PRIME MINING CORP.

Consolidated Financial Statements

Year Ended April 30, 2020

Expressed in Canadian Dollars

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Prime Mining Corp.

Opinion

We have audited the accompanying consolidated financial statements of Prime Mining Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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 David Harris.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

August 14, 2020

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Prime Mining Corp.
Consolidated Statements of Financial Position

	Notes	April 30, 2020	April 30, 2019
		$	$
ASSETS			
Current assets			
Cash		1,020,820	6,244
Receivables	5	150,993	18,967
Prepaid expenses		200,992	17,267
Total current assets		1,372,805	42,478
Non-current assets			
Deposits		21,695	33,640
Prepaid exploration and evaluation advance		1,693	1,693
Exploration and evaluation assets	6	8,700,039	5,693,906
Property and equipment	7	263,978	64,458
Total non-current assets		8,987,405	5,793,697
Total assets		10,360,210	5,836,175
LIABILITIES			
Current liabilities			
Payables and accruals		576,046	488,864
Advances from related party	9	-	40,000
Loans payable	10	1,149,416	201,345
Current lease liability	11	74,216	4,443
Total current liabilities		1,799,678	734,652
Non-current liabilities			
Non-current lease liability	11	64,304	10,346
Total liabilities		1,863,982	744,998
SHAREHOLDERS' EQUITY			
Share capital	12	49,827,410	37,930,033
Reserves	12	6,768,644	4,383,164
Deficit		(48,099,826)	(37,222,020)
Total shareholders' equity		8,496,228	5,091,177
Total liabilities and shareholders' equity		10,360,210	5,836,175

Nature and continuance of operations (note 1)
Subsequent events (note 21)

These consolidated financial statements are approved by the Board of Directors on August 14, 2020:

"*Paul Sweeney*" Director — "*Daniel Kunz*" Director
Paul Sweeney — Daniel Kunz

Prime Mining Corp.
Consolidated Statements of Comprehensive Loss

For the year ended April 30,	Notes	2020	2019
		$	$
General and administrative expenses			
Consulting services		273,576	-
Depreciation	7	89,681	19,357
Financing		629,042	1,252
Foreign exchange		(26,208)	14,502
Investor relations		986,083	64,365
Office		178,270	181,052
Personnel	16	802,391	367,847
Professional fees		194,564	55,631
Property investigation and due diligence		43,407	220,191
Regulatory and shareholder services		89,393	57,544
Share-based compensation	13	1,778,600	175,950
Travel		101,274	5,652
		(5,140,073)	(1,163,343)
Interest income		39	39
Recovery of rent and administrative expenses		90,098	97,123
Geological services		16,043	19,486
Impairment of exploration and evaluation assets	6	(5,843,913)	(294,251)
Loss and total comprehensive loss for the year		(10,877,806)	(1,340,946)
Loss per share - basic and diluted	15	(0.24)	(0.08)
Weighted average common shares outstanding - basic and diluted	15	45,665,856	17,186,972

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

Prime Mining Corp.
Consolidated Statements of Changes in Shareholders' Equity

	Common Shares	Share Capital $	Reserves $	Deficit $	Shareholders' Equity $
Balance - April 30, 2018	16,964,238	37,442,533	4,209,714	(35,881,074)	5,771,173
Stock options exercised	20,000	6,500	(2,500)	-	4,000
Warrants exercised	127,500	38,250	-	-	38,250
Shares issued for property acquisition	1,262,500	442,750	-	-	442,750
Share-based compensation	-	-	175,950		175,950
Loss for the year	-	-	-	(1,340,946)	(1,340,946)
Balance - April 30, 2019	18,374,238	37,930,033	4,383,164	(37,222,020)	5,091,177
Private placement, net of share issue costs	29,051,327	8,143,015	155,300	-	8,298,315
Stock options exercised	40,000	21,072	(5,072)	-	16,000
Warrants exercised	464,233	230,765	(1,148)	-	229,617
Shares issued for property acquisition	10,336,250	3,102,525	457,800	-	3,560,325
Shares issued to bridge loan lenders	1,333,334	400,000	-	-	400,000
Share-based compensation	-	-	1,778,600	-	1,778,600
Loss for the year	-	-	-	(10,877,806)	(10,877,806)
Balance - April 30, 2020	**59,599,382**	**49,827,410**	**6,768,644**	**(48,099,826)**	**8,496,228**

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

Prime Mining Corp.
Consolidated Statements of Cash Flows

For the year ended April 30,	2020	2019
	$	$
Cash provided by (used in):		
Operating Activities:		
Loss for the year	(10,877,806)	(1,340,946)
Adjustments for:		
Depreciation	89,681	19,357
Interest income	(39)	(39)
Share-based compensation	1,778,600	175,950
Financing expense	589,042	1,252
Impairment of exploration and evaluation assets	5,843,913	294,251
Shares issued - property investigation	-	5,250
Foreign exchange	(3,097)	-
Changes in non-cash working capital items		
Receivables	(132,026)	28,243
Prepaid expenses	(183,725)	2,954
Payables and accruals	17,182	(16,696)
Cash used in operating activities	(2,878,275)	(830,424)
Financing Activities:		
Shares issued for cash	8,931,015	42,250
Share issue costs	(417,083)	-
Advance from related parties	115,000	40,000
Repayment of advance from related parties	(155,000)	-
Lease liability	(82,563)	(3,190)
Loan advances	2,040,000	-
Repayment of loans	(1,263,848)	-
Financing expense	-	(1,252)
Cash provided by financing activities	9,167,521	77,808
Investing Activities:		
Deposits	11,945	-
Exploration and evaluation assets	(5,189,721)	(390,912)
Purchase of equipment	(96,933)	(32,635)
Cash acquired	-	5,097
Interest received	39	39
Cash used in investing activities	(5,274,670)	(418,411)
Net increase (decrease) in cash	1,014,576	(1,171,027)
Cash, beginning of year	6,244	1,177,271
Cash, end of year	1,020,820	6,244

Supplemental disclosure with respect to cash flows (note 17)

1. Nature and continuance of operations

Prime Mining Corp. (formerly ePower Metals Inc.) (the "Company") acquires, explores and develops interests in mineral projects. The Company's shares are traded on the TSX Venture Exchange ("TSXV" or the "Exchange"). The Company is engaged in mineral exploration with a focus on properties bearing high-value and specialty metals. Effective August 27, 2019, the Company consolidated its share capital on a one-for-two basis. All share and per share amounts have been restated accordingly.

The Company is incorporated under the laws of British Columbia. The head office and principal address of the Company is Suite 1507 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

The subsidiaries of the Company during the period were:

Name of Company	Jurisdiction	Operating status
Exploracion Auramex SA de CV ("Auramex")	Mexico	Magenta project
Minera Amari SA de CV ("Minera Amari")	Mexico	Los Reyes project
ePower Metals SA de CV	Mexico	Holding mineral claims
Argus Metals (BGI) Inc.	Barbados	Inactive
ePower Metalen	Suriname	Inactive
EVX Portugal Unipessoal, LDA	Portugal	Sold in fiscal 2019

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

The Company has not generated revenue from operations. The Company recorded a loss of $10,877,806 during the year ended April 30, 2020 and, as of that date the Company's deficit was $48,099,826. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of $1,020,820 at April 30, 2020 that, in conjunction with the proceeds of a subsequent private placement (see note 21) will be sufficient to maintain operations for at least the next 12 months.

2. Basis of preparation

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), by the International Accounting Standards Board (the "IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applies to these consolidated financial statements are based on the IFRSs in effect as of April 30, 2020.

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments carried at fair value. The measurement bases are fully described in the accounting policies below. The consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of preparation (continued)

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

These consolidated financial statements are authorized for issue by the Board of Directors on August 14, 2020.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Auramex, Minera Amari, ePower Metals SA de CV, Argus Metals (BGI) Inc., ePower Metalen, and EVX Portugal Uniperssoal, LDA until sold. All significant intercompany transactions and balances have been eliminated upon consolidation.

Foreign currency transactions

Foreign currency amounts are translated into each entity's functional currency as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the entity's functional currency by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the year-end date and the related translation differences are recognized in profit and loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into the functional currency by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in profit or loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

The functional currency of the Company and its subsidiaries is the Canadian dollar and these financial statements are presented in Canadian dollars.

3. Summary of Significant Accounting Policies

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

3. Summary of Significant Accounting Policies (continued)

a) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts. For the periods presented, the Company was only holding cash.

b) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

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

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell or value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

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

c) Reclamation Deposits

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are recorded at amortized cost.

3. Summary of Significant Accounting Policies (continued)

d) Equipment

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent Costs

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

Major Maintenance and Repairs

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. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Gains and Losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit and loss.

Depreciation

Depreciation is recognized in profit or loss and is provided on a declining-balance basis and on a straight-line basis over the estimated useful life of the assets as follows:

Office computer, equipment and furnishings	30% - 100% declining balance
Software	30% declining balance
Mining equipment	20% declining balance
Vehicle	20% declining balance
Right of use asset	straight line 33 months

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3. Summary of Significant Accounting Policies (continued)

e) Impairment of Non-Financial Assets

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

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

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

f) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through 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.

Financial assets/liabilities	**Classification in IFRS 9**
Cash	FVTPL
Receivables	Amortized cost
Payables and accrued liabilities	Amortized cost
Advances from related party	Amortized cost
Loans payable	Amortized cost
Lease liability	Amortized cost

Measurement

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.

3. Summary of Significant Accounting Policies (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or 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 consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An “expected credit loss” impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follow: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit and loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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. Gains or losses on the derecognition are generally recognized in the consolidated statements of comprehensive loss.

g) Provisions

Rehabilitation Provision

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

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

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

3. Summary of Significant Accounting Policies (continued)

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

h) Income Taxes

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

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

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

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

i) Share Capital

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

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

j) Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are valued based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

3. Summary of Significant Accounting Policies (continued)

k) Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There are no potentially dilutive instruments outstanding for the periods presented.

l) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive 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 immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

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

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. Options or warrants granted 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.

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.

m) New accounting standards issued and effective

Certain pronouncements, issued by the IASB or the IFRS Interpretations Committee, were adopted during the period, or were mandatory for the Company’s fiscal periods beginning on or after May 1, 2019.

3. Summary of Significant Accounting Policies (continued)

Impact of application of IFRS 16

Effective May 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and the cumulative effect of initially applying IFRS 16 has been recorded on May 1, 2019 for any differences identified.

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IFRS 17 and requiring the recognition of a right-of-use asset ("ROU asset") and a lease liability at the lease commencement for all leases, except for short-term leases (lease terms of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments; (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the consolidated statement of comprehensive loss; and (iii) separates the total amount of cash paid into a principal portion (presented in financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows. For short- term leases and leases of low value assets, the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within office and miscellaneous in the consolidated statement of comprehensive loss.

The Company has made use of the following practical expedients available on transition to IFRS 16:

- measure the ROU assets equal to the lease liability calculated for each lease;
- apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively; and
- accounting for non-lease components and lease components as a single lease component.

In transitioning to IFRS 16, the Company analyzed its contracts to identify whether they are or contain a lease arrangement. This analysis identified a contract containing a lease that had an equivalent increase to both the Company's ROU assets and lease liabilities, which resulted in a $192,268 adjustment. The incremental borrowing rate for lease liabilities initially recognized on adoption of IFRS 16 was 8%.

The cumulative effect of the changes made to the consolidated statement of financial position as at May 1, 2019 for the adoption of IFRS 16 is as follows:

	Previously reported	Effect of change in accounting policy	As reported under new accounting policy
	$	$	$
Property and equipment	64,458	192,268	256,726
Lease liability (current)	(4,443)	(65,091)	(69,534)
Lease liability (non-current)	(10,346)	(127,177)	(137,523)
	49,669	-	49,669

3. Summary of Significant Accounting Policies (continued)

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statement of comprehensive loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in property and equipment, and the lease liability is presented as a separate line in the consolidated statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statement of comprehensive loss.

n) New accounting standards issued and not yet effective

IASB or the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting years beginning on or after May 1, 2020. None of these are expected to be relevant to the Company's financial statements.

4. Critical Accounting Estimates and Judgements

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

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

Information about such judgements and estimates is contained in the description of accounting policies (note 3) and other notes to the financial statements. Management has made the following critical accounting judgements and estimates:

4. Critical Accounting Estimates and Judgements (continued)

Critical judgments in applying accounting policies

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Key sources of estimation uncertainty

Rehabilitation provisions

Rehabilitation provisions have been created based on the Company's internal estimates with future period amounts discounted to reflect the time value of money. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred.

Income tax

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company may recognize deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 13.

5. Receivables

The Company's receivables consist of the following:

At April 30,	2020	2019
	$	$
Receivables	85,378	20,270
Allowance for doubtful account	(3,440)	(3,440)
GST/HST - value added tax	69,055	2,137
Total	150,993	18,967

6. Exploration and evaluation assets

	April 30, 2018	Expenditures	Impairment	April 30, 2019	Expenditures	Impairment	April 30, 2020
	$	$	$	$	$	$	$
Los Reyes	-	-	-	-	8,700,039	-	8,700,039
Magenta Project	-	1,068,526	-	1,068,526	85,091	(1,153,617)	-
Panther Creek	4,470,617	154,763	-	4,625,380	64,916	(4,690,296)	-
Brokopondo	-	221,481	(221,481)	-	-	-	-
Ike Block	72,770	-	(72,770)	-	-	-	-
	4,543,387	1,444,770	(294,251)	5,693,906	8,850,046	(5,843,913)	8,700,039

Los Reyes Project, Sinaloa Mexico

In August 2019, the Company closed an agreement with Minera Alamos Inc. ("MAI"), Vista Gold Corp. ("Vista Gold"), and the Mexican subsidiaries of each of MAI and the Company, to assign the rights to earn a 100% interest in the Los Reyes Gold Project ("Los Reyes") in Sinaloa State, Mexico to the Company. MAI had the right to acquire a 100% interest in Los Reyes, pursuant to an option agreement entered into with Vista Gold Corp. The Company is at arms' length from each of MAI and Vista Gold.

To acquire MAI's interest in Los Reyes, the Company:

- Paid US$1,500,000 to MAI to reimburse MAI for the cost of an option payment made to Vista Gold on April 23, 2019 (the "April Payment").
- Assumed MAI's remaining option payments of US$3,000,000 in favour of Vista Gold, as follows:
  - US$1,500,000 due October 27, 2019 (paid October 27, 2019); and
  - US$1,500,000 on the earlier of October 27, 2021 (collectively the "October Payments") or a production decision.
- Issued to MAI 9,450,000 common shares and 3,350,000 common share purchase warrants entitling MAI to acquire further common shares at a price $0.50 per share for a period of 24 months.
- Entered into a governance agreement that provides for, among other things, MAI receiving the right to appoint one director to the board of the Company for so long as MAI holds at least 5% of the Company's outstanding common shares and MAI receiving the right to participate in future financings.

6. Exploration and evaluation assets (continued)

The Company funded the April Payment through a bridge loan of $2,000,000 which was previously arranged through a group of lenders consisting of Andrew Bowering, George Dengin and Perfect Storm Holdings Ltd. (the "Lenders"). The bridge loan is unsecured, bears interest at a rate of 12% per year compounded monthly, and has a term of 12 months. In consideration for providing the bridge loan, the Company paid a commitment fee of $40,000 and issued 1,333,334 common shares to the Lenders (the "Bonus Shares"). In September 2019, the Company repaid George Dengin and Perfect Storm Holdings Ltd. $1,000,000 of the bridge loan, $20,000 commitment fee, interest and issued all the bonus shares.

In consideration for introducing the transaction to the Company, and for assisting in its facilitation, the Company agreed to issue up to 1,216,250 common shares to two arms'-length parties, Jeremy Ross and Sandwedge Consulting Ltd. A total of 556,250 Finders' Shares were issued on completion of the Transaction, with a further 330,000 Finders' Shares to be issued upon completion of each of the October Payments.

In February 2020, the Company entered into a surface-rights agreement with local land owners subject to which it paid MXN 700,000 ($51,000) for past and future land access through to January 2023. The Company has the right to extend the exploration period for up to two additional years by making an annual payment of US$20,000 in 2024 and US$30,000 in 2025. The Company may initiate construction of a mine at any time. If construction begins prior to February 2025, the annual payment will increase to US$30,000. Once commercial production starts, the annual payment will increase to US$200,000. The payments are subject to customary indexing for inflation.

	Los Reyes
	$
Balance April 30, 2019	-
Acquisition	
Cash	3,971,450
Shares and warrants	3,560,325
Equipment rental	170,343
Field supplies	128,973
General administration	13,611
Geochemistry	121,752
Labour	245,240
Land maintenance	224,189
Legal	14,526
Project geologist	118,235
Resource estimation	66,233
Shipping	4,921
Travel and accomodation	60,241
Balance April 30, 2020	8,700,039

Subsequent to year end, in June 2020, the Company entered into an amendment to the option agreement for the Los Reyes gold and silver project with Vista Gold. The amendment provides for the cancellation of all ongoing net smelter royalties ("NSR") and back-in rights held by Vista Gold, in consideration for accelerating the final US$1,500,000 option payment owing to Vista (paid) and paying (1) US$1,100,000 no later than six months from the acquisition date; and (2) US$1,000,000 no later than 12 months from the acquisition date.

6. Exploration and evaluation assets (continued)

If the Company fails to make the US$1,100,000 and US$1,000,000 payments, Vista Gold will have the right to reinstate its NSRs and back-in rights.

Magenta Project, Sinaloa Mexico

In March 2019, the Company acquired the Magenta gold project in Sinaloa, Mexico through the purchase of Auramex (note 8). The Magenta gold project comprises four claims held by Auramex that are not subject to any royalties.

At April 30, 2020, the Company completed a review of the Magenta property and concluded that further exploration was not warranted in the near term. Given this uncertainty regarding the future prospects of the property, the Company fully impaired the carrying value of the Magenta property.

	Magenta
	$
Balance April 30, 2018	-
Acquired (note 8)	1,054,096
Expenditures	14,430
Balance April 30, 2019	1,068,526
Mineral rights	85,091
Impairment	(1,153,617)
Balance April 30, 2020	-

Panther Creek – Idaho

In October 2017, the Company entered into a mineral property option agreement with Utah Mineral Resources, LLC (“UMR”) to earn up to a 100% interest in the Panther Creek cobalt project located in the Idaho cobalt belt. To earn an initial 50% interest in the property, the Company paid US$25,000 ($32,025) upon signing and, in December 2017, paid an additional US$150,000 ($193,875) in cash and issued 2,750,000 common shares with fair value of $4,125,000.

With effect from October 22, 2018, the Company and UMR amended the terms of the option agreement to defer project milestones. As amended, to earn 100% interest in the property the Company must make additional payments and expenditures:

a) paying an additional US$150,000, in cash or shares at the Company’s option, and incurring at expenditures of least US$75,000 on the property by October 23, 2019 (incurred);
b) paying an additional US$150,000, in cash or shares at the Company’s option, and incurring additional expenditures of at least US$100,000 on the property by October 23, 2020; and
c) incurring further additional expenditures of at least US$200,000 on the property by October 23, 2021.

In addition, should the Company determine that proven and probable mineral resources, (as determined in compliance with NI 43-101), of at least 4,000,000 tonnes grading a minimum 0.25% cobalt, are contained within any portion of the property, on or before five years following the date of the agreement, the Company will issue to UMR an additional 2,000,000 shares.

6. Exploration and evaluation assets (continued)

The Company has earned a 50% interest in the property and had planned to enter into a joint venture agreement in accordance with the terms of the option agreement with UMR. At April 30, 2020, the Company completed a review of the Panther Creek project. The enduring low price of cobalt called into question the Company's ability to derive an economic return on its investment. Given this uncertainty, the Company fully impaired the carrying value of the Panther Creek project.

Upon exercise of the option, UMR will retain and will be entitled to receive, a 2% NSR royalty on all product derived from the property.

	Panther Creek
	$
Balance April 30, 2018	4,470,617
Contractors	40,340
Environmental	4,358
Field supplies	8,143
Geochemistry	23,915
Geologic mapping	25,773
Helicopter	4,109
Land maintenance	43,211
Project moboliztion	895
Travel and accomodation	4,019
Balance April 30, 2019	4,625,380
Land maintenance	59,395
Legal	5,521
Impairment	(4,690,296)
Balance April 30, 2020	-

Brokopondo, Suriname

In August 2018, the Company acquired a 100% interest in the Brokopondo Cobalt Project in Suriname, South America. In January 2019, the Company concluded that changes in local political and social conditions meant that it would not be not feasible to advance the project. Accordingly the Company terminated exploration and wrote off accumulated expenditures.

6. Exploration and evaluation assets (continued)

	Brokopondo
	$
Balance April 30, 2018	-
Contractors	106,935
Drilling and metalllurgical testing	15,736
Field supplies	32,633
General administration	2,232
Geochemistry	3,558
Geologic mapping	891
Imagery	2,988
Travel and accomodation	56,508
Impairment	(221,481)
Balance April 30, 2019	-

Ike Block

The Company staked certain claims in the Selwyn Basin in the Yukon Territory of Canada. At October 31, 2018, the Company completed a review of the Ike Block. After considering its exploration properties and business focus, the Company fully impaired the project's carrying value.

	Ike Block
	$
Balance April 30, 2018	72,770
Impairment	(72,770)
Balance April 30, 2019 and 2020	-

The Company's exploration rights lapsed in November 2019.

Connel Creek

In September 2018, the Company acquired the Connel Creek cobalt property in British Columbia for consideration of $5,000 and 12,500 common shares with a value of $5,250. The Company expensed the amounts incurred to property investigation.

7. Property and equipment

	Office computer, equipment and furnishings	Software	Mining equipment	Vehicle	Right of use asset	Total
	$	$	$	$	$	$
Cost						
At April 30, 2018	53,511	-	-	-	-	53,511
Additions	-	-	32,635	-	-	32,635
At April 30, 2019	53,511	-	32,635	-	-	86,146
Additions	9,454	53,594	-	33,885	192,268	289,201
At April 30, 2020	62,965	53,594	32,635	33,885	192,268	375,347
Accumulated depreciation						
At April 30, 2018	2,331	-	-	-	-	2,331
Charge for the year	16,094	-	3,263	-	-	19,357
At April 30, 2019	18,425	-	3,263	-	-	21,688
Charge for the year	8,463	4,020	5,874	1,412	69,912	89,681
At April 30, 2020	26,888	4,020	9,137	1,412	69,912	111,369
Net book value						
At April 30, 2019	35,086	-	29,372	-	-	64,458
At April 30, 2020	36,077	49,574	23,498	32,473	122,356	263,978

At April 30, 2020, office equipment under capital lease had a cost of $18,487 (2019 - $18,487) and a net book value of $7,084 (2019 - $14,175).

8. Purchase of Auramex

In March 2019, the Company completed the purchase of the issued shares of Auramex for total consideration of $637,390 comprising:

- US$150,000, equivalent to $199,890 at the closing date, settled through the issuance of debt payable to the vendor (note 10); and
- 1,250,000 common shares with a fair value at the date of grant of $437,500.

The Company treated the acquisition as an asset purchase and allocated the total purchase price of $637,390 as follows:

	$
Cash and receivables	19,855
Mineral property	1,054,096
Accounts payable	(421,277)
Advance from the Company prior to acquisition	(15,284)
Purchase price	637,390

Auramex was acquired from a company controlled by the Company's CEO.

9. Advances from related parties

	Bowering Projects Ltd.	Tyler Ross & Partner	Total
	$	$	$
Balance, April 30, 2018	-	-	-
Advance	40,000	-	40,000
Balance, April 30, 2019	40,000	-	40,000
Advances	65,000	50,000	115,000
Repayments	(105,000)	(50,000)	(155,000)
Balance, April 30, 2020	-	-	-

Advances from related parties were provided by the Company's CEO and Tyler Ross and Partner to fund the Company's operations. These amounts did not bear interest.

10. Loans payable

	Los Reyes Bridge Loan	Auramex Acquisition Loan	Total
	$	$	$
Balance, April 30, 2018	-	-	-
Purchase of Auramex	-	199,890	199,890
Changes in exchange rates	-	1,455	1,455
Balance, April 30, 2019	-	201,345	201,345
Funding of MAI loan payment	2,000,000	-	2,000,000
Commitment fee	40,000	-	40,000
Interest	175,016	-	175,016
Repayments	(1,065,600)	(198,248)	(1,263,848)
Changes in exchange rates	-	(3,097)	(3,097)
Balance, April 30, 2020	1,149,416	-	1,149,416

Los Reyes Bridge Loans

The Company funded the April Payment to MAI through a bridge loan of $2,000,000 which was previously arranged through a group of lenders consisting of Andrew Bowering, George Dengin and Perfect Storm Holdings Ltd. (note 6). The bridge loan is unsecured, bears interest at a rate of 12% per year compounded monthly and was due April 24, 2020. The Company repaid the portions of the bridge loan funded by George Dengin and Perfect Storm Holdings Ltd. in the current fiscal year. The part of the loan funded by Andrew Bowering, together with related interest, remained outstanding at April 30, 2020 but was paid out subsequent to year end.

The Company also issued 1,333,384 bonus shares with a value of $400,000, which has been recorded as part of the financing expenses in profit and loss due to the short term nature of the bridge loans.

10. Loans payable (continued)

Auramex Acquisition Loan

The Company partially funded the purchase of Auramex (note 8) through debt of US$150,000 payable to the vendor, Bowering Projects Ltd., a company controlled by the Company's CEO. The debt did not bear interest or have fixed terms of repayment. In September 2019 the Company repaid the loan.

11. Lease liability

The Company has entered into a lease for office equipment over a term of five years with monthly payments of $370 and an implicit interest rate of 8%. The Company has also entered into a premises lease expiring January 31, 2022 with monthly payments of $6,510. The incremental borrowing rate is estimated at 8% per year.

	Premises lease	Equipment lease	Total
	$	$	$
Balance, April 30, 2018	-	17,979	17,979
Interest	-	1,252	1,252
Payments	-	(4,442)	(4,442)
Balance, April 30, 2019	-	14,789	14,789
Adoption of IFRS 16	192,268	-	192,268
Interest	13,029	997	14,026
Payments	(78,120)	(4,443)	(82,563)
Balance, April 30, 2020	127,177	11,343	138,520
Presentation			
Current lease liability			4,443
Non-current lease liability			10,346
Total lease liability April 30, 2019			14,789
Presentation			
Current lease liability			74,216
Non-current lease liability			64,304
Total lease liability April 30, 2020			138,520

The Company is contractually committed to make payments regarding equipment and premises' leases as follows:

Period ending April 30,	
	$
2021	82,560
2022	69,540
2023	3,700
	155,800

12. Share capital and reserves

Authorized capital

Unlimited number of common shares without par value.

Issued capital

59,599,382 common shares at April 30, 2020 (April 30, 2019 – 18,374,238).

Common shares

Effective August 27, 2019, the Company consolidated its share capital on a one-for-two basis. All share and per share amounts have been restated accordingly.

Fiscal 2020

In July 2019, a warrant holder exercised warrants to purchase 12,500 common shares at $0.30 per share for gross proceeds of $3,750.

In August 2019, the Company completed a private placement that raised $8,715,398 through the issuance of 29,051,327 units at $0.30 per unit. Each unit comprises one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to acquire a further common share at a price of $0.50 per share until August 28, 2021. The Company paid finders' fees of $360,465 and issued finders' warrants to purchase up to 1,164,594 common shares at a price of $0.50 per share until August 28, 2021 to certain eligible parties who introduced subscribers to the financing.

In August 2019, the Company issued MAI 9,450,000 common shares valued at $2,835,000 and 3,350,000 common share purchase warrants valued at $457,800 entitling MAI to acquire further common shares at a price $0.50 per share for a period of 24 months (note 6).

In August 2019, the Company issued 1,333,334 common shares valued at $400,000 to the lenders of the bridge loan (note 4).

In August 2019, the Company issued 556,250 common shares valued at $166,875 on completion of the MAI transaction and 330,000 common shares valued at $100,650 in December 2019 as finders' fees (note 6).

In April 2020, warrant holders exercised warrants to purchase 451,733 common shares at $0.50 per share for gross proceeds of $225,867.

In April 2020, 40,000 stock options were exercised at $0.40 per share for gross proceeds of $16,000.

Fiscal 2019

In July 2018, 20,000 stock options were exercised at a price of $0.20 per stock option for gross proceeds of $4,000.

In August 2018, 12,500 warrants were exercised at a price of $0.30 per warrant for gross proceeds of $3,750. In November 2018, 52,500 warrants were exercised at a price of $0.30 per warrant for gross proceeds of $15,750. In February 2019, 62,500 warrants were exercised at a price of $0.30 per warrant for gross proceeds of $18,750.

12. Share capital and reserves (continued)

In October 2018, 12,500 common shares were issued with a fair value of $5,250 pursuant to the Connel Creek mineral property option agreement (see note 6).

In March 2019, 1,250,000 common shares were issued with a fair value of $437,500 pursuant to the purchase of Auramex (see note 8).

Reserves

Reserves recorded in shareholders' equity comprise the fair value of share-based payments before exercise. The following is a summary of changes in reserves from April 30, 2018 to April 30, 2020:

	$
Balance - April 30, 2018	4,209,714
Share-based compensation	175,950
Fair value of stock options exercised	(2,500)
Balance - April 30, 2019	4,383,164
Share-based compensation	1,778,600
Fair value of finders' warrants granted	155,300
Fair value of MAI warrants granted	457,800
Fair value of options exercised	(5,072)
Fair value of agent warrants exercised	(1,148)
Balance - April 30, 2020	6,768,644

Warrants

Warrant activity for the respective periods are as follows:

	April 30, 2020		April 30, 2019	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Warrants outstanding, beginning of year	4,118,913	0.68	4,246,413	0.66
Granted	19,040,258	0.50	-	-
Exercised	(464,233)	0.49	(127,500)	0.30
Expired	(4,106,413)	0.68	-	-
Warrants outstanding, end of year	18,588,525	0.50	4,118,913	0.68

Warrants outstanding and exercisable at April 30, 2020:

Expiry Date	Price	Number
August 28, 2021	0.50	18,588,525

12. Share capital and reserves (continued)

The Company used the Black-Scholes option pricing model to estimate the fair value of the 1,164,594 finders' warrants granted at $155,300 and of the MAI 3,350,000 consideration warrants granted at $457,800 using the following weighted average assumptions:

Risk-free interest rate	1.33%
Dividend yield	0%
Expected volatility	110%
Expected life in years	2

13. Share-based compensation

The Company has a stock option plan by which the directors may grant options to purchase common shares to directors, officers, employees and service providers of the Company on terms that the directors may determine within the limitations set forth in the stock option plan. The maximum number of common shares issuable upon the exercise of options granted pursuant to the stock option plan is set at 10% of the total issued common shares. The board of directors may grant options with a life of up to ten years, however options granted to date have a maximum term of five years. Vesting terms may be set by the board of directors.

Stock options outstanding and exercisable for the respective periods are as follows:

	April 30, 2020		April 30, 2019	
	Number	Weighted Avg. Exercise Price $	Number	Weighted Avg. Exercise Price $
Options outstanding, beginning of year	1,320,000	1.08	1,020,000	1.34
Granted	5,350,000	0.40	550,000	0.41
Exercised	(40,000)	0.40	(20,000)	0.20
Forfeited	(1,175,000)	1.16	(230,000)	0.71
Options outstanding, end of year	5,455,000	0.40	1,320,000	1.08
Exercisable, end of year	5,130,000	0.40	1,263,750	1.10

Summary of outstanding options at April 30, 2020:

Number of Options	Exercise Price $	Remaining Contractual Life (Years)
30,000	0.40	0.13
4,600,000	0.40	4.43
750,000	0.42	4.77
75,000	0.44	0.69
5,455,000	0.40	4.55

13. Share-based compensation (continued)

In June 2018, the Company awarded options to directors and contractors to purchase up to 455,000 common shares at a price of $0.40 per share expiring June 15, 2020. Using the Black Scholes method the grant-date value of each option was $0.25.

In January 2019, the Company awarded options to an officer and contractor to purchase up to 95,000 common shares at a price of $0.44 per share expiring January 8, 2021. Options vested on grant except for 75,000 options issued to an investor relations provider that vest over a 12-month period ending in January 2020. Using the Black Scholes method, the grant-date value of each option was $0.32.

In October 2019, the Company awarded options to directors and contractors to purchase up to 4,600,000 common shares at a price of $0.40 per share expiring October 4, 2024. Using the Black Scholes method the grant-date value of each option was $0.30.

In February 2020, the Company awarded options to directors and contractors to purchase up to 750,000 common shares at a price of $0.42 per share expiring February 7, 2025. Using the Black Scholes method the grant-date value of each option was $0.32.

Share-based compensation expense to be recognized in the year ended April 30, 2020 was $1,778,600 (2019 - $175,950).

The Company used the Black-Scholes option pricing model to estimate the fair value of the options granted using the following weighted average assumptions:

	2020	2019
Risk-free interest rate	1.25%	1.9%
Dividend yield	0.00%	0.00%
Expected volatility	100%	125%
Expected option life	5 years	2 years

14. Income taxes

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

Year ended April 30,	2020	2019
	$	$
Loss for the year	(10,877,806)	(1,340,946)
Expected Income tax (recovery)	(2,937,000)	(362,000)
Change in statutory, foreign tax, foreign exchange rates and other	(168,000)	(233,000)
Permanent difference	463,000	52,000
Share issue cost	(113,000)	-
Adjustment to prior years provision versus statutory tax returns	221,000	10,000
Change in unrecognized temporary differences	2,534,000	533,000
Total income tax expense (recovery)	-	-

14. Income taxes (continued)

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

	2020	Expiry Date Range	2019	Expiry Date Range
	$		$	
Exploration and evaluation assets	12,446,000	No expiry date	8,684,000	No expiry date
Investment tax credit	49,000	2031 to 2040	68,000	2030 to 2032
Property and equipment	112,000	No expiry date	23,000	No expiry date
Share issue costs	364,000	2021 to 2024	45,000	2035 to 2039
Allowable capital losses	8,516,000	No expiry date	8,110,000	No expiry date
Non-capital losses available for future periods	12,498,000	2021 to 2040	8,006,000	2026 to 2038

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

15. Loss per share

The calculation of the basic and diluted loss per share for the years ended April 30, 2020 and 2019 presented is based on the following data:

For the year ended April 30,	2020	2019
Loss for the year	($10,877,806)	($1,340,946)
Weighted average number of common shares outstanding	45,665,856	17,186,972
Loss per share, basic and fully diluted	($0.24)	($0.08)

Diluted loss per share for the year ended April 30, 2020 and 2019 is the same as basic loss per share as the exercise of the 5,130,000 options (2019 – 1,263,750) and 18,588,525 warrants (2019 – 4,118,913) would be anti-dilutive.

16. Related party transactions and balances

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel. The following are related party transactions not disclosed elsewhere in the financial statements.

For the year ended April 30,	2020	2019
	$	$
Key management personnel compensation		
Management fees	1,056,238	146,584
Share-based compensation	1,008,727	5,000
Total	2,064,965	151,584

Included in the management fees above is $264,346 of management fees capitalized to exploration and evaluation assets.

Included in the management fees above is compensation paid through companies:

S2 Management Inc.	$ 20,680	$ 13,250
Andros Capital Corp	$ 60,000	$ -
Bruce Kienlen Consulting	$ 206,750	$ -
Daniel Kunz & Associates, LLC	$ 432,250	$ -

S2 Management Inc. is controlled by the Company's CFO.
Andros Capital Corp is controlled by the Company's VP Capital Markets
Bruce Kienlen Consulting is controlled by the Company's VP Exploration
Daniel Kunz & Associates, LLC is controlled by a director and officer of the Company. The fees disclosed above relate to engineering, geologic, technical and management services provided by Mr. Kunz and several associates of that company.

In addition to the management fees above, in the year ended April 30, 2020, the Company paid engineering fees of $21,518 to Daniel Kunz & Associates, LLC.

The Company prepaid consulting fees due to its COO. At April 30, 2020, the net prepaid amount was $20,000.

Included in the payables and accruals is $30,000 (April 30, 2019 - $nil) owed to directors and officers of the Company.

In the year ended April 30, 2020, a director an officer of the Company lent the Company $1,000,000. At April 30, 2020 the Company owed $1,149,416, which includes the $20,000 commitment fee to the Company’s CEO (note 10). As part of this transaction, the Company also issued 666,667 bonus shares at a value of $200,000.

In May 2018, the Company agreed to transfer certain mineral rights to Electric Metals Inc. (“EVX”) in which a director of ePower at the time of the agreement was an officer and director. The Company had only incurred nominal costs and the mineral property did not fit with the Company’s current business plan. In the event that EVX successfully obtains exploration rights to the property, the Company will transfer its rights to EVX for consideration of US$20,000 and a 1% net smelter royalty, which royalty may be acquired by EVX at any time for US$1,000,000.

16. Related party transactions and balances (continued)

In the year ended April 30, 2019, the Company's CEO lent the Company $40,000 (note 9). At April 30, 2019 the Company owed $201,345 to a company controlled by the Company's CEO (note 10).

17. Supplemental disclosure with respect to cash flows

For the year ended April 30,	2020	2019
	$	$
Shares issued for property acquisition	3,102,525	5,250
Shares issued for bridge loan	400,000	-
Shares issued for acquisition of Auramex	-	437,500
Shares issued to settle payables	30,000	-
Mineral property costs in payables	100,000	-
Amounts payable for acquisition of Auramex	-	201,345
Fair value of warrants issued as finders' fees	155,300	-
Fair value of warrants issued as MAI consideration	457,800	-
Fair value of stock options exercised	5,072	2,500
Right of use asset	192,268	-
Fair value of agent warrants exercised	1,148	-

18. Segmented information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At April 30, 2020 and April 30, 2019 all exploration and evaluation assets and equipment were located in Canada, the United States and Mexico.

At April 30,	2020	2019
	$	$
Canada	262,865	35,086
United States	-	4,625,380
Mexico	8,700,039	1,097,898
	8,962,904	5,758,364

19. Financial instruments and risk management

Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At April 30, 2020, the Company was not subject to significant interest rate risk.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to money market investments.

The Company manages its credit risk by investing only in high quality financial institutions.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash and receivables.

19. Financial instruments and risk management (continued)

Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at April 30, 2020, the Company has activities in other countries which exposes the Company to foreign exchange risk.

As at April 30, 2020 with other variables unchanged, a 10% increase (decrease) in the Canadian dollar would have the following effect on loss for the year:

Year ended April 30	2020 $	2019 $
US dollar	6,394	20,135
Mexican peso	24,432	40,607

Exposure to the Canadian dollar on financial instruments is as follows:

Balances at April 30	2020 $	2019 $
Cash	33,620	5,869
Receivables	67,042	13,168
Payables and accruals	(408,925)	(425,102)
Due to Bowering Projects Ltd.	-	(201,345)

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company attempts to ensure that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and match the maturity profile of financial assets to development, capital and operating needs.

Fair Value Hierarchy:

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

Cash is measured at fair value using Level 1. The carrying value of receivables, payables and accruals, advances from related party, loan payable and lease liability approximates their fair value due to the relatively current nature of those financial instruments.

20. Capital management

The Company manages its capital, being the components of shareholders' equity, and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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 has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any external limitations on capital management and there were no changes to the Company's approach to capital management in the year ended April 30, 2020.

21. Subsequent events

Subsequent to April 30, 2020, options to purchase 1,555,000 common shares at between $0.40 and $0.42 per share were exercised for gross proceeds of $630,000.

Subsequent to April 30, 2020, warrants to purchase 2,924,949 common shares at $0.50 per share were exercised for gross proceeds of $1,462,475.

In June 2020, the Company awarded directors, officers and consultants options to purchase up to 3,100,000 common shares at $0.95 per share and 750,000 common shares at $1.30 per share.

In June 2020, the Company closed a private placement of 20,000,000 units at a price of $0.50 per unit for gross proceeds of $10,000,000. Each unit consists of one common share and one common share purchase warrant exercisable at a price of $1.10 until June 12, 2025. Clarus Securities Inc. and Desjardins Securities Inc. acted as co-lead agents in connection with completion of the offering. All securities issued in connection with the offering are subject to a statutory hold period expiring October 13, 2020. The Company paid a cash commission of $397,200 and out-of-pocket costs of $81,275 to finders in connection with the private placement.

In June 2020, the Company paid an arm's-length financial advisory firm a fee of 1,200,000 warrants on the same terms as the warrants issued as part of the June private placement. The warrants are also subject to a statutory hold period expiring October 13, 2020.

In July 2020, the Company completed the purchase of the Los Reyes property (see note 6).

In July 2020, the Company made option grants to an officer and to a consultant to purchase up to an aggregate of 425,000 common shares, 25,000 shares at $1.92 per share and 400,000 shares at $2.00 per share.