

HARVEST GOLD CORPORATION
(An Exploration Stage Company)
Consolidated Financial Statements
Year ended March 31, 2020

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Harvest Gold Corporation

Opinion

We have audited the consolidated financial statements of Harvest Gold Corporation (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and 2019, 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 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other 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.

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 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 Rakesh Patel.



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

July 27, 2020

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	March 31, 2020	March 31, 2019
ASSETS			
Current assets			
Cash		\$ 137,954	\$ 433,240
GST receivable		6,512	13,189
Prepays		3,725	3,725
Reclamation bond	5	15,983	-
		164,174	450,154
Reclamation bond	5	-	15,983
Exploration and evaluation assets	4	134,882	1,687,621
TOTAL ASSETS		\$ 299,056	\$ 2,153,758
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6,8	\$ 101,641	\$ 67,179
SHAREHOLDERS' EQUITY			
Share capital	9	14,800,320	14,800,320
Share-based payment reserve	9	1,724,249	1,724,249
Deficit		(16,327,154)	(14,437,990)
TOTAL SHAREHOLDERS' EQUITY		197,415	2,086,579
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 299,056	\$ 2,153,758

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	Years ended	
		March 31, 2020	March 31, 2019
EXPENSES			
Consulting fees	8	\$ 70,587	\$ 107,224
Management fees	8	109,000	143,500
Office and miscellaneous		21,293	25,641
Professional fees		45,752	77,089
Promotion and advertising		-	366,526
Property investigation		-	5,283
Share-based payments	8,9	-	251,340
Transfer agent, filing fees and shareholder relations		40,107	31,244
		(286,739)	(1,007,847)
OTHER ITEMS			
Option payments received on exploration and evaluation assets	4	-	25,977
Write-off of advances payable	7	-	55,500
Write-off of exploration and evaluation assets	4	(1,602,425)	-
		(1,602,425)	81,477
Net loss and comprehensive loss for the year		\$ (1,889,164)	\$ (926,370)
Basic and diluted net loss per common share		\$ (0.21)	\$ (0.12)
Weighted average number of common shares outstanding – basic and diluted		8,872,486	7,505,329

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Share capital		Share-based payment reserves	Subscriptions received in advance	Deficit	Total
		Number of shares	Amount				
Balance at March 31, 2018		5,178,286	\$ 12,391,663	\$ 1,584,466	\$ 10,000	\$ (13,511,620)	\$ 474,509
Comprehensive loss:							
Net loss for the year		-	-	-	-	(926,370)	(926,370)
Transactions with owners, in their capacity as owners, and other transfers:							
Share-based payments	9	-	-	251,340	-	-	251,340
Shares issued for cash	9	2,064,200	1,067,100	-	(10,000)	-	1,057,100
Share issuance cost	9	-	(37,359)	16,359	-	-	(21,000)
Shares issued on option exercise	9	265,000	286,916	(127,916)	-	-	159,000
Shares issued on warrant exercise	9	1,365,000	1,092,000	-	-	-	1,092,000
Balance at March 31, 2019		8,872,486	14,800,320	1,724,249	-	(14,437,990)	2,086,579
Comprehensive loss:							
Net loss for the year		-	-	-	-	(1,889,164)	(1,889,164)
Transactions with owners, in their capacity as owners, and other transfers:							
Impact due to rounding of fractional shares on 1:10 consolidation	1	26	-	-	-	-	-
Balance at March 31, 2020		8,872,512	\$ 14,800,320	\$ 1,724,249	\$ -	\$ (16,327,154)	\$ 197,415

See accompanying notes to the consolidated financial statements

Harvest Gold Corporation,
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended	
	March 31, 2020	March 31, 2019
Operating activities		
Net loss for the year	\$ (1,889,164)	\$ (926,370)
Adjustments for:		
Share-based payment	-	251,340
Write-off of advances payable	-	(55,500)
Write-off of exploration and evaluation assets	1,602,425	-
Changes in non-cash working capital items:		
GST receivable	6,677	(11,381)
Prepays	-	6,223
Trade payables and accrued liabilities	34,462	(15,820)
Net cash flows used in operating activities	(245,600)	(751,508)
Investing activities		
Expenditures on exploration and evaluation assets	(62,737)	(1,217,905)
Option payments received	13,051	44,820
Net cash flows used in investing activities	(49,686)	(1,173,085)
Financing activities		
Common shares issued for cash, net	-	2,297,100
Subscriptions received in advance	-	(10,000)
Net cash flows provided by financing activities	-	2,287,100
Change in cash	(295,286)	362,507
Cash, beginning	433,240	70,733
Cash, ending	\$ 137,954	\$ 433,240

Supplemental cash flow information:

There were no non-cash transactions during the year ended March 31, 2020

During the year ended March 31, 2019, the Company issued 42,000 agent warrants valued at \$16,359 (Note 9).

1. NATURE AND CONTINUANCE OF OPERATIONS

Harvest Gold Corporation (the “Company” or “Harvest”) was incorporated on June 28, 2005, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange (“TSX-V”). On October 1, 2019, the Company completed a 1 for 10 share consolidation. All references to number of shares and per share amounts have been retroactively restated to reflect the consolidation.

The head office, principal address, records office and registered address of the Company are located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

On July 27, 2016, the Company completed the acquisition of all of the issued and outstanding common shares of Canasur Gold Limited (“Canasur”), which included the accounts of Canasur Goldmines N.V., Canasur Gold Limited N.V. and Carminco N.V. During the year ended March 31, 2019, the Company entered into a share purchase agreement for the sale of 100% of the common shares of Canasur. See Note 4.

The Company’s principal business activities are the exploration of natural resource properties. The recovery of the Company’s investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has not earned any revenues to date and is considered to be in the exploration stage.

These consolidated 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 its assets and discharge its liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. During the year ended at March 31, 2020, the Company incurred a net loss of \$1,889,164 and as at March 31, 2020 had an accumulated deficit of \$16,327,154. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These uncertainties cast significant doubt about the Company’s ability to continue as a going concern.

The exploration and evaluation property in which the Company has an interest in is in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

The financial statements were authorized for issue on July 27, 2020 by the Board of Directors of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of preparation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars, which unless otherwise noted, is the Company’s functional currency.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Harvest Gold Corporation (US), Canasur, Canasur Goldmines N.V., Canasur Gold Limited N.V. and Carminco N.V. All intercompany transactions and balances have been eliminated upon consolidation.

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgement in the process of applying the accounting policies.

On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company’s financial statements include:

- the assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the determination of whether an acquisition constitutes a business combination or an acquisition of assets;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the determination of the functional currency of the Company and its subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Foreign currency translation

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the Company's subsidiary is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Foreign operations:

The financial results and position of foreign operations whose functional currency is the same Company's presentation currency are translated as follows:

- Monetary assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of such foreign operations are recognized in profit or loss.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement 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.

Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events for exploration and evaluation asset impairment are defined in *IFRS 6 Exploration and evaluation of mineral resources* and are as follows:

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Exploration and evaluation assets (cont'd)

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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 statement of comprehensive loss in the period the new information becomes available.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Impairment of 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 and for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

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

Financial instruments

The following is the Company's 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 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 if the Company has opted to measure them at FVTPL.

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

Financial assets / liabilities	Classification Under IFRS 9
Cash	Amortized cost
Reclamation bond	Amortized cost
Accounts payable	Amortized cost

(ii) 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)

(ii) Measurement (cont'd)

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 net (loss) income. 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 income (loss) in the period in which they arise.

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 recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

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 recognised in OCI and are never reclassified to profit or 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) income, 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Loss per share

Basic 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 period.

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. If the calculation results in an anti-dilutive effect then only basic income or loss per share is presented.

Income taxes

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

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the asset and liability method of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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 and share warrants are classified as equity instruments.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Share capital (cont'd)

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated to share capital.

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/income 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/income 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 the statement of comprehensive loss/income, 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 and 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 share-based payments reserve, until exercised. Upon exercise shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with 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 immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to an employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. ACCOUNTING STANDARDS ISSUED

New Standards, Interpretations and Amendments Effective This Year

IFRS 16, Leases: This 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. The Company has considered the impact of this change and has determined that, since the Company currently has no leases, the adoption of this standard did not result in any impact on the Company’s financial statements.

Recent Accounting Pronouncements

Certain new accounting standards, amendments to standards and interpretations have been issued, effective for annual periods beginning on or after April 1, 2020. These standards have been assessed to not have a significant impact on the Company’s financial statements.

4. EXPLORATION AND EVALUATION ASSETS

	Goliat-Tibiti	Cerro Cascaron	Total
Acquisition:			
Balance, March 31, 2018	\$ 192,753	\$ 50,000	\$ 242,743
Option payments received	(44,820)	-	(44,820)
Balance, March 31, 2019	147,933	50,000	197,933
Option payments received	(13,051)	-	(13,051)
Write-off	-	(50,000)	(50,000)
Balance, March 31, 2020	134,882	-	134,882
Exploration:			
Balance, March 31, 2018	-	271,783	271,783
Geological and field costs	-	188,410	188,410
Drilling	-	1,029,495	1,029,495
Balance, March 31, 2019	-	1,489,688	1,489,688
Geological and field costs	-	62,737	62,737
Write-off	-	(1,552,425)	(1,552,425)
Balance, March 31, 2020	-	-	-
Balance, March 31, 2019	\$ 147,933	\$ 1,539,688	\$ 1,687,621
Balance, March 31, 2020	\$ 134,882	\$ -	\$ 134,882

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Goliat-Tibiti, Suriname

Pursuant to the Amalgamation Agreement, the Company acquired Canasur's 100% exploration interest in the Goliat-Tibiti property located in Suriname. The property is subject to an agreement requiring the Company to, among other conditions:

- a) Pay an annual fee equal to 12% of certain exploration costs, subject to an annual maximum of US \$50,000; and
- b) A net smelter royalty ("NSR") of 1.0%, which can be repurchased by the Company at any time for US \$1,800,000.

On May 7, 2018, the Company entered into a Share Purchase Agreement for the sale of its 100% interest in Canasur for \$192,753 (US\$150,000). The consideration of US\$150,000 is payable in increments of US\$30,000 due on or before July 1, 2018, November 1, 2018, March 1, 2019, July 1, 2019 and November 1, 2019. The purchase is secured by a pledge of the 100% interest in Canasur. The parties are currently renegotiating the payment dates for the remaining consideration.

During the year ended March 31, 2018, the Company had derecognized the assets and liabilities of Canasur from the consolidated statements of financial position setting up the amount to be collected as the fair value of the remaining exploration and evaluation asset and recognized a corresponding impairment.

During the year ended March 31, 2020, the Company received US\$10,000 (\$13,051) (2019 – US\$35,000 (\$44,820)) in relation to this agreement.

Cerro Cascaron, Mexico

On June 7, 2017, as amended on April 17, 2018 and June 21, 2019, the Company entered into an Option Agreement (the "Option Agreement") to acquire up to an 80% interest in the Cerro Cascaron Project located in Mexico. Under the terms of the Option Agreement, the Company can earn an initial 70% interest (the "Initial Interest") in the Cerro Cascaron Project as follows:

Date	Payment
On or before June 10, 2017	Issuance of 100,000 common shares (issued)
On or before June 7, 2018 (amended to December 31, 2018 for a payment of \$30,000 (paid))	Fund exploration of \$1,000,000 and pay \$200,000.
On or before June 7, 2019 (amended on June 21, 2019 to extend the deadline by six months for a payment of \$55,000 (paid))	Fund further exploration of \$1,000,000 and pay \$100,000.
On or before June 7, 2020	Fund further exploration of \$2,000,000 and pay \$100,000
On or before June 7, 2021	Fund further exploration of \$2,000,000, pay \$500,000 and issue 100,000 common shares.

During the Initial Interest period, the Company can defer exploration expenditures at the end of the first, second or third anniversary for 12 months by making quarterly cash payments of \$25,000 and maintaining all other cash payments and claim maintenance costs.

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

Once the Company has earned its Initial Interest, it will have a 90-day period during which it can elect to earn an additional 10% in the Cerro Cascaron Project by making a cash payment of \$200,000 (or issuing 200,000 common shares) and fund a NI 43-101 compliant feasibility study over a five year period. Minimum annual exploration expenditures of \$2 million are required during this period and a \$200,000 cash payment is to be made if the minimum expenditures are not met by the Company.

The Cerro Cascaron Project is subject to a 2% NSR.

During the year ended March 31, 2020, the Company and the Optionor agreed to terminate the agreement. The Company wrote off \$1,602,425 to operations.

Rosebud Gold Mine Property, Nevada, USA

During the year ended March 31, 2019, the Company received an option payment of US\$20,000 (CND\$25,977) from Rosebud Exploration LLC ("RE"), a private Nevada corporation, in relation to its Rosebud Gold Mine Property located in Nevada, USA. The option payment was recorded in the statement of comprehensive loss as the carrying value of the Rosebud property was previously written down to \$nil.

5. RECLAMATION BOND

As at March 31, 2020, the Company had a reclamation bond issued with the Nevada Division of Minerals in the amount of US\$12,322 (CDN - \$15,983) (2019 - US\$12,322 (CDN - \$15,983)) to guarantee reclamation of the environment of the Rosebud Gold Mine Property. The reclamation bond was returned to the Company subsequent to March 31, 2020.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	March 31, 2020	March 31, 2019
Trade payables (Note 8)	\$ 59,641	\$ 15,179
Accrued liabilities (Note 8)	42,000	52,000
	\$ 101,641	\$ 67,179

7. ADVANCES PAYABLE

In prior years, the Company had amounts recorded in advances payable of \$5,000 and US\$4,131 (\$5,000) due to a related party and US\$35,000 (\$45,500) due to an arm's length party. The advances were non-interest bearing, unsecured and repayable from proceeds of future financing in excess of \$1,000,000. The advances had a term of two years, at which time the advances were extinguishable at the Company's discretion, if financing efforts have not been successful.

During the year ended March 31, 2019, the two-year period expired and as this amount was no longer due and payable the amount was written off.

8. RELATED PARTY TRANSACTIONS

a. Contractual commitment with related parties

On January 1, 2015, the Company entered into a management agreement with an officer and director to fulfil the role as Chief Executive Officer for a period of 5 years for a monthly rate of \$4,000 per month. In October 2016, the contract was renewed at a new monthly rate of \$5,000. In October of 2018, the contract was renewed at a new monthly rate of \$7,500 with a bonus payment of \$40,000 for past services rendered to the Company.

b. Transactions with related parties

During the year ended March 31, 2020, the Company paid or accrued \$24,000 (March 31, 2019 - \$25,250) of consulting fees and \$109,000 (March 31, 2019 - \$143,500) of management fees to officers and directors and companies controlled by officers and directors of the Company.

As at March 31, 2020, included in accounts payable and accrued liabilities was \$39,103 (March 31, 2019 - \$16,000), owing for fees due to certain officers and directors of the Company (Note 6). These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

c. Transactions with key management personnel

	Year ended	
	March 31, 2020	March 31, 2019
Management and consulting fees	\$ 114,000	\$ 168,750
Share based payments	\$ -	\$ 189,582

9. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

During the period ended March 31, 2020, the Company had no share capital transactions.

During the year ended March 31, 2019, the Company completed a private placement of 1,714,200 units at a price of \$0.50 per unit, in several tranches, raising gross proceeds of \$857,100. Each unit consists of one common share and one transferable common share purchase warrant exercisable at \$1.00 per share for a period of two years. The Company paid a finder's fees of 8% cash on a portion of the placement totalling \$21,000 and issued 8% warrants on a portion of the placement totalling 42,000 warrants valued at \$16,359 using the Black-Scholes Option Pricing Model. The assumptions included volatility of 123.69%, a risk-free interest rate of 2.06% and a two years term.

During the year ended March 31, 2019, the Company completed a private placement of 350,000 units at a price of \$0.60 per unit raising gross proceeds of \$210,000. Each unit consists of one common share and one transferable common share purchase warrant exercisable at \$1.20 per share for a period of two years.

9. SHARE CAPITAL (cont'd)

Issued share capital (cont'd)

During the year ended March 31, 2019, the Company issued 265,000 common shares on the exercise of stock options for proceeds of \$159,000 and issued 1,365,000 common shares on the exercise of warrants for proceeds of \$1,092,000.

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

On December 18, 2018, the Company granted 437,000 incentive stock options to certain directors, officers and consultants of the Company, exercisable at a price of \$0.75 per common share, expiring on August 9, 2023. The estimated grant date fair value of these options was \$150,579 using the Black-Scholes Option Pricing Model. The assumptions included volatility of 190.60%, a risk-free interest rate of 1.65% and a five-year term.

On August 9, 2018, the Company granted 180,000 incentive stock options to certain directors, officers and consultants of the Company, exercisable at a price of \$0.75 per common share, expiring on August 9, 2023. The estimated grant date fair value of these options was \$100,761 using the Black-Scholes Option Pricing Model. The assumptions included volatility of 190.60%, a risk-free interest rate of 1.65% and a five-year term.

9. SHARE CAPITAL (cont'd)

Stock options (cont'd)

The changes in options during the years ended March 31, 2020 and 2019 are as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	789,500	\$ 0.72	467,500	\$ 0.60
Options granted	-	-	617,000	0.75
Options cancelled	-	-	(30,000)	0.60
Options exercised	-	-	(265,000)	0.60
Options outstanding and exercisable, end of year	789,500	\$ 0.72	789,500	\$ 0.72

As at March 31, 2020, the Company had the following options outstanding and exercisable:

Grant Date	Expiry date	Number of options	Exercise price
December 8, 2016	December 8, 2021	147,500	\$ 0.60
May 4, 2017	May 4, 2022	25,000	0.60
August 9, 2018	August 9, 2023	180,000	0.75
December 18, 2018	December 18, 2023	437,000	0.75
		789,500	

Warrants

The changes in warrants during the years ended March 31, 2020 and 2019 are as follows:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of year *	2,106,200	\$ 1.00	2,708,080	\$ 1.00
Warrants issued-private placement	-	-	2,064,200	1.00
Warrants issued- finders' fee	-	-	42,000	1.00
Warrants exercised	-	-	(1,365,000)	0.80
Warrants expired	-	-	(1,343,080)	0.80
Warrants outstanding, end of year	2,106,200	\$ 1.00	2,106,200	\$ 1.00

* On August 15, 2018, the Company modified the exercise price of 2,582,400 of these warrants to \$0.80 per shares and extended the expiry date of 2,452,400 of these warrants from September 9, 2018 to September 21, 2018.

9. SHARE CAPITAL (cont'd)

Warrants (cont'd)

As at March 31, 2020, the Company had the following warrants outstanding:

Issue Date	Expiry date	Number of warrants	Exercise price
August 9, 2018	August 9, 2020	1,756,200	\$ 1.00
September 7, 2018	September 7, 2020	350,000	1.20
		2,106,200	

10. 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 bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as GST receivable are refundable from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, take into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. As such, liquidity risk has been assessed as high.

Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risks as it incurs expenditures that are denominated in the United States dollar while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's exposure to foreign currency risk is minimal.

10. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2020 the Company did not have any cash equivalents or interest-bearing debt and is not subject to interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	March 31, 2020	March 31, 2019
Cash	\$ 137,954	\$ 433,240

Financial liabilities included in the consolidated statement of financial position are as follows:

	March 31, 2020	March 31, 2019
Trade payables	\$ 59,641	\$ 15,179

11. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

	March 31, 2020	March 31, 2019
Total assets		
Canada	\$ 164,174	\$ 466,137
Mexico	-	1,539,688
Suriname	134,882	147,933
	\$ 299,056	\$ 2,153,758
Exploration and evaluation assets		
Mexico	\$ -	\$ 1,539,688
Suriname	134,882	147,933
	\$ 134,882	\$ 1,687,621

12. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	March 31, 2020	March 31, 2019
Net income (loss)	\$ (1,889,164)	\$ (926,370)
Statutory tax rate	27%	27%
Expected income tax recovery	(510,074)	(250,120)
Permanent differences	-	67,862
Tax rate change	-	(97,416)
Prior year true up	493,786	-
Change in valuation allowance	16,288	279,674
Deferred income tax recovery	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	March 31, 2020	March 31, 2019
Exploration and evaluation assets	\$ 1,766,794	\$ 1,580,305
Non-capital losses	2,162,232	2,323,748
Capital losses	1,706	1,706
Tax basis of investments in excess of book value	4,412	4,412
Share issuance costs	7,144	12,021
Equipment	55,852	59,660
	3,998,140	3,981,852
Valuation allowance	(3,998,140)	(3,981,852)
Net deferred tax asset	\$ -	\$ -

12. INCOME TAXES (cont'd)

The tax pools relating to the significant deductible temporary differences expire as follows:

	Exploration and evaluation assets	Non-capital losses	Share issuance costs
2021	\$ -	\$ -	\$ 18,061
2024	-	-	4,200
2025	-	-	4,200
2026	-	151,433	-
2027	-	389,334	-
2028	-	446,659	-
2029	-	417,721	-
2030	-	1,886,830	-
2031	-	511,929	-
2032	-	265,632	-
2033	-	202,863	-
2034	-	151,953	-
2035	-	1,276,109	-
2036	-	272,448	-
2037	-	313,826	-
2038	-	273,318	-
2039	-	733,508	-
2040	-	304,800	-
No expiry	5,244,352	-	-
Deferred income tax recovery	\$ 5,244,352	\$ 7,598,363	\$ 26,461

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2020, the Company:

- a) On June 23, 2020, the Company entered into an Option Agreement with two private B.C. companies, Running Dog Resources Ltd. and Attunga Holdings Inc. (or collectively, “the Vendors”) whereby the Company can earn up to an 100% interest in up to three early stage Copper-Gold porphyry projects located in the Omineca Mining Division of central B.C.

Under the terms of the Agreement, which is subject to TSX-V approval, the Company can earn a 100% interest in any or all of the three projects by completing the following:

Time	Exploration (CND)	Cash (CND)
TSX-V Approval	\$ -	\$35,000 for all three projects
December 31, 2021	450,000	\$20,000 per property
December 31, 2022	-	\$25,000 per property
December 31, 2023	-	\$50,000 per property
December 31, 2024	-	\$75,000 per property
Total	\$ 450,000	Minimum: \$35,000 Maximum: \$545,000

*Shares valued at the greater of the 20-day volume weighted average price or discounted market value prior to December 31 of each year.

Once the Company has completed the Phase 1 work program it will have until December 31, 2021 to elect to retain one or more of the three projects or return any not selected to the Vendors with two years good standing. Providing that the Company continues to make cash payments on the anniversary dates it will earn a 100% interest in each project, subject to a 1.5% NSR royalty in favour of the Vendors. One half of the NSR royalty (0.75%) may be purchased for \$500,000 prior to the publication of a mineral resource or for \$1,500,000 thereafter. The Vendors will also be entitled to annual Advance Royalty Payments (“ARP”) of \$5,000 per project per year for four years commencing January 1, 2025 and increasing to \$10,000 per project per year for four years commencing January 1, 2029. Thereafter and continuing for as long as the Company or successor owns the permits, the annual ARP will increase to \$20,000 per project. All amounts provided as advance royalty payments can be paid in shares, at the Company’s option and will be deductible from future NSR royalty payments.

- b) On May 27, 2020, the Company’s Board of Directors approved a private placement resulting in the Company raising \$127,500 through a non-brokered private placement of 1,275,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one transferable common share of the Company at a price of \$0.15 for three years from the date of closing. A finders’ fee may be payable in cash or warrants in accordance with the policies of the exchange.