MINNOVA CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

MARCH 31, 2018 AND 2017

(Expressed in Canadian Dollars)

MINNOVA CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	March 31, 2018	March 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 73,353	$ 873,535
Amounts receivable	188,627	161,946
Prepaid expenses	80,209	332,784
TOTAL CURRENT ASSETS	**342,189**	**1,368,265**
NON-CURRENT ASSETS		
Restricted cash equivalents (Note 6)	75,000	75,000
Equipment (Note 7)	315,724	348,506
Exploration properties and deferred exploration expenditures (Note 8)	18,081,618	16,158,857
TOTAL NON-CURRENT ASSETS	**18,472,342**	**16,582,363**
TOTAL ASSETS	**$ 18,814,531**	**$ 17,950,628**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 9 and 15)	$ 1,775,948	$ 1,501,106
Hydro contract accrual	277,533	277,533
Flow-through premium liability (Note 18)	-	216,736
TOTAL CURRENT LIABILITIES	**2,053,481**	**1,995,375**
NON-CURRENT LIABILITIES		
Provision for closure and reclamation (Note 10)	2,940,254	2,971,239
TOTAL LIABILITIES	**4,993,735**	**4,966,614**
EQUITY		
Share capital (Note 12(b))	20,406,831	19,072,798
Share-based payment reserves (Notes 11 and 13)	2,999,687	3,500,201
Deficit	(9,585,722)	(9,588,985)
TOTAL EQUITY	**13,820,796**	**12,984,014**
TOTAL LIABILITIES AND EQUITY	**$ 18,814,531**	**$ 17,950,628**

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 6, 8, 10,17 and 18)
SUBSEQUENT EVENTS (Note 19)

APPROVED ON BEHALF OF THE BOARD:

Signed *"James White"* , Director
Signed *"Gorden Glenn"* , Director

See accompanying notes to the financial statements

MINNOVA CORP.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the Years Ended March 31,	2018	2017
EXPENSES		
Stock-based payments (Note 11)	$ 342,279	$ 1,725,047
General and administrative (Note 14)	359,131	377,893
Management and directors' compensation (Note 15(b))	156,000	128,000
Professional and consulting fees (Note 15(a))	204,181	132,934
Amortization (Note 7)	32,782	15,579
LOSS BEFORE BELOW ITEMS	**(1,094,373)**	**(2,379,453)**
Reversal of flow-through premium liability	232,648	512,522
Debt settlement and other (Note 12(b)(iv)(v))	-	392,624
Finance cost (Note 10)	(68,620)	(138,956)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**$ (930,345)**	**$ (1,613,263)**
Net loss per common share - basic and diluted	$ (0.03)	$ (0.07)
Weighted average number of shares outstanding - basic and diluted	29,141,068	23,760,955

See accompanying notes to the financial statements

MINNOVA CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the Years Ended March 31,	2018	2017
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the year	$ (930,345)	$ (1,613,263)
Items not involving cash:		
Amortization	32,782	15,579
Accretion of provision for closure and reclamation	58,870	44,270
Debt settlement and other	-	(392,624)
Reversal of flow-through premium liability	(232,648)	(512,522)
Interest expense	-	37,449
Stock-based payments	342,279	1,725,047
	(729,062)	(696,064)
Changes in non-cash working capital balances:		
(Increase) in amounts receivable	(26,681)	(40,106)
Decrease (increase) in prepaid expenses	252,575	(266,322)
(Decrease) increase in accounts payable and accrued liabilities	(344,273)	337,784
	(118,379)	31,356
Cash flows used in operating activities	**(847,441)**	**(664,708)**
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in exploration properties and deferred exploration expenditures	(1,393,501)	(2,440,317)
Repayment of interest on debentures	-	(105,000)
Cash flows used in investing activities	**(1,393,501)**	**(2,545,317)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	1,346,300	4,471,125
Share issue costs	(64,390)	(330,225)
Proceeds from exercise of stock options	27,000	-
Proceeds from exercise of warrants and broker warrants	131,850	17,265
Repayment of interest on debentures	-	(391,544)
Cash flows from financing activities	**1,440,760**	**3,766,621**
Decrease in cash and cash equivalents	(800,182)	556,596
Cash and cash equivalents, beginning of year	873,535	316,939
Cash and cash equivalents, end of year	**$ 73,353**	**$ 873,535**
Supplemental Information:		
Cash, end of period	$ 73,353	$ 873,535
Cash equivalents, end of year	-	-
Cash and cash equivalents, end of year	**$ 73,353**	**$ 873,535**
Interest paid	$ -	$ (391,544)
Change in accrued property expenditures	$ 609,262	$ (131,626)
Broker warrants issued (Note 12(b)(vi)(vii)(viii))	$ 21,718	$ 138,135
Shares issued for settlement of debt	$ -	$ 1,640,690

MINNOVA CORP.

STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital		Share-based Payment Reserves				
	Number	Amount	Stock options	Share purchase warrant reserve	DSU and RSU	Deficit	Total
Balance, March 31, 2016	**18,117,143**	**$ 14,782,747**	**$ 854,874**	**$ 412,417**	**-**	**$ (8,314,722)**	**$ 7,735,316**
Flow-through common shares and warrants issued in private placements (Note 12(b) (i)(ii))	3,309,700	2,410,355	-	402,890	-	-	2,813,245
Common shares and warrants issued in private placements (Note 12(b) (i)(ii))	2,550,585	1,340,206	-	317,674	-	-	1,657,880
Broker and finder warrants issued in private placements (Note 12(b) (i)(ii))	-	(138,135)	-	138,135	-	-	-
Premium liability for flow-through shares (Note 12(iii))	-	(661,940)	-	-	-	-	(661,940)
Common shares issued for settlement of debt (Note 12(b)(iv) and (v))	4,326,264	1,640,690	-	-	-	-	1,640,690
Common shares issued upon exercise of broker warrants	43,500	17,265	-	-	-	-	17,265
Reclassification of fair value of broker warrants	-	11,836	-	(11,836)	-	-	-
Warrants expired	-	-	-	(339,000)	-	339,000	-
DSU and RSU issued	-	-	-	-	953,971	-	953,971
Transaction costs	-	(330,226)	-	-	-	-	(330,226)
Stock-based payments	-	-	771,076	-	-	-	771,076
Loss for the year	-	-	-	-	-	(1,613,263)	(1,613,263)
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**	**$ 1,625,950**	**$ 920,280**	**953,971**	**$ (9,588,985)**	**$ 12,984,014**
Flow-through common shares and warrants issued in private placements (Note 12(b)(vi)(vii)(viii))	2,071,231	1,188,820	-	157,480	-	-	1,346,300
Broker and finder warrants issued in private placements (Note 12(b)(vi)(vii)(viii))	-	(21,718)	-	21,718	-	-	-
Share issue costs (Note 12(b)(vi)(vii)(viii))	-	(64,390)	-	-	-	-	(64,390)
Premium liability for flow-through shares (Note 12(b)(ix))	-	(15,912)	-	-	-	-	(15,912)
Shares issued upon exercise of warrants and broker warrants	330,750	131,850	-	-	-	-	131,850
Reclassification of fair value of warrants and broker warrants exercised	-	61,581	-	(61,581)	-	-	-
Shares issued upon exercise of stock options	75,000	27,000	-	-	-	-	27,000
Reclassification of fair value of stock options exercised	-	26,802	(26,802)	-	-	-	-
Stock-based payments	-	-	-	-	342,279	-	342,279
Stock option expired	-	-	(466,048)	-	-	466,048	-
RSU expired	-	-	-	-	(467,560)	467,560	-
Loss for the year	-	-	-	-	-	(930,345)	(930,345)
Balance, March 31, 2018	**30,824,173**	**$ 20,406,831**	**$ 1,133,100**	**$ 1,037,897**	**828,690**	**$ (9,585,722)**	**$ 13,820,796**

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Minnova Corp. (the "Company") is a public company incorporated on July 19, 1994 pursuant to the laws of the Companies Act of Barbados. Since the Company's management and the principal office of the Company are located in Toronto, Ontario, a continuance (the "Continuance") of the Company from the laws of Barbados to the laws of the Province of Ontario was filed on April 21, 2010. As a result of the Continuance, the corporate legislation that governs the Company ceased to be the Barbados Act and the Company is now governed by the Business Corporations Act (Ontario). The registered office of the Company is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1. On June 26, 2014, the Company changed its name to "Minnova Corp." and commenced trading on the Toronto Stock Venture Exchange ("TSX-V") on June 27, 2014 under the new symbol "MCI".

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been or will be applied for will be granted.

Major expenditures are required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to exploration properties and deferred exploration expenditures is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition.

Although the Company has taken steps to verify title to exploration 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 other licensing requirements or regulations, social licensing requirements unregistered prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory requirements.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The Company has a working capital deficiency of $1,711,292 and a deficit of $9,585,722 as at March 31, 2018 and will require additional financing to fund its continuing exploration efforts. These conditions indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms acceptable to the Company. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain its property interests. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Such adjustments could be material. Changes in future conditions could require material write downs of the carrying values of certain assets.

The financial statements were approved by the Board of Directors on July 30, 2018.

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2. BASIS OF PREPARATION

These financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS"), as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC").

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

Basis of Presentation:

These financial statements have been prepared on a historical cost basis except for cash equivalents, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Significant Accounting Judgments and Estimates:

The preparation of these 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 amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These 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.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Assets' Carrying Values and Impairment Charges

In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Capitalization of Exploration Properties and Deferred Exploration Expenditures

Management has determined that exploration properties and deferred exploration expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 8 for details of capitalized exploration properties and deferred exploration expenditures.

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2. BASIS OF PREPARATION (Continued)

Significant Accounting Judgments and Estimates (Continued):

Mineral Reserve Estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

Impairment of Exploration Properties and Deferred Exploration Expenditures

While assessing whether any indications of impairment exist for exploration properties and deferred exploration expenditures, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration properties and deferred exploration expenditures. Internal sources of information include the manner in which exploration properties and deferred exploration expenditures are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future pre tax cash flows expected to be derived from the Company's exploration properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write down of the carrying amounts of the Company's exploration properties and deferred exploration expenditures.

Estimation of Decommissioning and Restoration Costs and the Timing of Expenditures

The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company’s provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

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2. BASIS OF PREPARATION (Continued)

Significant Accounting Judgments and Estimates (Continued):

Share-based Payments

Management determines costs for share based payments using market based valuation techniques. The fair value of the market based and performance based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies

Refer to Notes 17 and 18.

3. ACCOUNTING POLICIES

Financial Instruments:

Financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives.

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash equivalents	Fair value through profit or loss
Cash	Loans and receivables
Amounts receivable	Loans and receivables
Restricted cash equivalents	Loans and receivables

Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities
Hydro contract accrual	Other financial liabilities
Debentures	Other financial liabilities

Fair Value Through Profit or Loss ("FVTPL"):

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statement of operations.

Loans and Receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

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3. ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued):

Other Financial Liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of Financial Assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Instruments Recorded at Fair Value:

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature other than restricted cash equivalents which represent a guaranteed investment certificate. The Company had no financial instrument to classify in the fair value hierarchy at March 31, 2018 and 2017.

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3. ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents:

The Company defines cash and cash equivalents as cash and investments with maturity dates of less than ninety days. The Company invests cash in term deposits maintained in high credit quality institutions. As at March 31, 2018, the cash and cash equivalents balance was comprised of cash of $73,353 and cash equivalents of $nil (2017 - $873,535 and $nil, respectively).

Equipment:

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Mine equipment	20%	Declining balance
Mine buildings	5%	Declining balance

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

Exploration Properties and Deferred Exploration Expenditures:

Exploration and Evaluation Properties:

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities, net of government assistance received, are capitalized to exploration properties and deferred exploration expenditures. Amortization of equipment is not capitalized. Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

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 mineral properties and deferred exploration expenditures.

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.

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3. ACCOUNTING POLICIES (Continued)

Mineral Properties and Deferred Exploration Expenditures (Continued):

Development Properties:

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to construction are capitalized as construction-in-progress and classified as a component of mineral properties and deferred exploration expenditures. Costs associated with the commissioning of new assets, in the period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues.

Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

Production Properties:

When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions or improvements, underground mine development or mineable reserve development.

Depletion:

Accumulated mine development costs are depleted on a unit-of-production basis over the estimated economically recoverable reserves of the mine concerned.

Impairment of Non-Financial Assets:

The carrying values of exploration properties and deferred exploration expenditures, and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets. This generally results in the Company evaluating its non-financial assets on a geographical basis.
If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of operations so as to reduce the carrying amount to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of operations.

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3. ACCOUNTING POLICIES (Continued)

Provisions:

General:

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Rehabilitation Provision:

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, dismantling operating facilities, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. When applicable for closed sites, changes to estimated costs are recognised immediately in the statement of operations.

Flow-Through Shares:

Flow-through shares are a unique Canadian tax incentive. The Company has adopted a policy whereby flow-through proceeds are allocated between the offering of the common shares and the sale of tax benefits when the common shares are offered. The allocation is made based on the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. A liability is recognized for the premium paid by the investors and is then derecognized in the period of renunciation. The recognition of a deferred income tax liability upon renunciation of the flow through expenditure is recorded as income tax expense in the period of renunciation. Any difference between the amount of the liability component derecognized and deferred income tax liability recognized is recorded in the statement of operations.

Foreign Currency Translation:

The Canadian dollar is the functional currency of the Company's operations. The financial statements, the results of operations and financial position are expressed in Canadian dollars. In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Gains/losses on translation are recorded in the statement of operations.

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3. ACCOUNTING POLICIES (Continued)

Stock-Based Payments:

Stock options

The fair value of stock options granted is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate for those options that do not vest immediately. Amounts recorded for expired unexercised stock options and warrants are transferred to deficit on expiry.

Restricted stock unit and deferred stock unit

The Company operates a restricted stock unit ("RSU") plan and deferred stock unit ("DSU") plan for directors, executive officers, employees and consultants of the Company. The vesting conditions of the RSUs and DSUs may be based on a required service period or the achievement of performance targets. RSUs that have been vested will be payable, at the holder's option, in common shares. Vested DSUs are payable in common shares. The share-based remuneration expense of the RSUs and DSUs is based on the fair value at grant date and the awards expected to vest over the vesting period. A corresponding compensation liability is recorded in the equity.

Loss Per Share:

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, options RSUs and DSUs outstanding that may add to the total number of common shares. The Company's diluted loss per share for all years presented does not include the effect of stock options, warrants, RSUs and DSUs as they are anti-dilutive.

Income Taxes:

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the year-end date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Continued...

3. ACCOUNTING POLICIES (Continued)

Change in Accounting Policies

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. At April 1, 2017, the Company adopted this amendment and there was no material impact on the Company's financial statements.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. At April 1, 2017, the Company adopted this amendment and there was no material impact on the Company's financial statements.

Recent Accounting Pronouncements:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 1, 2018 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

Continued...

3. ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (continued):

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

4. MANAGING CAPITAL

The Company manages its capital with the following objectives:

- to ensure sufficient flexibility to achieve the ongoing business objectives including funding of future resource based exploration and investment initiatives; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties for the mining of gold, nickel and copper. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be total shareholders' equity (managed capital) which at March 31, 2018 totaled $13,820,796 (2017 - $12,984,014).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, as well as other investing and financing activities. The forecast is regularly updated based on activities related to the acquisition, exploration and development of its mineral properties. The Board of Directors regularly reviews the Company's capital management approach. The Company's capital management objectives, policies and processes have remained unchanged during the years ended March 31, 2018 and 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of March 31, 2018, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Continued...

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Categories of Financial Instruments

	As at March 31, 2018	As at March 31, 2017
Financial Assets		
Loans and Receivables		
Cash	$ 73,353	$ 873,535
Restricted cash equivalents	75,000	75,000
Amounts receivable	169,352	135,267
Due from related company	19,274	26,679
Financial Liabilities		
Other Financial Liabilities		
Accounts payable and accrued liabilities	$ 1,775,948	$ 1,501,106
Hydro contract accrual	277,533	277,533

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years ended March 31, 2018 and 2017.

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and restricted cash equivalents. Restricted cash equivalents consists of a GIC which has been invested with a reputable Canadian financial institution. The Company does not hold any non-bank asset backed commercial paper. Management believes that the credit risk concentration with respect to its financial instruments is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2018, the Company did not have sufficient cash and cash equivalents to settle current liabilities of $2,053,481. Management believes that additional financing will be available to discharge current liabilities. See also note 18.

Most of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Continued...

5. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk

The Company has cash and cash equivalents balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The debentures bear fixed interest rates and therefore are not subject to interest rate risk. Currently, the Company does not hedge against interest rate risk.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk.

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken by the Company. Management believes commodity price risk to be remote as the Company is not a producing entity.

Fair Value

The Company has, for accounting purposes, designated its cash equivalents as fair value through profit or loss and cash and amounts receivable as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and hydro contract accrual are classified for accounting purposes as other financial liabilities, which are measured at amortized cost.

As of March 31, 2018 and 2017, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent because of the limited term of these instruments.

Continued...

(Expressed in Canadian Dollars)

6. RESTRICTED CASH EQUIVALENTS

The Company has guaranteed by pledge of a guaranteed investment certificate an irrevocable standby letter of credit for $75,000 to the Government of Manitoba as a financial assurance guarantee in connection with the PL Property closure plan (see Note 10).

7. EQUIPMENT

Cost

	Equipment	Buildings	Total
Balance, March 31, 2016	**$ -**	**$ 305,096**	**$ 305,096**
Additions	105,000	-	105,000
Balance, March 31, 2017 and March 31, 2018	**$ 105,000**	**$ 305,096**	**$ 410,096**

Accumulated Amortization

	Equipment	Buildings	Total
Balance, March 31, 2016	**$ -**	**$ 46,011**	**$ 46,011**
Amortization for the year	2,625	12,954	15,579
Balance, March 31, 2017	**$ 2,625**	**$ 58,965**	**$ 61,590**
Amortization for the year	20,475	12,307	32,782
Balance, March 31, 2018	**$ 23,100**	**$ 71,272**	**$ 94,372**

Carrying Amount

	Equipment	Buildings	Total
Balance, March 31, 2017	**$ 102,375**	**$ 246,131**	**$ 348,506**
Balance, March 31, 2018	**$ 81,900**	**$ 233,824**	**$ 315,724**

During the year ended March 31, 2018, the Company expensed $32,782 in amortization to the statement of operations (2017 - $15,579).

Continued...

(Expressed in Canadian Dollars)

8. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

As at March 31, 2018

	March 31, 2017	Additions	Changes for closure and reclamation	March 31, 2018
Exploration and Evaluation Properties				
Nokomis Property	$ 2,704,117	$ 77,655	$ -	$ 2,781,772
PL Property	13,454,740	1,934,961	(89,855)	15,299,846
	$ 16,158,857	**$ 2,012,616**	**$ (89,855)**	**$ 18,081,618**

As at March 31, 2017

	March 31, 2016	Additions	Changes for closure and reclamation	March 31, 2017
Exploration and Evaluation Properties				
Nokomis Property	$ 2,556,993	$ 147,124	$ -	$ 2,704,117
PL Property	11,740,152	2,161,567	(446,979)	13,454,740
	$ 14,297,145	**$ 2,308,691**	**$ (446,979)**	**$ 16,158,857**

Maverick Properties (Nokomis and PL)

The Company owns a 100% interest in the Nokomis and PL properties, located in Manitoba, subject to a 3% net smelter royalty (NSR) that reduces to 2.5% and 2% if gold is below US$1,000/oz and US$750/oz, respectively.

Continued...

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2018	March 31, 2017
Trade payables	$ 899,968	$ 879,217
Accrued and payroll liabilities	875,980	621,889
Total	**$ 1,775,948**	**$ 1,501,106**

The following is an aged analysis of the accounts payable and accrued liabilities:

	March 31, 2018	March 31, 2017
Less than 1 month	$ 949,192	$ 721,473
1 to 3 months	479,112	73,676
Over 3 months	347,644	705,957
Total	**$ 1,775,948**	**$ 1,501,106**

10. PROVISION FOR CLOSURE AND RECLAMATION

The Company has provided a letter of credit in the amount of $75,000 to the Government of Manitoba under the terms of the closure plan on the PL Property (see Note 6). The Company further provided all assets, goods and personal property involved in the operation of the PL Property, as a security of up to $5,000,000 for the performance of the closure plan and the rehabilitation program.

The Company's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred. The Company has estimated its total provision for closure and reclamation to be $2,940,254 at March 31, 2018, based on a total future liability of approximately $3,073,000 (March 31, 2017 - $3,073,000), an inflation rate of 1.18% (March 31, 2017 - 1.3%) and a discount rate of 2.11% (March 31, 2017 - 1.63%). Reclamation is expected to occur in approximately 10 years.

The following is an analysis of the provision for closure and reclamation:

Balance, March 31, 2016	**$ 3,373,948**
Effect of changes in the inflation and discount rate	(446,979)
Accretion incurred in the year	44,270
Balance, March 31, 2017	**$ 2,971,239**
Effect of changes in the inflation and discount rate	(89,855)
Accretion incurred in the year	58,870
Balance, March 31, 2018	**$ 2,940,254**

During the year ended March 31, 2018, the Company expensed $58,870 as accretion which was recorded in finance cost on the statements of operations (2017 - $44,270).

Continued...

(Expressed in Canadian Dollars)

11. DEFERRED STOCK UNITS AND RESTRICTED STOCK UNITS

On January 12, 2017, the Company announced that it issued a total of 300,000 Deferred Stock Units ("DSUs") to non-executive directors as an annual award as outlined in the DSU Plan adopted in August 2016.

The Company also granted 1,500,000 Restricted Share Units ("RSUs") to executives and consultants. The RSUs were granted in accordance with the Company's Restricted Share Unit Plan and are subject to vesting provisions. More specifically, the grant consists of a base amount of 500,000 units with vesting subject to retention while the remaining bonus units are subject to performance conditions.

The DSUs vested immediately on the date of grant and the RSUs vest as to one-third on the date of grant, one-third in six months and one-third in twelve months.

As at March 31, 2018, the DSUs and the RSUs had fully vested. For the year ended March 31, 2018, stock-based compensation of $342,279 (2017 - $698,971) was recorded in the statement of operations in relation to the RSUs based on the quoted market stock price of the Company's common shares of $0.85 on January 12, 2017, the grant date.

Under the DSU and RSU plan, the maximum number of common shares subject to issuance is 2,160,307.

	DSU	RSU
Balance, March 31, 2016	**-**	**-**
Granted	300,000	1,500,000
Balance, March 31, 2017	**300,000**	**1,500,000**
Forefeited	-	(275,000)
Expired	-	(550,000)
Balance, March 31, 2018	**300,000**	**675,000**

12. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Common Shares Issued:

	Number of Shares	Amount
Balance, March 31, 2016	**18,117,143**	**$ 14,782,747**
Flow-through common shares issued in private placements (i)(ii)	3,309,700	2,410,355
Common shares issued in private placements (i)(ii)	2,550,585	1,340,206
Broker and finder warrants issued in private placements (i)(ii)	-	(138,135)
Premium liability for flow-through shares (iii)	-	(661,940)
Common shares issued for settlement of debt (iv)(v)	4,326,264	1,640,690
Common shares issued upon exercise of broker warrants	43,500	17,265
Reclassification of fair value of broker warrants	-	11,836
Transaction costs (i)(ii)	-	(330,226)
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**

Continued...

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

	Number of Shares	Amount
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**
Flow-through common shares issued in private placements (vi)(vii)(viii)	2,071,231	1,188,820
Broker warrants issued in private placements (vi)(vii)(viii)	-	(21,718)
Premium liability for flow-through shares (ix)	-	(15,912)
Common shares issued upon exercise of warrants and broker warrants	330,750	131,850
Reclassification of fair value of broker warrants	-	61,581
Transaction costs (vi)(vii)(viii)	-	(64,390)
Common shares issued upon exercise of stock options	75,000	27,000
Reclassification of fair value of stock options	-	26,802
Balance, March 31, 2018	**30,824,173**	**$ 20,406,831**

(i) On November 4, 2016, the Company closed the first tranche of its brokered (the "Brokered Offering") and non-brokered (the "Non-Brokered Offering") private placement raising gross proceeds of $3,334,750.

Pursuant to the Brokered Offering co-led by Mackie Research Capital Corporation and Industrial Alliance Securities Inc. (together, the "Agents"), the Company issued 71,000 flow-through units (each, a "Flow-Through Unit") at a price of $0.85 per Flow-Through Unit for gross proceeds of $60,350 and 966,200 units (each, a "Unit") at a price of $0.65 per Unit for gross proceeds of $628,030.

Each Flow-Through Unit consists of one common share of the Company (each, a "Common Share") issued on a flow-through basis and one-half of a Common Share purchase warrant (each, a "Warrant"). Each whole Warrant shall entitle the holder to purchase one Common Share at an exercise price of $0.85 until May 4, 2019. Each Unit consists of one Common Share and one-half of one Warrant.

Pursuant to the Non-Brokered Offering, the Company raised 2,612,200 Flow-Through Units at a price of $0.85 per Flow-Through Unit for gross proceeds of $2,220,370 and 655,385 Units at a price of $0.65 per Unit for gross proceeds of $426,000. The Brokered Offering and the Non-Brokered Offering are collectively referred to as the "Offering".

The Company incurred $250,244 transaction costs related to the first tranche of the Brokered and Non-brokered Offerings of which $198,381 was allocated to share capital and $51,863 was allocated to the Warrants.

The grant date fair value assigned to the Warrants issued in the first tranche of the Brokered and Non-Brokered Offering was estimated to be $528,046 including the transaction costs allocated to the Warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 111%, risk-free interest rate of 0.52% and an expected life of 2.5 years.

In consideration for their services in connection with the Brokered Offering, the Agents were issued 62,232 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until May 4, 2019.

In connection with the Non-Brokered Offering, certain eligible finders were issued an aggregate of 196,055 finder warrants (the "Finder Warrants"). Each Finder Warrant is exercisable for one Unit at a price of $0.65 per Unit until May 4, 2019.

Continued...

12. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(i) (continued) The grant date fair value assigned to the Brokered Warrants and Finder Warrants issued was estimated to be $104,279, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 111%, risk-free interest rate of 0.52% and an expected life of 2.5 years.

(ii) On December 2, 2016, the Company closed the second and final tranche of its Brokered Offering and Non-Brokered Offering private placement raising gross proceeds of $1,136,375.

Pursuant to the second tranche of the Brokered Offering co-led by the Agents, the Company issued 626,500 Flow-Through Unit at a price of $0.85 per Flow-Through Unit for gross proceeds of $532,525 and 774,000 Units at a price of $0.65 per Unit for gross proceeds of $503,100.

Each Flow-Through Unit consists of a Common Share issued on a flow-through basis and one-half of a Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at an exercise price of $0.85 until June 2, 2019. Each Unit consists of one Common Share and one-half of one Warrant.

Pursuant to the second tranche of the Non-Brokered Offering, the Company issued 155,000 Units at a price of $0.65 per Unit for gross proceeds of $100,750.

The Company incurred $79,230 transaction costs related to the second tranche of the Brokered and Non-brokered Offerings of which $62,861 was allocated to share capital and $16,369 was allocated to the Warrants.

The grant date fair value assigned to the Warrants issued in the second tranched of the Brokered and Non-Brokered Offering was estimated to be $192,518 including the transaction costs allocated to the Warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 110%, risk-free interest rate of 0.73% and an expected life of 2.5 years.

In consideration for their services in connection with the second tranche of the Brokered Offering, the Agents were issued 84,030 Brokered Warrants. Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 2, 2019.

The grant date fair value assigned to the second tranche of the Brokered Warrants issued was estimated to be $33,856, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 110%, risk-free interest rate of 0.73% and an expected life of 2.5 years.

(iii) In connection with the issuances of Flow-Through shares, a flow-through premium of $661,940 was calculated. This amount has been presented as a current liability in the statements of financial position. During the year ended March 31, 2017, $445,204 of the flow-through premium was reversed as expenditure requirements were met and recognized in the statements of operations. The remaining flow-through premium was reversed during 2018 and recognized in the 2018 statement of operations.

Continued...

12. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(iv) On May 25, 2016, the Company settled with arm's-length and non-arm's length debt holders $1,230,086 of debt by issuing common shares. Of this amount, $1,150,000 relates to the principal amount of unsecured debentures by issuing an aggregate of 3,285,715 common shares and the balance of $80,086 of the indebtedness relates to the provision of director fees for an aggregate of 200,016 common shares. The shares have been valued at the carrying value of the liability extinguished and no gain or loss was included in profit and loss.

On November 4, 2016, the Company settled with arm's-length debt holders $238,529 of debt by issuing 165,549 common shares. The common shares issued were recorded at $0.85 per share based on the quoted market stock price of the Company on September 27, 2016, the date of the debt settlement. This resulted a gain on settlement of debt of $97,812 which was recorded in the statements of operations for the year ended March 31, 2017.

(v) On September 21, 2016, the Company settled $269,913 management consulting fees by issuing 674,784 common shares. The shares have been valued at the carrying value of the liability extinguished and no gain or loss was included in profit and loss.

(vi) On December 1, 2017, the Company completed the first tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 612,000 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $397,800. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 1, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $42,044 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 1.50% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 34,800 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 1, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $5,872, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 1.5% and an expected life of 1.5 years.

Continued...

12. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(vii) On December 6, 2017, the Company completed the second tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 450,000 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $292,500. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 6, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $27,283 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 76%, risk-free interest rate of 1.47% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 12,000 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 6, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $2,532, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 76%, risk-free interest rate of 1.47% and an expected life of 1.5 years.

(viii) On December 11, 2017, the Company completed the third tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 1,009,231 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $656,000. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 11, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $88,153 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 77%, risk-free interest rate of 1.49% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 50,953 broker warrants (the "Brokered Warrants"). Each Brokered Warrant is exercisable for one Unit at a price of $0.65 per Unit until June 11, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $13,314, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 77%, risk-free interest rate of 1.49% and an expected life of 1.5 years.

(ix) In connection with the issuances of Flow-Through shares, a flow-through premium of $15,912 was calculated. This amount has been presented as a current liability in the statements of financial position. During the year ended March 31, 2018, $232,648 of the flow-through premium was reversed as expenditure requirements were met and recognized in the statements of operations.

Continued...

(Expressed in Canadian Dollars)

13. SHARE-BASED PAYMENT RESERVES

(a) Stock Options

The Company has granted options for the purchase of common shares to its directors, officers, employees and certain consultants. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. These options are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The maximum number of options to be issued under the plan shall not exceed 10% of the total number of common shares issued and outstanding.

The following table shows the continuity of stock options for the years ended March 31, 2018 and 2017:

	Number of Stock Options		Weighted Average Exercise Price
Balance, March 31, 2016	**1,780,000**	**$**	**0.53**
Granted (i)(ii)	1,025,000		0.82
Balance, March 31, 2017	**2,805,000**	**$**	**0.64**
Expired	(455,000)		(1.28)
Exercised	(75,000)		(0.36)
Balance, March 31, 2018	**2,275,000**	**$**	**0.52**

(i) On July 25, 2016, the Company granted an aggregate of 300,000 options to purchase common shares of the Company exercisable at a price of $0.75 per common share for a period of 5 years, to certain directors, officers, employees and consultants. The grant date fair value of $217,316 was assigned to the stock options as estimated by using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 238% based on historical prices of the Company's stock, risk-free rate of return of 0.62% and an expected life of 5 years. These stock options vested immediately upon grant. During the year ended March 31, 2018, share-based payment of $nil (2017 - $217,316) were recorded in the statement of operations related to these options.

(ii) On January 12, 2017, the Company granted stock options to recently hired employees to purchase up to an aggregate of 725,000 common shares, exercisable on or before January 12, 2022 at a strike price of $0.85. The grant date fair value of $553,760 was assigned to the stock options as estimated by using the Black-Scholes option valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 145% based on historical prices of the Company's stock, risk-free rate of return of 1.00% and an expected life of 5 years. These stock options vested immediately upon grant. During the year ended March 31, 2018, share-based payment of $nil (2017 - $553,760) were recorded in the statement of operations related to these options.

Continued...

(Expressed in Canadian Dollars)

13. SHARE-BASED PAYMENT RESERVES (Continued)

(a) Stock Options (continued)

The following are the stock options outstanding at March 31, 2018:

Number of Options Issued	Grant Date Fair Value ($)	Number of Options Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
600,000	223,154	600,000	0.38	0.83	January 27, 2019
725,000	287,608	725,000	0.40	1.49	September 26, 2019
225,000	80,405	225,000	0.36	2.92	March 1, 2021
300,000	217,316	300,000	0.75	3.32	July 25, 2021
425,000	324,617	425,000	0.85	3.82	January 22, 2022
2,275,000	**1,133,100**	**2,275,000**	**0.52**	**2.13**	

(b) Share Purchase Warrants

The following table shows the continuity of share purchase warrants for the years ended March 31, 2018 and 2017:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2016	**391,950**	**$ 4.07**
Granted (Notes 12(b)(i)(ii))	2,930,143	0.85
Expired	(150,000)	(10.00)
Balance, March 31, 2017	**3,172,093**	**$ 0.82**
Granted (Notes 12(b)(vi)(vii)(viii))	1,035,614	0.75
Exercised	(241,950)	(0.40)
Balance, March 31, 2018	**3,965,757**	**$ 0.82**

The following are the share purchase warrants outstanding at March 31, 2018:

Number of Warrants Issued	Grant Date Fair Value ($)	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
2,152,393	528,046	0.85	1.09	May 4, 2019
777,750	192,518	0.85	1.17	June 2, 2019
306,000	42,044	0.75	1.17	June 1, 2019
224,999	27,283	0.75	1.18	June 6, 2019
504,615	88,153	0.75	1.20	June 11, 2019
3,965,757	**878,044**	**0.82**	**1.13**	

Continued...

(Expressed in Canadian Dollars)

13. SHARE-BASED PAYMENT RESERVES (Continued)

(c) Broker Warrants

The following table shows the continuity of broker warrants for the years ended March 31, 2018 and 2017:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, March 31, 2016	**132,300**	**$ 0.40**
Exercised	(43,500)	(0.40)
Granted (Notes 12(b)(i)(ii))	342,317	0.65
Balance, March 31, 2017	**431,117**	**$ 0.60**
Granted (Notes 12(b)(v)(vii)(viii))	97,753	0.65
Exercised	(88,800)	(0.39)
Balance, March 31, 2018	**440,070**	**$ 0.65**

The following are the broker warrants outstanding at March 31, 2018:

Number of Broker Warrants Issued	Grant Date Fair Value ($)	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
258,287	104,279	0.65	1.09	May 4, 2019
84,030	33,856	0.65	1.17	June 2, 2019
34,800	5,872	0.65	1.17	June 1, 2019
12,000	2,532	0.65	1.18	June 6, 2019
50,953	13,314	0.65	1.20	June 11, 2019
440,070	**159,853**	**0.65**	**1.13**	

Continued...

(Expressed in Canadian Dollars)

14. GENERAL AND ADMINISTRATIVE

Years Ended March 31,	2018	2017
Office and general	$ 8,507	$ 40,212
Salaries and benefits	17,713	46,636
Travel	28,767	-
Business development	255,999	217,631
Stock exchange and transfer agent fees	32,821	60,379
Shareholder information	15,324	9,592
Part XII.6 tax	-	3,443
General and administrative	**$ 359,131**	**$ 377,893**

15. RELATED PARTY TRANSACTIONS

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

(a) The Company entered into the following transactions with related parties recorded as professional and consulting fees and share issue costs:

Years Ended March 31,	2018	2017
Irwin Lowy LLP (i) - professional and consulting fees	$ 68,777	$ 25,712
Irwin Lowy LLP - share issue costs	-	29,255

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and the fees relate to professional services provided by the firm. As at March 31, 2018, the Company owed $nil (March 31, 2017 - $5,820) to this firm and this amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(ii) As at March 31, 2018, the Company owed $454,587 (March 31, 2017 - $315,487) to a corporation controlled by the Chief Executive Officer ("CEO") of the Company and this amount is included in accounts payable and accrued liabilities. During the year ended March 31, 2018, $150,000 (2017 $180,000) of these fees were recorded as capitalized exploration and evaluation costs and $90,000 (2017 - $60,000) were recorded in management and directors' compensation on the statements of operations and comprehensive loss.

(iii) As at March 31, 2018, the Company had prepaid balance with the CEO of the Company in the amount of $23,000 (March 31, 2017 - $45,921) and $19,247 (March 31, 2017 - $26,679) receivable from Geodex Minerals Ltd, a company with which the Company shares the common management team.

Continued...

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS (Continued)

(b) Remuneration of directors and key management personnel of the Company was as follows:

Years Ended March 31,		2018		2017
Directors fees	$	66,000	$	68,000
Amounts paid or accrued to CEO for salaries, consulting and benefits	$	240,000	$	240,000
Stock-based payments	$	182,409	$	812,171

Director fees - the Board of Directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services. As at March 31, 2018, the Company owed $257,914 (March 31, 2017 - $191,914) to the directors and $454,587 (March 31, 2017 - $nil) to the CEO of the Company which was included in the accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing with no fixed term of repayment.

Salaries and benefits - officers are entitled to stock options, consulting fees or salaries and benefits where employment or service contracts are in place with the Company for their services.

During the year ended March 31, 2018, stock-based compensation of $182,409 for the RSUs awarded to officers and directors of the Company was recorded in the statement of operations and comprehensive loss.

As at March 31, 2018, $1,735 (March 31, 2017 - $849,898) of cash was held in the Irwin Lowy LLP trust account, a law firm, where the interim CFO is a partner.

Continued...

(Expressed in Canadian Dollars)

16. INCOME TAXES

(a) Provision for income taxes:

Major items causing the Company's effective income tax rate to differ from the Canadian combined and provincial statutory rates of approximately 26.5% (2017 - 26.5%) are as follows:

	2018	2017
Loss before income taxes	$ (930,345)	$ (1,613,263)
Expected income tax (recovery)	(246,500)	(427,500)
Stock based payments	90,700	457,100
Share issue costs	(17,100)	(87,500)
Flow-through expenditures renounced	356,800	501,400
Change in deferred tax benefits not recognised	(368,000)	(67,800)
Other	184,100	(375,700)
Deferred income tax recovery	$ -	$ -

(b) Deferred tax assets

Deferred income tax assets have not been recognized in respect of the following temporary differences:

Year Ended March 31,	2018	2017
Non-capital loss carry-forwards	$ 1,536,000	$ 1,822,000
Exploration properties	371,100	723,900
Share issue costs	275,000	315,000
Deductible temporary differences	$ 2,182,100	$ 2,860,900

Deferred tax assets have not been recognized in respect of these temporary differences because it is not probable that future taxable profits will be available against which the Company can utilize the benefits.

(c) As at March 31, 2018, the Company had approximately $14,770,000 (2017 - $13,912,000) of Canadian exploration and development expenditures, which, under certain circumstances may be utilized to reduce taxable income of future years. The Company also has approximately $1,536,000 of non-capital losses in Canada, which can be used to reduce taxable income in future years. If not utilized, the non-capital losses begin to expire in 2038.

2034	513,000
2035	210,000
2036	333,000
2037	365,000
2038	115,000
	$ 1,536,000

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17. ENVIRONMENTAL CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

18. COMMITMENTS AND CONTINGENCIES

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. As at March 31, 2018, the Company is committed to incurring approximately $340,000 in qualifying exploration expenditures in Canada by December 31, 2018.

The Company is party to a management contract. This contract contains clauses requiring additional payments of up to $480,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not occurred, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreement are approximately $480,000, of which $240,000 is due within one year.

19. SUBSEQUENT EVENTS

Subsequent to March 31, 2018, 100,000 warrants and 12,000 broker warrants expiring on June 6, 2019 were exercised for 100,000 common shares and 12,000 common shares of the Company, respectively.