,835)		(410,768)
Changes in non-cash working capital items:					
Other receivables			(6,770)		(4,285)
Prepaid expenses and deposits			4,750		-
Accounts payable and accrued liabilities			245,849		32,239
Due to related parties	10		46,342		103,410
Net cash used in operating activities			(40,664)		(279,404)
INVESTING ACTIVITIES					
Proceeds on sale of marketable securities			-		138,179
Proceeds from sale of net smelter royalty	6		20,579		-
Net cash provided by investing activities			20,579		138,179
Foreign exchange effect on cash			-		459
Net inflow (outflow) of cash			(20,085)		(140,766)
Cash, beginning of period			22,171		162,937
Cash, end of period		**$**	**2,086**	**$**	**22,171**

Supplemental disclosures of cash flow information:

Exploration and evaluation assets included in accounts payable and accrued liabilities		$	10,000	$	-
Shares to be issued for property	6	$	92,800	$	-

See accompanying notes to the consolidated financial statements

1. CORPORATE INFORMATION

Western Pacific Resources Corp. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on June 4, 2009. The Company's principal business activities are directed towards the exploration and development of mineral properties in the Americas.

The address of the Company's corporate office and principal place of business is Suite 550 – 800 West Pender Street, Vancouver, BC, V6C 2V6.

2. BASIS OF PREPARATION

Statement of Compliance with International Financial Reporting Standards ("IFRS")

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

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain assets and liabilities measured at fair value.

The consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

During the year ended February 28, 2019, the Company completed a consolidation of the issued shares and stock options outstanding on a one (1) new for ten (10) old basis at September 20, 2018 and on a one (1) new for four (4) old basis at November 6, 2018. As a result, the Company's issued shares were reduced to 1,575,584. All references to common shares and stock options in these consolidated financial statements reflect the share consolidation (Note 8).

Going Concern and Continuance of Operations

These consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At February 28, 2019, the Company has an accumulated deficit of $14,431,638 (2018: $14,099,761) since inception, and the Company's current liabilities exceed its current assets by $746,698 (2018: 426,442). The Company is expected to incur further losses in the development of its business, and will need to raise additional capital in order to fund its operations through the next twelve months, all of which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary capital to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Nevada, U.S.A. subsidiary, Western Pacific Resources (U.S.) Corp. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

(b) Foreign Currency Translation

The Company has determined that the functional currency of the Company and its foreign subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the consolidated statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the assets were acquired, or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign exchange in profit or loss.

(c) Income Taxes

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

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

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for those taxable temporary differences arising on the initial recognition of goodwill or on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

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

(d) Property and Equipment

Recognition and Measurement

Property and equipment are recorded at cost less accumulated amortization and any impairment losses.

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

(d) Property and Equipment (cont'd…)

Amortization

Amortization is recognized in profit or loss over the estimated useful lives of property and equipment using the following rates and methods:

Computer equipment	30% declining-balance
Furniture and office equipment	20% declining-balance

Additions during the year are amortized on a pro-rated basis.

(e) Exploration and Evaluation Assets and Expenditures

Acquisition costs for exploration and evaluation assets, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs may include cash consideration, the value of common shares issued based on fair values, and the fair value of share purchase warrants and options issued based on amounts determined using the Black-Scholes option pricing model, for mineral property interests pursuant to the terms of the agreement.

Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially feasible, development expenditures on the property are capitalized.

The costs related to a property from which there is production, together with the costs of production equipment, will be depleted and amortized using the unit-of-production method.

Exploration and evaluation assets acquired under an option agreement where payments are made at the sole discretion of the Company are capitalized at the time of payment. Property interests granted to others under an option agreement where payments to be made to the Company are at the sole discretion of the optionee, are recorded as recoveries at the time of receipt. Where recoveries exceed costs, such amounts are recognized in profit or loss.

The Company is in the exploration stage and the recoverability of amounts recorded as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, maintenance of the Company's legal interests in its mineral claims, obtaining further financing for exploration and development of its mineral claims and commencement of future profitable production, or receiving proceeds from the sale of all or an interest in its mineral properties. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property, or upon recognition of other indicators of impairment. Amounts shown for exploration and evaluation assets represent costs incurred, net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

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

(f) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds it recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income/loss.

(g) Provisions

Rehabilitation Provision

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reliable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

At February 28, 2019 and 2018, the Company is not aware of any obligation related to rehabilitation costs.

Other Provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

(h) Income (Loss) per Share

Basic income (loss) per share is calculated by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted income per share reflects the potential dilution for securities that could share in earnings of an entity. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of the diluted per common share amount assumes that the proceeds to be received on the exercise of dilutive share options are used to repurchase common shares at the average market price during the period. In a loss year, potentially dilutive equity instruments are excluded from the loss per share calculation, as the effect would be anti-dilutive. Basic and diluted loss per share is the same for the comparative year.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

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

(i) Share Capital

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

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units issued are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the quoted market price at the completion of the financing and the fair value of the stand-alone warrant, using the Black-Scholes option pricing model.

(j) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees or others providing similar services, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received or at the fair value of the equity instruments issued (if it is determined the fair value of goods or services cannot be reliably measured), and are recorded at the date the goods or services are received.

All equity-settled share-based payments are reflected in other equity reserve until exercised. Upon exercise, shares are issued, and the amount reflected in other equity reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

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

(k) Adoption of New Accounting Standards and Amendments

IFRS 9 Financial Instruments

The Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 - Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of Embedded Derivatives. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The effect of initially applying these standards did not have a material impact on the Company's financial statements.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, Financial instruments. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

(Expressed in Canadian Dollars)

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

(k) Adoption of New Accounting Standards and Amendments *(cont'd…)*

IFRS 9 Financial Instruments *(cont'd…)*

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial instrument	IFRS 9 Classification
Cash	Fair value through profit and loss
Other receivables	Financial asset measured at amortized cost
Accounts payable and accrued liabilities	Financial asset measured at amortized cost
Due to related parties	Financial asset measured at amortized cost

This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. However, most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

Amendment to IFRS 2 Share-Based Payment

IFRS 2 Share-based Payment clarifies the effects of vesting conditions on cash-settled share-based payment transactions, the classification of share-based payment transactions with net settlement features for withholding tax obligations and modification to the terms and conditions of a share-based payment that changes the transaction from cash-settled to equity settled. This amendment did not have a material impact on the Company's financial statements.

(l) Standards, Amendments and Interpretations Not Yet Effective

The following new standards and interpretations have been issued by the IASB, but are not yet effective:

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 *Leases* which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 *Leases*. IFRS 16 is effective for the annual period beginning March 1, 2019. Early application is permitted, provided the new revenue standard, IFRS 15 *Revenue from Contracts with Customers*, has been applied, or is applied at the same date as IFRS 16. Management does not anticipate this standard to have a material impact on the financial statements, as the Company does not have any lease contracts.

IFRIC 23, Uncertainty over Income Tax Treatments

New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. Management does not anticipate this standard to have a material impact on the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgment

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 2.

Key sources of estimation uncertainty

<u>Exploration and evaluation assets</u>

Exploration and evaluation costs related to acquisition are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount.

Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. The amounts shown for exploration and evaluation assets represent acquisition costs incurred to date, less recoveries and write-downs, and are not intended to reflect present or future values.

<u>Deferred tax assets and liabilities</u>

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(cont'd…)*

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the years ended February 28, 2019 and 2018 along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 9.

5. PROPERTY AND EQUIPMENT

		Furniture and office equipment
Cost		
Balance, February 28, 2017	$	10,745
Balance, February 28, 2018		10,745
Balance, February 28, 2019	**$**	**10,745**
Accumulated amortization		
Balance, February 28, 2017	$	6,148
Charge for year		919
Balance, February 28, 2018		7,067
Charge for year		736
Balance, February 28, 2019	**$**	**7,803**
Carrying amounts		
At February 28, 2018	$	3,678
At February 28, 2019	**$**	**2,942**

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the period from March 1, 2018 to February 28, 2019:

		British Columbia, Canada Nizi Property		Nevada, USA Rock Springs		Total
Balance, February 28, 2017 and 2018	$	-	$	16,229	$	16,229
Recoveries		-		(16,229)		(16,229)
Acquisition		102,800		-		102,800
Balance, February 28, 2019	**$**	**102,800**	**$**	**-**	**$**	**102,800**

(Expressed in Canadian Dollars)

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

Nizi Property

In January 2019, the Company negotiated an option agreement with an arm's-length third party to earn a 100% interest in the Nizi Property ("Nizi") located northeast of the community of Dease Lake in British Columbia.

The following are the terms of the signed Nizi option agreement:

Due Date	Cash Payment	Shares
On or before February 28, 2019	$10,000 (paid)	160,000*
On or before June 15, 2020	$100,000	
On or before June 15, 2021	$100,000	
On or before June 15, 2022	$100,000	
Total	**$310,000**	**160,000**

*160,000 shares were issued on March 8, 2019 subsequent to the year ended February 28, 2019. The fair value of the shares to be issued ($92,800) was accrued as of February 28, 2019.

As part of the agreement, the Company has committed to incur a total of $2,000,000 by October 15, 2023, broken down by date as follows:

Due Date	Expenditure Commitment
On or before October 15, 2020	$250,000
On or before October 15, 2021	$250,000
On or before October 15, 2022	$500,000
On or before October 15, 2023	$1,000,000
Total Commitment	**$2,000,000**

The Nizi property is subject to a 2.5% Net Smelter Royalty ("NSR"), of which 1% may be re-purchased for a cash payment of $2,000,000. This property is also subject to an Annual Royalty Payment commencing June 15th, 2022

Rock Springs, Nevada

The Rock Springs Property ("Rock Springs") consisted of 120 claims, which the Company staked in Elko County, Nevada. During the year ended February 28, 2018, the Company reduced the number of claims held to 10.

During the year ended February 28, 2019, the Company granted lease rights to Rock Springs to Newmont USA Limited ("Newmont") for a term of ten years. As per the agreement, Newmont shall make the following payments:

Due Date	Payment Amount (US$)
October 18, 2018 (Effective date of the agreement)	$40,000 (received)
October 18, 2019 (First anniversary of the agreement)	$20,000
October 18, 2020 (Second anniversary of the agreement)	$20,000
October 18, 2021 (Third anniversary of the agreement)	$20,000
October 18, 2022 (Fourth anniversary of the agreement)	$20,000
October 18, 2023 and each anniversary thereafter until the lease terminates	$25,000

During the year ended February 28, 2019, the Company received the first payment of $52,944 (US$40,000), $16,229 (US$12,669) of which was recorded as recovery of the exploration and evaluation assets balance, $2,277 (US$1,755) offset exploration and evaluation expenditure incurred during the year ended February 28, 2019 and $33,911 (US$25,576) was recorded as income in profit or loss with $527 representing a foreign exchange adjustment.

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

Rock Springs, Nevada *(cont'd…)*

As per the agreement, the Company also retains a 1.5% Net Smelter Royalty ("NSR") on the production and sale of minerals from the Rock Springs Property. At any time prior to October 18, 2025, Newmont has the option to purchase one-third of the NSR for US$1,000,000 reducing the royalty payable to the Company to 1%.

Mineral Gulch, Idaho

The Mineral Gulch Property consisted of 345 claims in southeastern Cassia County in southern Idaho. In June 2016, the Company sold 100% of its interest in the Mineral Gulch Property to Liberty Gold Corp. ("Liberty"). Part of the consideration received was 0.5% net smelter returns ("NSR") royalty on all future gold produced from the Mineral Gulch claims acquired. In conjunction with the sale of the Mineral Gulch Property, the Company assigned a 50% interest in the NSR royalty (0.25%) up to a maximum of US$2,300,000 to the Deer Trail Mining Company LLC ("DTMC"). During the year ended February 28, 2019, the Company sold its remaining NSR of 0.25% to DTMC for proceeds of $20,579 (US$16,000).

7. EXPLORATION EXPENDITURES

Exploration expenditures incurred during the year ended February 28, 2019 was $2,277 (US$1,755) for care and maintenance costs related to the Rock Springs Property, which were offset by the lease payment from Newmont (Note 6). No other explorations costs were incurred during the period.

During the year ended February 28, 2018, the Company incurred $44,862 in investigation of new property opportunities and $2,209 in care and maintenance costs related to the Rock Springs Property.

8. SHARE CAPITAL AND RESERVES

Common and Preferred Shares

The Company is authorized to issue an unlimited number of common and preferred shares without par value. The Company has not issued any preferred shares.

During the year ended February 28, 2019, the Company completed a consolidation of the issued shares and stock options outstanding on a one (1) new for ten (10) old basis at September 20, 2018 and on a one (1) new for four (4) old basis at November 6, 2018. As a result, the Company's issued shares were reduced to 1,575,584. All references to common shares and stock options in these consolidated financial statements reflect the share consolidation.

There were no other share capital activities during the year ended February 2019 and 2018.

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS

Option Plan Details

In November 2009, the Company adopted a share purchase option plan, which allows the Company to issue options to directors, officers, employees and consultants of the Company. A revised share option plan (the "Plan") was adopted in December 2013 and was ratified by the shareholders on January 14, 2014. The maximum aggregate number of securities reserved for issuance is 10% of the number of common shares issued and outstanding from time to time. The Plan provides that the number of options held by any one individual may not exceed 5% of the number of issued and outstanding common shares. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the Company's shares on the last day shares are traded prior to the grant date. Vesting restrictions may be imposed at the discretion of the directors.

Share Purchase Options

The Company has granted share purchase options to its directors, officers, employees and consultants. The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance as at February 28, 2017	**52,875**	**$10.00**
Granted	27,500	$2.00
Expired	(7,500)	$7.20
Balance as at February 28, 2018 and 2019	**72,875**	**$7.38**

These options were granted in accordance with the policies of the regulatory authorities and the Company's stock option plan in effect at the time of grant.

The following is a summary of outstanding share purchase options as at February 28, 2019:

Expiry date	Exercise price	Opening balance	Closing balance	Vested and exercisable
Jun 16, 2019*	$5.40	25,750	25,750	25,750
Jan 27, 2020	$14.00	7,500	7,500	7,500
Jul 25, 2020	$15.20	5,000	5,000	5,000
Jul 12, 2021	$22.80	7,125	7,125	7,125
Mar 21, 2022	$2.00	27,500	27,500	27,500
		72,875	**72,875**	**72,875**
Weighted average exercise price		**$7.38**	**$7.38**	**$7.38**

*Options expired unexercised subsequent to year end.

Fair Value of Options Issued During the Period

There were no options granted during the period ended February 28, 2019.

The weighted average remaining contractual life of the options outstanding at February 28, 2019 is 1.93 (February 28, 2018: 2.68) years.

Expenses Arising from Share-Based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the year ended February 28, 2019 as part of share-based payments was $4,656 (2018: $37,822).

As of February 28, 2019, there was $Nil (February 28, 2018: $4,656) in unrecognized compensation costs related to share-based payment awards not yet exercisable, as all the stock options have vested.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

The Company's related parties with transactions during the year ended February 28, 2019 and 2018 consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
FT Management Ltd.	Short-term loan
J Dare Consulting Ltd.	Director fees
Octavian Capital Corp.	Director fees
Sundar Consulting	Management fees

Balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements are described below:

i) A total of $439,380 was owed to the related parties as at February 28, 2019 (2018 - $393,038). Those amounts consisted of the following:

			Year ended February 28, 2019		Year ended February 28, 2018
Current officers*	Management fees and expense reimbursements	$	57,039	$	-
Former officers and directors	Management fees		-		327,744
Former officers	Professional fees		7,938		-
Current officers and directors	Directors', consulting fees and loans	$	374,403	$	65,294

*During the year ended February 28, 2019, a change in the Company's directors and officers took place.

The amount of $374,403 representing directors' and consulting fees and loans includes the debt owed to former officers and directors, a two third of which was purchased by the two current directors and a remaining portion was acquired by a third party for a purchase price of $1 for each $10 of outstanding debt.

ii) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include certain of its directors and officers. Key management compensation, including amounts discussed above, comprises:

		Year ended February 28, 2019		2018
Management and professional fees	$	114,775	$	207,575
Salaries and benefits		11,250		18,000
Consulting fees		54,000		-
Directors' fees		29,550		46,290
Share-based payments		4,656		37,822
	$	**214,231**	**$**	**309,687**

(Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. The mineral property interests are located in the United States and Canada, and substantially all of the exploration expenditures are incurred in North America. Substantially all of the Company's other assets and expenditures are located and incurred in Canada.

12. DEFERRED INCOME TAXES

A reconciliation of income taxes computed at Canadian statutory rates to the reported income taxes is provided as follows:

		2019		**2018**
Income (loss) for the year	**$**	(331,877)	**$**	(487,677)
Canadian statutory tax rate		27.00%		26.17%
Income tax (recovery) expense computed at statutory rates		(90,000)		(127,609)
Change in statutory, foreign tax, foreign exchange rates and other		321,000		382,029
Permanent differences		1,000		9,801
Adjustments to prior years provision versus		613,000		(157)
Unused tax losses and tax offsets		(845,000)		(264,064)
	$	**-**	**$**	**-**

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

		2019		**2018**
Non-capital losses	$	8,812,000	$	9,794,347
Exploration and evaluation assets		240,000		1,655,658
Share issue costs		-		13,679
Equipment and others		20,000		16,255
Available-for-sale-securities		-		201,000
Unrecognized future deductible amounts	**$**	**9,072,000**	**$**	**11,680,939**

The Company's unrecognized unused non-capital losses have the following expiry dates:

		Canada		**US**		**Total**
2030	**$**	298,308	**$**	-	**$**	298,308
2031		701,358		-		701,358
2032		754,444		-		754,444
2033		903,717		-		903,717
2034		1,397,006		-		1,397,006
2035		615,642		938,000		1,553,642
2036		579,544		1,448,000		2,027,544
2037		375,502		-		375,502
2038		401,626		124,000		525,626
2039		274,853		-		274,853
	$	**6,302,000**	**$**	**2,510,000**	**$**	**8,812,000**

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

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

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash invested in asset-based commercial paper.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At February 28, 2019, the Company had cash of $2,086 (February 28, 2018: $22,171) and a working capital deficiency of $746,698 (February 28, 2018: $426,442). At February 28, 2019, current liabilities totalled $760,737 (February 28, 2018: $458,546) of which $439,380 (February 28, 2018: $393,038) was due to related parties. All of the Company's other short-term financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

(c) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

(c) Market Risk *(cont'd…)*

i) Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. The Company operates in Canada and the United States. A substantial portion of the Company's expenses are incurred in US dollars. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at February 28, 2019, the Company had the Canadian dollar equivalent of cash totalling $367 (February 28, 2018: $1,554) held in US dollars and liabilities totalling $25,000 (February 28, 2018: $393,038) owed in US dollars.

Based on the above net exposure as at February 28, 2019, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $2,537 in the Company's net income (loss) and comprehensive income (loss) for the year ended February 28, 2019.

ii) Interest Rate Risk

Interest rate risk consists of two components:

A. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

B. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at February 28, 2019, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian financial institutions. The Company considers this risk to be immaterial.

iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, currency risk, or equity price risk. The Company is not exposed to any other price risk.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

(c) Market Risk *(cont'd…)*

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

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.

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral property and pursue growth opportunities. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties.

The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for limited property care and maintenance and general administrative costs, the Company will spend its existing capital resources. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, investments, common shares, and stock options as capital. There have been no changes to the Company's approach to capital management during the year ended February 28, 2019. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

The Company does not expect its current capital resources to be sufficient to cover its operating costs through the next twelve months and as such, will need to obtain additional capital resources. Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic conditions.

15. SUBSEQUENT EVENT

On March 08, 2019, the Company issued 160,000 shares as part of the Nizi Property Option Agreement (Note 6), at an adjusted closing price of $0.58.