JAXON MINING INC.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JANUARY 31, 2019

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Jaxon Mining Inc.

Opinion

We have audited the financial statements of Jaxon Mining Inc. (the "Company"), which comprise the statements of financial position as at January 31, 2019 and 2018, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Jaxon Mining Inc.'s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 30, 2019

Jaxon Mining Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

	Note		January 31, 2019		January 31, 2018
Assets					
Current					
Cash		$	83,392	$	1,292,065
Investments held for sale	*5*		445,762		1,874,287
Prepaid expenses			6,000		51,822
Receivables	*6, 11*		234,493		125,811
			769,647		3,343,985
Non-Current					
Reclamation deposits	*8*		35,000		35,000
Property and equipment	*7*		8,686		10,488
Exploration and evaluation asset	*8, 11*		3,930,817		2,245,832
Total Assets		$	4,744,150	$	5,635,305
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	*9*	$	580,423	$	287,211
Flow-through shares premium liability	*10*		-		262,743
Total Liabilities			580,423		549,954
Shareholders' Equity					
Share capital	*10*		14,637,159		12,778,325
Share subscriptions received	*10*		12,500		-
Share-based payment reserve	*10*		1,293,848		1,344,480
Deficit			(11,779,780)		(9,037,454)
Total Shareholders' Equity			4,163,727		5,085,351
Total Liabilities and Shareholders' Equity		$	4,744,150	$	5,635,305

Nature of Operations and Going Concern (Note 1)
Commitment (Note 14)
Subsequent Events (Note 15)

APPROVED ON BEHALF OF THE BOARD:

Signed "John King Burns", Director
DIRECTOR

Signed "Yingting (Tony) Guo", Director
DIRECTOR

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

Jaxon Mining Inc.
Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note		Year ended January 31, 2019		2018
Expenses					
Advertising		$	6,337	$	20,936
Amortization	*7*		9,097		2,177
Consulting fees	*11*		163,295		124,007
Corporate development	*11*		163,959		357,660
Director fees	*11*		72,000		79,000
Management fees	*11*		89,000		174,000
Marketing and investor relations			237,020		669,216
Office and miscellaneous			76,848		44,548
Professional fees			33,722		53,804
Regulatory and filing fees			42,310		56,825
Rent	*11*		49,430		28,875
Share-based compensation	*10, 11*		26,678		691,103
Travel and entertainment			214,872		212,970
Loss from operations			(1,184,568)		(2,515,121)
Other items					
Gain (loss) on revaluation of investment held for sale	*5*		(1,351,861)		1,374,287
Recovery of flow-through liability	*10*		262,743		28,757
Impairment	*8*		(468,640)		-
Total loss and comprehensive loss for the year		$	(2,742,326)		(1,112,077)
Loss per common share, basic and diluted		$	(0.03)		(0.02)
Weighted average number of common shares outstanding			83,278,360		56,943,010

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

Jaxon Mining Inc.
Condensed Interim Statements of Changes in Equity
For the Years ended January 31, 2019 and 2018
(Expressed in Canadian dollars)

	Note	Number of shares		Share capital		Share-based payment reserve		Share subscription received		Accumulated deficit		Total shareholder's equity
Balance, January 31, 2017		**36,177,744**	**$**	**7,485,076**	**$**	**529,602**	**$**	**-**	**$**	**(7,925,377)**	**$**	**89,301**
Net and comprehensive loss for the year		-		-		-		-		(1,112,077)		(1,112,077)
Common shares issued for private placement	*10*	27,657,594		4,378,820		-		-		-		4,378,820
Common shares issued for exploration and evaluation assets	*10*	1,062,500		164,000		-		-		-		164,000
Common shares issued for the exercise of warrants	*10*	9,375,746		796,427		(6,728)		-		-		789,699
Common shares issued for the exercise of stock options	*10*	1,718,750		232,909		(124,859)		-		-		108,050
Share issuance costs	*10*	-		(278,907)		113,606		-				(165,301)
Share-based payments	*10*	-				832,859		-				832,859
Balance, January 31, 2018		**75,992,334**		**12,778,325**		**1,344,480**		**-**		**(9,037,454)**		**5,085,351**
Net and comprehensive loss for the year		-		-		-		-		(2,742,326)		(2,742,326)
Common shares issued for private placement	*10*	12,188,600		1,462,632		-		12,500		-		1,475,132
Common shares issued for exploration and evaluation assets	*10*	787,500		99,000		-		-		-		99,000
Common shares issued for the exercise of warrants	*10*	1,346,000		146,961		(6,245)		-		-		140,716
Common shares issued for the exercise of stock options	*10*	1,756,250		175,534		(77,184)		-		-		98,350
Share issuance costs	*10*	-		(25,293)		6,119		-		-		(19,174)
Share-based payments	*10*	-		-		26,678		-		-		26,678
Balance, January 31, 2019		**92,070,684**	**$**	**14,637,159**	**$**	**1,293,848**	**$**	**12,500**	**$**	**(11,779,780)**	**$**	**4,163,727**

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

Jaxon Mining Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended January 31,	
	2019	**2018**
Cash flows from operating activities		
Loss for the period	$ (2,742,326)	$ (1,112,077)
Items not involving cash:		
Amortization	9,097	2,177
Share-based compensation	26,678	691,103
Recovery of flow-through share liability	(262,743)	(28,757)
Loss (gain) on revaluation of investment	1,350,375	(1,374,287)
Gain on sale of investment	1,486	-
Impairment of exploration and evaluation assets	468,640	-
Net change in non-cash working capital		
Changes in receivables	26,067	(118,827)
Changes in prepaid expenses	45,822	(51,822)
Changes in accounts payable and accrued liabilities	19,434	278,244
Net cash used in operating activities	(1,057,470)	(1,714,246)
Cash flows from investing activities		
Purchase of investment	-	(500,000)
Long term deposit	-	(35,000)
Purchase of property and equipment	(12,435)	(12,665)
Partial disposal of investment held for sale	76,664	-
Exploration and evaluation assets	(1,894,136)	(1,925,115)
Net cash used in investment activities	(1,829,907)	(2,472,780)
Cash flows from financing activities		
Shares issued for cash, net of costs	1,666,204	5,359,918
Shares issued for acquisitions, net of costs	-	-
Share subscriptions received for shares to be issued	12,500	-
Net cash provided by financing activities	1,678,704	5,359,918
Net change in cash	(1,208,673)	1,172,892
Cash, beginning	1,292,065	119,173
Cash, ending	$ 83,392	$ 1,292,065

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Jaxon Mining Inc. (the "Company") was incorporated pursuant to the provisions of the *British Columbia Business Corporations Act* on November 6, 2006. The Company trades on the TSX Venture Exchange ("TSX-V") as a mineral exploration and development company. The Company's head office and registered and records office address is Suite 1105– 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company had working capital of $189,224 as at January 31, 2019 (January 31, 2018 - $2,794,031) and an accumulated deficit of $11,779,780 (January 31, 2018 - $9,037,454). The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration and development of its exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Critical accounting estimates and judgments

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 the reported expenses during the year. Actual results could differ from these estimates.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgment, which has the most significant effect on the amounts recognized in the financial statements.

2. BASIS OF PRESENTATION - *continued*

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the carrying value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits or highly liquid investments that are readily convertible to known amounts of cash with original maturities of 90 days or less.

Equipment

Equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Amortization is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of property, plant and equipment are as follows:

Class of equipment	Amortization rate
Furniture and equipment	30%
Computer equipment	45%

3. SIGNIFICANT ACCOUNTING POLICIES *- continued*

Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

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

opted to measure them at FVTPL. The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Loans and receivables	FVTPL
Investments	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost

(ii) Measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

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

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company’s own credit risk will be recognized in other comprehensive income (loss).

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Exploration and Evaluation Assets ('E&E")

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the statement of comprehensive loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Reclamation Obligations

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Share Capital

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 recognized as a deduction from equity.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in 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. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. 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 the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company 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.

Loss per Share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

Income Taxes

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

Foreign Currency Translation

Transactions in currencies 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 statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts 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 currency translation in profit or loss.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

New Standards and Interpretations

New standard IFRS 16 “Leases”

This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted in certain circumstances. As at January 31, 2019, the Company will recognize a right-of-use asset and lease liability of approximately $50,000 in the statement of financial position for its current office lease.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in a bank account held with a major bank in Canada. The risk is managed by using a major bank that are a high credit quality financial institution as determined by rating agencies. The Company has secondary exposure to credit risk on its receivables. This risk is minimal as receivables consist primarily of refundable goods and services taxes.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

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 from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. 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 approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

5. INVESTMENTS HELD FOR SALE

During the year ended January 31, 2018, as part of a joint venture agreement on the Stock Properties Inc. discussed in Note 8 below, the Company participated in a non-brokered private placement of Rotation Minerals Ltd. ("Rotation"), a company whose common shares are publicly traded and listed on the TSX-V in Canada under the ticker symbol "ROT" (Note 8). Pursuant to the terms of this non-brokered private placement, the Company received a total of 3,333,333 units of Rotation at a unit price of $0.15 per unit, equating to a total investment of $500,000. Each unit consisted of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at $0.25 for a period expiring two years following the closing date of the private placement. At January 31, 2018, the fair value of the shares was $1,200,000, and of the warrants was $674,287, for total fair value of $1,874,287. In May 2018, 521,000 shares were disposed of for net proceeds of $76,664 and included a realized loss on disposal of $1,486. At January 31, 2019, the fair value of the remaining shares (2,812,333) was $393,727 and of the warrants was $52,035 for a total fair value of $445,762, which resulted in an unrealized loss on revaluation of $1,350,375. The fair value of the warrants was estimated using the Black Scholes Option Pricing Model with the following assumptions: risk-free rate of 1.81%, weighted average expected life of 0.52 years, expected volatility of 100%, and dividend yield of nil.

6. RECEIVABLES

At January 31, 2019, the Company's receivables were comprised of $134,749 (January 31-2018 – $Nil) in BC Mining Exploration Tax Credit ("BC METC"), $83,347 in GST receivable (January 31, 2018 – $125,811) and $16,397 due from other parties (January 31, 2018 - $Nil).

7. EQUIPMENT

	Computer equipment	Furntiure and equipment	Total
Cost:			
Balance, January 31, 2017	$ -	$ -	$ -
Additions	7,541	5,124	12,665
Balance, January 31, 2018	7,541	5,124	12,665
Additions	2,908	9,527	12,435
Disposals	-	(5,140)	(5,140)
Balance, January 31, 2019	$ 10,449	$ 9,511	$ 19,960
Amortization:			
Balance, January 31, 2017	$ -	$ -	$ -
Charge for the year	1,408	769	2,177
Balance, January 31, 2018	1,408	769	2,177
Change for the year	4,702	4,395	9,097
Balance, January 31, 2019	$ 6,110	$ 5,164	$ 11,274
Net book value:			
Balance, January 31, 2018	$ 6,133	$ 4,355	$ 10,488
Balance, January 31, 2019	$ 4,339	$ 4,347	$ 8,686

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

At January 31, 2019 and January 31, 2018, the Company's interests in exploration and evaluation assets cumulative expenditures incurred are as follows:

	January 31, 2017	Addition	January 31, 2018	Addition (write down)	January 31, 2019
ST Silver-Gold Project, Yukon					
Acquisition costs	$ 28,500	$ -	$ 28,500	$ -	$ 28,500
Geological services	5,000	-	5,000	-	5,000
Administrative and maintenance	129	-	129	-	129
Write-down of properties	-	-	-	(33,629)	(33,629)
	33,629	-	**33,629**	**(33,629)**	**-**
Hazelton Project, British Columbia					
Acquisition costs	12,000	68,500	80,500	44,750	125,250
Administration and maintenance	-	93,867	93,867	74,909	168,776
Assaying and analysis	-	79,845	79,845	121,879	201,724
Camp costs, supplies and logistics	1,603	146,925	148,528	327,437	475,965
Drilling and drilling related costs	-	371,499	371,499	209,899	581,398
Environmental review	-	2,205	2,205	11,340	13,545
Geological services	33,436	237,983	271,419	637,386	908,805
Property examination	-	581,611	581,611	-	581,611
Project management	-	128,150	128,150	115,800	243,950
Stock-based compensation	-	141,756	141,756	-	141,756
Travel	-	77,780	77,780	545,006	622,786
	47,039	**1,930,121**	**1,977,160**	**2,088,406**	**4,065,566**
More Creek Project, British Columbia					
Acquisition costs	-	175,500	175,500	146,250	321,750
Administration	-	-	-	368	368
Geological services	-	10,675	10,675	33,350	44,025
Legal	-	10,960	10,960	-	10,960
Assay and analysis	-	341	341	20,000	20,341
Property examination	-	16,567	16,567	-	16,567
Write-down of properties	-	-	-	(414,011)	(414,011)
	-	**214,043**	**214,043**	**(214,043)**	**-**
Stock Property, British Columbia					
Geological services	-	21,000	21,000	-	21,000
Write-down of properties	-	-	-	(21,000)	(21,000)
	-	**21,000**	**21,000**	**(21,000)**	**-**
Cost Recovery - BC METC	**-**	-	**-**	(134,749)	(134,749)
Balance, ending	**$ 80,668**	**$ 2,165,164**	**$ 2,245,832**	**$ 1,684,985**	**$ 3,930,817**

8. EXPLORATION AND EVALUATION ASSETS - *continued*

ST Silver-Gold Prospect, Yukon

The Company owns a 100% interest in four claims located in the Yukon. To earn the 100% interest, the Company paid the vendor $1,000 and issued a total of 625,000 common shares of the Company with a fair value of $27,500. The vendor also retained a 2% net smelter royalty ("NSR") on future production. During the year ended January 31, 2019, the Company decided not to continue with the property and recorded an impairment of $33,629.

Hazelton Property, British Columbia

On October 7, 2016, the Company entered into an option agreement to purchase the Hazelton Property ("Hazelton"), located in the Price Creek valley of north-central British Columbia. Under the terms of the option purchase agreement, the Company paid $5,000 on signing and issued 125,000 common shares with a fair value of $7,000. In addition, the Company agreed to issue 125,000 common shares for each of the next subsequent four years on the anniversary of the TSX-V acceptance and make cash payments of:

- $10,000 on year one anniversary of TSX-V acceptance date (paid);
- $15,000 on year two of anniversary of TSX-V acceptance date (paid);
- $20,000 on year three of anniversary of TSX-V acceptance date; and
- $25,000 on year four of anniversary of TSX-V acceptance date.

In October 2018, the Company issued 125,000 common shares (2018: 125,000 common shares)with a fair value of $16,250 (2018: $27,500) in fulfillment of the terms of the option agreement at the anniversary (Note 10).

An advance NSR of $5,000 per year shall commence in year five. An NSR of 2% on production can be purchased for $1,000,000 for each percent. In the event of commercial production, a further 250,000 shares will be issued to the vendor.

The original project size of 2,396 hectares has been increased to 42,244 hectares through the Company's active staking and acquisition program within the area. In conjunction with this increase in land size, the Company agreed to issue a total of 375,000 common shares with a fair value of $21,000 in February 2017 (Note10).

On August 9, 2017, the Company entered into an option agreement to acquire additional claims on the Hazelton Property. The agreement was approved by the TSX-V on May 2, 2018. Under the term of the option agreement, the Company agreed to the following payments:

- $10,000 (paid) and issuing 100,000 common shares (issued with a fair value of $11,500) following TSX-V acceptance date (Note 10);
- $5,000 and 50,000 shares on year one anniversary of TSX-V acceptance date (paid and issued subsequently) (Note 15);
- $5,000 and 50,000 shares on year two of anniversary of TSX-V acceptance date; and
- $5,000 and 50,000 shares on year three of anniversary of TSX-V acceptance date.

An NSR of 2% on production can be purchased for $1,000,000 for each percent. In the event of commercial production, a further 125,000 shares and $50,000 will be paid to the vendor.

8. EXPLORATION AND EVALUATION ASSETS - *continued*

Hazelton Property, British Columbia (continued)

In August 2018, the Company completed the acquisition of a single exploration licence adjacent to the Hazelton Property. Terms of the acquisition included the payment of $2,000 (paid) and granting of a 2% Net Smelter Royalty, subject to a buyback right of $1,000,000 for 1%.

During the year ended January 31, 2019, the Company had a $35,000 bond for exploration and reclamation activities on Hazelton Property (2018: $35,000).

More Creek Project *(formerly the Foremore and Wishbone Properties)*

Wishbone Property

On March 14, 2017, the Company signed a definitive agreement to acquire up to 100% of the Wishbone Property. The Property is located in British Columbia. The vendor retains a 2% NSR, which can be purchased by the Company at a rate of $1,000,000.00 per each 1%.

Under the terms of the purchase agreement, the Company agreed to the following payments, share issuances, and other terms:

- $10,000 (paid) and 125,000 common shares on signing (issued with a fair value of $7,000) (Note 10);
- $15,000 (paid) and 125,000 common shares (issued with a fair value of $14,375) (Note 10) on the 1st anniversary;
- $25,000 and 125,000 common shares on 2nd anniversary (issued subsequently) (Note 15):
- $25,000 and 125,000 common shares on 3rd anniversary;
- $50,000 and 250,000 common shares on 4th anniversary;
- $50,000 and 250,000 common shares on 5th anniversary;
- $20,000 per year advanced royalty payments beginning on the 6th anniversary; and
- 250,000 common shares owed on commercial production.

Foremore Property

On August 16, 2017, the Company entered into an option agreement, where by the Company can earn a 100% interest in the Foremore Property (“Foremore”), which is located in British Columbia. The property adjoins the Wishbone property, and the combined properties are now known as the More Creek Project.

The terms of the agreement to acquire its 100% interest are as follows:

- $5,000 on signing (paid);
- $45,000 (paid) and 437,500 common shares (issued with a fair value of $108,500) (Note 10);
- $50,000 (paid) and 437,500 common shares (issued with a fair value of $56,875) (Note 10) on 1st anniversary;
- $75,000 and 500,000 common shares on 2nd anniversary (2019);
- $125,000 and 562,500 common shares on 3rd anniversary (2020);
- $200,000 and 625,000 common shares on 4th anniversary (2021);
- $200,000 and 625,000 common shares on 5th anniversary (2022); and
- $10,000 per year advanced royalty payments beginning on May 1, 2017 and ending in the year of commercial production. ($10,000 paid on April 30, 2018)

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS - *continued*

More Creek Project *(formerly the Foremore and Wishbone Properties)* (continued)

Additionally, on commencement of commercial production from Foremore, the Company has agreed to pay $2,500,000 in cash and issue 3,125,000 common shares.

During the year ended January 31, 2019, the Company decided not to continue with the property and recorded an impairment of $414,011.

Stock Properties, British Columbia

On August 29, 2017, the Company entered into a binding Letter of Intent to acquire a 75% interest in a joint-venture on the Stock Properties in British Columbia. Terms of the agreement include the Company spending a total of $375,000 over 4 years on the properties, and subscribing for 1,333,334 units of the optionor and joint-venture partner, Rotation at a price of $0.15 per unit (Note 5).

During the year ended January 31, 2019, the Company decided not to continue with the property and recorded an impairment of $21,000.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		January 31, 2019		January 31, 2018
Accrued liabilities	$	117,688	$	153,235
Accounts payable		462,735		133,976
	$	580,423	$	287,211

10. SHARE CAPITAL

a) Authorized:

An unlimited number of common shares without par value.

On August 30, 2017, the Company completed a common share split on the basis of 1.25 new common shares for every existing common share. All the share capital disclosure on these financial statements are on a post share split basis. The Company's outstanding options and warrants were adjusted on the same basis as the common shares, with proportionate adjustments being made to the exercise prices. All share, option and warrant information have been retrospectively adjusted to reflect the share split.

b) Issued:

At January 31, 2019, there were 92,070,684 common shares issued and outstanding (January 31, 2018 - 75,992,334).

c) Private Placements and Share Issuances

Share capital transactions were as follows:

Year ended January 31, 2019

During the year ended January 31, 2019, the Company issued a total of 787,500 common shares with a fair value of $99,000 for the acquisition of exploration and evaluation assets (Note 8).

10. SHARE CAPITAL - *continued*

During the year ended January 31, 2019, the Company issued a total of 1,346,000 common shares on the exercise of 1,346,000 share purchase warrants. The Company received cash consideration of $124,396, and settlement of $16,320 of outstanding payable. In connection with these exercises of warrants, the Company reclassified $6,245 from share-base payment reserve to common shares, being the fair value related to certain warrants exercised.

During the year ended January 31, 2019, the Company issued a total of 1,756,250 common shares on exercise of the same number of stock options. The Company received cash consideration of $98,350. In connection with this exercise of options, the Company reclassified $77,184 from share-based payment reserve to common shares, being the fair value related to those exercised options.

On July 20, 2018, the Company completed a private placement of 4,059,500 units at $0.12 per unit for total gross proceeds of $487,140. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of $0.20 per share. The Company paid finder's fees of $19,174 in cash and issued 95,200 broker warrants, which entitle the holders to purchase 95,200 common shares of the Company at $0.20 with an expiry date of two years. The fair value of the broker warrants was $6,119 and determined using the Black-Scholes pricing model with a risk-free rate of 1.77%, volatility of 133% and an expected life of 2 years.

On October 3, 2018, the Company completed the first tranche of a private placement first announced on September 21, 2018 consisting of 4,376,000 units at $0.12 per unit for total gross proceeds of $525,120. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of $0.20 per share. On November 16, 2018 the final tranche of the private placement closed consisting of an additional 3,753,100 units at $0.12 per unit for gross proceeds of $450,372.

The Company received a total proceed of $12,500 for a private placement completed subsequent to the year end (Note 15).

Year ended January 31, 2018

On April 21, 2017, the Company completed a private placement of 10,578,930 units at $0.056 per unit for total gross proceeds of $592,420. Each unit consisted of one common share of the Company and one share purchase warrant at $0.096 per share exercisable for period of two years from the date of closing. In connection with this private placement, the Company paid finder's fees and regulatory expenses of $31,487 in cash, issued 195,416 broker warrants and 318,632 option certificates. The option certificates entitled the holder to acquire an additional 318,632 units under the same terms of the original private placement at $0.056 per unit. The broker warrants were issued under the same terms as the warrants issued in the private placement. The fair value of the option certificates and broker warrants totaled $25,395 and was recorded in the to share based payment reserve. The fair value of the option certificates and broker warrants was determined using the Black-Scholes pricing model with a risk-free rate of 0.72%, volatility factor of 155% and an expected life of two years.

On July 18, 2017, the Company completed a private placement of 10,112,000 units at $0.20 per unit for total gross proceeds of $2,022,400. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of $0.28 per share. The Company paid finder's fees and regulatory expenses of $45,098 in cash and issued 320,000 broker warrants, which entitle the holders to purchase 320,000 common shares of the Company at $0.28 with expiry dates between one and two years. The fair value of the broker warrants totaled $76,218 and was allocated to contributed surplus. The fair value of the broker warrants was determined using the Black-Scholes pricing model with risk-free rates ranging between 0.94% and 1.27%, volatility factors between 147% and 160% and an expected life of between one and two years.

(Expressed in Canadian dollars)

10. SHARE CAPITAL- *continued*

On August 11, 2017, the Company completed a private placement of 2,366,665 units at $0.24 per unit for total gross proceeds of $568,000. Each unit consisted of one common share and one-half common share purchase warrant, with a full warrant entitling the holder to acquire one additional common share for a 2-year period from the date of closing at an exercise price of $0.304 per share. The Company paid finder's fees and regulatory expenses of $57,427 in cash and issued 75,208 broker warrants, which entitle the holders to purchase 75,208 common shares of the Company at $0.304 with expiry dates of two years from the date of closing. The fair value of the broker warrants totaled $11,993 and was recorded in the share based payment reserve to share. The fair value of the broker warrants was determined using the Black-Scholes pricing model with a risk-free rate of 1.21%, volatility of 146% and an expected life of 2 years.

On December 4, 2017, the Company completed a private placement of 4,599,999 flow-through shares at $0.32 per flow-through share for total gross proceeds of $1,472,000. The Company paid finder's fees and regulatory expenses of $31,289 in cash. The Company recorded a flow-through premium liability $276,000 for the difference between the fair value of its common shares and the issuance price of its flow-through common shares.

During the year ended January 31, 2018, the Company issued a total of 1,062,500 common shares with a fair value of $164,000 for the acquisition of exploration and evaluation assets (Note 8).

During the year ended January 31, 2018, the Company issued a total of 9,375,746 common shares on the exercise of 9,375,746 share purchase warrants. The Company received total gross proceeds of $789,699. In connection with this exercise of warrants, the Company reclassified $6,728 from contributed surplus to common shares, being the fair value related to certain warrants exercised.

During the year ended January 31, 2018, the Company issued a total of 1,718,750 common shares on exercise of the same number of options. The Company received cash consideration of $80,700, $750 in receivable (received in 2019), and settlement of $26,600 outstanding payables, for a total value of $108,050. In connection with this exercise of options, the Company reclassified $124,859 from share-base payment reserve to common shares, being the fair value related to those exercised options.

Warrants

The following is a summary of option and warrant transactions during the year ended January 31, 2019 and the year ended January 31, 2018:

	Number of Warrants		Weighted Average Exercised Price
Outstanding, January 31, 2017	6,500,000	$	0.080
Issued	17,727,518	$	0.167
Exercised	(9,375,746)	$	0.084
Outstanding, January 31, 2018	14,851,772	$	0.181
Issued	6,189,500	$	0.200
Expired	(10,000)	$	0.280
Exercised	(1,346,000)	$	0.105
Outstanding, January 31, 2019	19,685,272	$	0.191
Number currently exercisable	19,685,272	$	0.191

The following summarizes information about the warrants outstanding at January 31, 2019:

(Expressed in Canadian dollars)

10. SHARE CAPITAL *- continued*

Expiry date	Exercise price	Warrants outstanding	Weighted average remaining contractual life in years
April 7, 2019	0.096	6,933,732	0.18
June 19, 2019	0.280	618,750	0.38
June 27, 2019	0.280	3,112,000	0.40
July 24, 2019	0.280	1,373,000	0.48
July 26, 2019	0.280	199,750	0.48
August 14, 2019	0.304	1,258,540	0.53
June 11, 2020	0.200	2,124,950	1.36
October 3, 2020	0.200	2,188,000	1.67
November 16, 2020	0.200	1,876,550	1.79
Totals	0.191	19,685,272	0.72

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

During the year ended January 31, 2019, the Company did not grant any stock options. The Company recorded share based payments of $26,678 related to options granted in previous years that vested during the current year.

During the year ended January 31, 2018, the Company granted 5,317,009 stock options directors, officers and consultants of the Company at a weighted average exercise price of $0.20 per common share for a period of two years. The fair values of the options granted were determined to be $832,859 using the Black Scholes Option Pricing Model with the following assumptions: Risk-free rate of 0.65%-1.59%; Expected life of 2 years; Expected volatility of 142%-158% and dividend yield of nil. During the year ended January 31, 2018, the Company recognized share-based payment of $691,103 in statement of comprehensive loss and $141,756 was capitalized to exploration and evaluation assets.

The following is a summary of stock option transactions during the year ended January 31, 2019 and the year ended January 31, 2018:

	Stock Options	
	Number	**Weighted Average Exercised Price**
Outstanding, January 31, 2017	2,612,500	0.056
Issued	5,317,009	0.200
Exercised	(1,718,750)	0.063
Outstanding, January 31, 2018	6,210,759	0.178
Expired	(3,679,509)	0.230
Exercised	(1,756,250)	0.056
Outstanding, January 31, 2019	775,000	0.190
Number currently exercisable	775,000	0.190

(Expressed in Canadian dollars)

10. SHARE CAPITAL *- continued*

The following summarizes information about stock options outstanding at January 31, 2019:

Expiry date	Exercise price	Options outstanding	Options exercisable	Weighted average remaining contractual years
February 14, 2019	0.056	375,000	375,000	0.04
September 16, 2019	0.315	400,000	400,000	0.62
Totals		775,000	775,000	0.34

Share-based payment reserve

Share-based payment reserve represents the fair value of stock options or warrants until such time that the share-based payments are exercised, at which time the corresponding amount will be transferred to share capital.

Flow-Through Premium Liability

The following is a continuity of the liability portion of the flow-through share issuances:

Balance as at January 31, 2017	$	15,500
Flow-through premium liability		276,000
Recovery		(28,757)
Outstanding, January 31, 2018		262,743
Recovery		(262,743)
Outstanding, January 31, 2019	$	-

11. RELATED PARTY TRANSACTIONS

The key management personnel of the Company are the Directors, Chief Executive Officer, Chief Financial Officer, Vice President, Exploration and Project Manager.

During the year ended January 31, 2019, the Company entered into the following transactions with related parties not disclosed elsewhere in the financial statements:

a) Incurred $89,000 (2018: $174,000) in management fees to the former president and director of the Company; and
b) Incurred $39,130 (2018: $28,875) in shared office rent to a company with an officer in common with the Company;
c) Incurred $72,000 (2018: $79,000) in director fees;
d) Incurred $115,800 (2018: $128,150) in project management fees included in exploration and evaluation expenditures;
e) Incurred $95,228 (2018: $15,000) in consulting fees towards exploration and evaluation assets to the VP Exploration;
f) Incurred $22,000 (2018: $nil) to the CFO of the Company for accounting service;
g) Incurred $nil (2018: $53,750) in consulting fees to a former director;
h) Incurred $nil (2018: $153,045) in corporate development fees to a former director; and
i) Incurred $nil (2018: $400,041) in share based payment expenses to the CEO, President, Project Manager, director, former directors and VP of Exploration of the Company.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

The Company’s key management personnel compensation is as follows:

	Year ending January 31, 2019	2018
Management fees	$ 89,000	$ 174,000
Director fees	72,000	79,000
Consulting fees	22,000	-
Administration, consulting and maintenance capitalized to exploration and evaluation Assets	211,028	15,000
Share-based payments in exploration and valuation Assets	-	141,756
Share-based payments	-	14,281
	$ 394,028	$ 424,037

As at January 31, 2019 included in accounts payable and accrued liabilities is $215,517 (January 31, 2018 – $164,888) due to related parties. Included in accounts receivable is $8,544 in advances (January 31, 2018 – nil) from a related company.

12. INCOME TAXES

	2019	2018
Loss before income taxes	$ (2,742,326)	$ (1,112,077)
Tax rate	27%	26%
Expected income tax recovery	(740,428)	(289,140)
Non-deductible expenditures and other	586,842	(41,877)
Change in tax rate	(77,414)	-
Change in unrecognized deductible temporary differences	231,000	331,017
Net income tax recovery	$ -	$ -

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

The significant components of the Company's deferred tax assets that have not been recognized as follows:

	2019	2018
Deferred tax asset:		
Exploration and evaluation assets	$ 91,000	$ 430,000
Non-capital loss carryforwards	2,061,000	1,663,000
Investment tax credit	26,000	25,000
Allowable capital losses	33,000	32,000
Investments held for sale	(3,000)	(179,000)
Undeducted share issue costs	35,000	41,000
Total	$ 2,243,000	$ 2,012,000

(Expressed in Canadian dollars)

12. INCOME TAXES

Significant components of the Company's temporary differences and unused tax losses are as follows:

		2019	Expiry Date		2018
Investment tax credit	$	95,000	2029-2032	$	95,000
Allowable capital losses	$	333,000	No expiry date	$	122,000
Losses available for future periods	$	7,665,000	2027 to 2039	$	6,398,000
Exploration and evaluation assets	$	4,267,000	No expiry date	$	3,902,000
Share issue costs	$	129,000	2018 to 2021	$	157,000

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended January 31, 2019 include:

a) Issuing 787,500 common shares at a fair value of $99,000 as part of the acquisition for properties;

b) Including $295,238 of accounts payable in exploration and evaluation assets; and

c) Issuing 170,000 common shares pursuant to exercise of warrants to settle account payable of $16,320.

Significant non-cash transactions during the year ended January 31, 2018 include:

d) Issuing 1,062,500 common shares at a fair value of $164,000 as part of the acquisition for the Exploration and evaluation assets; and

e) Capitalizing $141,756 in share-based compensation to exploration and evaluation assets.

14. COMMITMENT

Effective December 1, 2018, the Company entered into an office sublet agreement to sublet premises located in Vancouver, British Columbia. The future rent payment schedule is as follows:

2020	$ 54,000
2021	4,500
	$ 58,500

15. SUBSEQUENT EVENTS

On February 27, 2019 the Company closed a private placement first announced February 1, 2019. The Company raised gross proceeds of $420,300 through the issuance of 8,406,000 units at $0.05 per unit. $12,500 was received during the year (Note 10). Each units is comprised of one common share and one half share purchase warrant, with each whole warrant entitling the holder to purchase one common share at $0.075 per share for two years. Finders fees of $8,000 were paid in connection with the private placement.

On April 30, 2019, the Company closed a private placement first announced on April 17, 2019. The Company raised gross proceeds of $350,000 through the issuance of 5,000,000 flow-through units at $0.07 per unit. Each unit is comprised of one common flow-through share and one half common share purchase warrant, with each whole warrant entitling the holder to purchase one common share at $0.075 per share for two years.

The Company granted stock options to certain of its directors, officers, employees and consultants to purchase up to 5,500,000 common shares of the Company at an exercise price of $0.10 per share for a period of five years.

375,000 options and 6,933,732 warrants expired unexercised.

$5,000 was paid and 50,000 shares were issued on year one anniversary of TSX-V acceptance date of the option agreement to additional claims on the Hazelton Property.

$25,000 was paid and 125,000 common shares were issued on the 2nd anniversary relating to the definitive agreement to acquire up to 100% of the Wishbone Property.