enCore Energy Corp.

TSX.V:EU

enCore Energy Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes		March 31, 2019		December 31, 2018
ASSETS					
Current					
Cash		$	1,040,764	$	925,626
Receivables and prepaid expenses			11,000		17,100
			1,051,764		942,726
Intangible assets	4		360,000		360,000
Mineral properties	6		4,852,068		4,932,970
Reclamation deposit	6		114,254		116,639
Total assets		$	6,378,086	$	6,352,335
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	7	$	55,280	$	51,544
Due to related parties	9		260,579		251,856
Total liabilities			315,859		303,400
Shareholders' Equity					
Share capital	8		24,281,878		23,903,536
Contributed surplus			882,265		1,051,080
Accumulated other comprehensive income			774,237		853,691
Deficit			(19,876,153)		(19,759,372)
Total shareholders' equity			6,062,227		6,048,935
Total liabilities and shareholders' equity		$	6,378,086	$	6,352,335

Nature of operations and going concern (Note 1)
Commitment (Note 14)
Subsequent events (Note 15)

Approved by the Board of Directors:

"*William M. Sheriff*"	*"William B. Harris"*
Director	Director

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

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes	Three months ended March 31, 2019	Three months ended March 31, 2018
Expenses			
Consulting		$ 29,930	$ 26,781
Office and administration	9	46,163	33,197
Professional fees		8,475	573
Promotion and shareholder communications		1,347	41
Staff costs	9	20,654	19,071
Stock option expense	8,9	12,277	8,505
		(118,846)	(88,168)
Interest income		3,210	5,926
Foreign exchange gain (loss)		(1,145)	1,050
Loss for the period		(116,781)	(81,192)
Other comprehensive income (loss)			
Exchange differences on translating foreign Operations		(79,454)	101,396
Other comprehensive income (loss) for the period		(79,454)	101,396
Comprehensive income loss for the period		$ (196,235)	$ 20,204
Basic and diluted loss per share		$ (0.00)	$ 0.00
Weighted average number of common shares outstanding		119,427,020	112,065,784

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

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31,
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

		2019		2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	$	(116,781)	$	(81,192)
Items not affecting cash:				
Stock option expense		12,277		8,505
Changes in non-cash working capital items:				
Receivables and prepaids		6,100		12,270
Accounts payable and accrued liabilities		3,736		24,513
Due to related parties		8,723		18,959
Net cash used in operating activities		(85,945)		(16,945)
CASH FLOWS FROM INVESTING ACTIVITIES				
Mineral properties expenditures		(2,558)		(3,851)
Transaction costs for Metamin		-		(11,631)
Cash acquired upon acquisition of Metamin		-		2,501
Net cash used in investing activities		(2,558)		(12,981)
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of warrants		173,500		-
Exercise of stock options		23,750		-
Net cash provided by financing activities		197,250		-
Effect of exchange rate changes on cash		6,391		(7,065)
Change in cash during the period		115,138		(36,991)
Cash, beginning of period		925,626		1,563,570
Cash, end of period	$	1,040,764	$	1,526,579

Supplemental cash flow information – Note 13

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

ENCORE ENERGY CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended March 31, 2019 and 2018
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Cumulative translation adjustment	Deficit	Total
Balance as at December 31, 2017	**111,492,750**	**$ 23,310,203**	**$ 1,012,750**	**$ 512,279**	**$ (19,356,592)**	**$ 5,478,640**
Shares issued for share purchase agreement	3,000,000	150,000	-	-	-	150,000
Stock option expense	-	-	8,505	-	-	8,505
Income (loss) and comprehensive income (loss) for the period	-	-	-	101,396	(81,192)	20,204
Balance as at March 31, 2018	**114,492,750**	**$ 23,460,203**	**$ 1,021,255**	**$ 613,675**	**$ (19,437,784)**	**$ 5,657,349**
Balance as at December 31, 2018	**118,326,084**	**$ 23,903,536**	**$ 1,051,080**	**$ 853,691**	**$ (19,759,372)**	**$ 6,048,935**
Shares issued for exercise of warrants and finders' warrants	2,341,667	341,172	(167,672)	-	-	173,500
Shares issued for exercise of stock options	442,500	37,170	(13,420)	-	-	23,750
Stock option expense	-	-	12,277	-	-	12,277
Loss and comprehensive loss for the period	-	-	-	(79,454)	(116,781)	(196,235)
Balance as at March 31, 2019	**121,110,251**	**$ 24,281,878**	**$ 882,265**	**$ 774,237**	**$ (19,876,153)**	**$ 6,062,227**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

enCore Energy Corp. was incorporated on October 30, 2009 under the Laws of British Columbia, Canada. enCore Energy Corp., together with its subsidiaries (collectively referred to as the "Company" or "enCore"), is principally engaged in the acquisition and exploration of resource properties in the United States. The Company's common shares trade on the TSX Venture Exchange under the symbol "EU.V."

The Company's head office is located at #510 – 580 Hornby Street, Vancouver, BC.

The condensed interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. For the period ended March 31, 2019, the Company reported a net loss of $116,781 and as at that date had a net working capital of $735,905 and an accumulated deficit of $19,876,153. The Company has no source of operating cash flows and as such the Company's ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. Management is actively seeking additional financing and, while it has successfully done this in the past, there is no assurance that it will continue to be able to do so in the future. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and effective as of March 31, 2019.

The Company uses the same accounting policies and methods of computation as in the annual audited consolidated financial statements for the year ended December 31, 2018.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements were approved for issuance by the audit committee of the board of directors on May 24, 2019.

(Expressed in Canadian dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when an investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a Company's share capital. All significant intercompany transactions and balances have been eliminated.

The condensed interim consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest	Principal Activity	Functional Currency
Tigris Uranium US Corp.	Nevada, USA	100%	Mineral Exploration	USD
Metamin Enterprises US Inc.	Utah, USA	100%	Mineral Exploration	USD

New Accounting Standards adopted during the period

The Company has adopted IFRS 16 Leases ("IFRS 16") which is effective for annual periods beginning on or after January 1, 2019.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The IASB issued IFRS 16, Leases, in January 2016, which replaces the current guidance in IAS 17. Under IAS 17, lessees were required to make a distinction between a finance lease and an operating lease. IFRS 16 requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets.

The adoption of IFRS 16 did not have an impact on the Company's condensed interim consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Although management uses historical experience and its best knowledge of the expected amounts, events or actions to form the basis for estimates, actual results may differ from these estimates. Significant accounting estimates and judgments include the following:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

Critical accounting estimates:

The assessment of the recoverable amount of mineral properties as a result of impairment indicators - When indicators of impairment are identified, recoverable amount calculations are based either on discounted estimated future cash flows or on comparable recent transactions. The assumptions used are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these assumptions may alter the results of impairment testing, the amount of the impairment charges recorded in the statement of loss and comprehensive loss and the resulting carrying values of assets.

Share-based payments - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Amortization and impairment of intangible assets - Amortization of intangible assets is dependent upon the estimated useful lives, which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Critical accounting judgments:

The assessment of indicators of impairment for mineral properties - The Company follows the guidance of IFRS 6 to determine when a mineral property asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the results of exploration and evaluation activities to date and the Company's future plans to explore and evaluate a mineral property.

Business combinations - The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Metamin was determined to constitute an acquisition of assets (note 5).

Determination of functional currency - In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company is the Canadian dollar and the functional currency of its subsidiaries is the U.S. dollar.

(Expressed in Canadian dollars)

4. INTANGIBLE ASSETS

During the year ended December 31, 2018, the Company entered into an agreement with VANE Minerals (US) LLC ("VANE") which grants the Company exclusive access to certain VANE uranium exploration data and information as well as a first right of refusal covering seven of Vane's current uranium projects in Arizona and Utah. In exchange for this exclusive access and rights, the Company issued 3,000,000 common shares at a fair value of $360,000 and has granted VANE certain back-in rights for any projects developed from the use of the data. The primary term of the agreement is five years and may be renewed by the Company by written notice for three successive renewal periods of three years each. Thus, the Company's access to these data may extend for 14 years. The intangible assets have been determined to have an indefinite life.

The following table summarizes the continuity of the Company's intangible assets:

Balance, December 31, 2017	$	-
Additions:		
Access and rights to the exploration data		360,000
Balance, December 31, 2018 and March 31, 2019	$	360,000

5. PURCHASE OF MINERAL PROPERTIES

On March 14, 2018 (the "Closing Date"), the Company completed the acquisition of Metamin Enterprises US Inc. ("MEUS").

The acquisition of MEUS was treated as an asset acquisition. The fair value of the assets acquired and liabilities assumed as at the date of acquisition were as follows:

Consideration		
Cash	$	280,123
Value of 3,000,000 common shares issued		150,000
Transaction costs		11,631
Total consideration value:	$	441,754

Cash payment is comprised of:

i) $55,000 cash payment;

ii) $110,185 payment to the vendor for reclamation bond repayment and;

iii) $114,938 of property holding costs (incurred as deferred acquisition costs in fiscal year 2017).

Net assets acquired		
Cash	$	2,501
Reclamation bond		110,185
Exploration and evaluation assets		336,994
Accounts payable and accrued liabilities		(7,926)
Net assets acquired:	$	441,754

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES

	Crownpoint and Hosta Butte	Marquez and Nose Rock, New Mexico	Moonshine Springs, Arizona	Other properties	Metamin	Total
Balance, December 31, 2017	$ 2,779,986	$ 683,532	$ 209,299	$ 262,008	$ -	$ 3,934,825
Acquisition costs (Note 5)	-	-	-	-	336,994	336,994
Exploration costs:						
Maintenance fees	-	115,070	8,819	42,205	141,501	307,595
Currency translation adjustment	241,744	61,468	18,531	24,332	7,481	353,556
Balance, December 31, 2018	3,021,730	860,070	236,649	328,545	485,976	4,932,970
Exploration costs:						
Maintenance fees	-	-	-	2,558	-	2,558
Currency translation adjustment	(61,799)	(17,590)	(4,840)	(6,712)	7,481	(83,460)
Balance, March 31, 2019	$ 2,959,931	$ 842,480	$ 231,809	$ 324,391	$ 493,457	$ 4,852,068

Energy Fuels Agreement

During the year ended December 31, 2015, the Company entered into a comprehensive asset purchase agreement ("Agreement") with Energy Fuels Inc. and its subsidiaries ("Energy Fuels") to acquire a Toll Milling processing right and a 100% interest in the Marquez and Nose Rock projects in New Mexico, the Moonshine Springs project in Arizona, and four projects in the White Canyon District of Utah. Terms of the Agreement included the payment of USD$179,960 ($249,748) in cash at closing (paid) to Energy Fuels along with the issuance of 14.25 million of the Company's common shares (issued at a fair value of $427,500). A final payment of USD$150,000, due on June 4, 2016, was extended by an amending agreement dated May 10, 2016. As per the amendment, the outstanding payment accrued interest at a rate of 7% from June 4, 2016 until the date the fee was fully paid. During the year ended December 31, 2017, the Company paid USD$157,940 ($206,734) which included the full balance of the principal outstanding and accrued interest of USD$7,940 ($10,393).

Toll Milling Agreement

The Toll Milling provision of the Agreement allowed the Company to process conventional uranium ore from the acquired projects at Energy Fuels' White Mesa mill in Blanding County, Utah. The agreement was for an initial period of two years with renewal provisions and contained industry-standard provisions. The agreement expired in January 2018.

Marquez, New Mexico

The Marquez project consists of private mineral leases located in McKinley and Sandoval counties of New Mexico.

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES (cont'd)

Nose Rock, New Mexico

The Nose Rock Project is located in McKinley County, New Mexico, on the northern edge of the Grants Uranium District. The Nose Rock property consists of 42 owned unpatented lode mining claims.

Moonshine Springs, Arizona

The Moonshine Springs project is located in Mohave County, Arizona. The project comprises 23 owned unpatented lode mining claims along with 7 unpatented lode mining claims under lease.

Other Properties

The White Canyon District, Utah property package includes the Geitus, Blue Jay, Marcy Look, and Cedar Mountain projects, which are located 40-65 miles to the northwest of the White Mesa Mill at Blanding County, Utah.

Crownpoint and Hosta Butte Properties

The Company owns a 100% interest in the approximately 113,000 acre McKinley properties and a 60% - 100% interest in the adjacent Crownpoint and Hosta Butte properties, all of which are located in McKinley County, New Mexico. The Company holds a 60% interest in a portion of a certain section at Crownpoint. The Company owns a 100% interest in the rest of the Crownpoint and Hosta Butte project area, subject to a 3% gross profit royalty on uranium produced.

Metamin

During the year ended December 31, 2018, the Company entered into an agreement with Metamin Enterprises Inc. ("Metamin"), a private British Columbia company, to acquire Metamin's wholly owned subsidiary,"MEUS", which includes 13,605 acres of prospective uranium mining properties located in the States of Arizona, Utah and Wyoming, USA. Pursuant to the agreement, the Company paid Metamin $55,000 in cash and $114,938 in property holding costs, replaced a $110,185 ($85,500 USD) cash bond and issued 3,000,000 common shares at a fair value of $150,000 as consideration for the acquisition. As at March 31, 2019, the Company holds a reclamation bond of $114,254 ($85,500 USD) related to the property.

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	March 31, 2019	December 31, 2018
Trade payables and accruals	$ 55,280	$ 51,544
Total	$ 55,280	$ 51,544

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited common and preferred shares without par value.

During the period ended March 31, 2019, the Company issued:

i) 2,341,667 common shares on the exercise of warrants and finders' warrants for proceeds of $173,500;

ii) 442,500 common shares on the exercise of stock options for proceeds of $23,750.

During the year ended December 31, 2018, the Company issued:

i) 3,000,000 common shares valued at $150,000 in relation to a share purchase agreement (Note 5);

ii) 3,000,000 common shares valued at $360,000 in relation to the acquisition of intangible assets (Note 4);

iii) 833,334 common shares on the exercise of warrants for proceeds of $83,333.

Stock options

The Company has adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the outstanding common shares at the time of the grant. The options can be granted for a maximum of five years and vest as determined by the Board of Directors.

The Company's stock options outstanding as at March 31, 2019 and the changes for the periods then ended, are as follows:

	Outstanding Options	Weighted Average Exercise Price	Weighted Average Life (years)
Balance, December 31, 2017	4,725,000	$ 0.06	2.44
Granted	815,000	0.06	
Forfeited/expired	(30,000)	0.08	
Balance, December 31, 2018	5,510,000	0.06	1.86
Granted	620,000	0.13	
Exercised	(442,500)	0.05	
Forfeited/expired	(47,500)	0.07	
Balance, March 31, 2019	5,640,000	$ 0.06	1.39
Exercisable, March 31, 2019	4,357,500	$ 0.05	

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (cont'd)

Stock options (cont'd)

As at March 31, 2019, incentive stock options were outstanding as follows:

Outstanding Options	Exercise Price	Expiry Date
2,795,000	$ 0.05	December 19, 2019
475,000	$ 0.05	December 31, 2019
550,000	$ 0.05	January 6, 2021
450,000	$ 0.10	May 11, 2022
750,000	$ 0.06	May 15, 2023
420,000	$ 0.125	January 8, 2024
200,000	$ 0.135	March 27, 2024
5,640,000		

During the period ended March 31, 2019, the Company granted 420,000 options with an exercise price of $0.125 and 200,000 stock options with an exercise price of $0.135. The options vest 25% every six months commencing six months after the grant date.

During the period ended March 31, 2019, the Company recognized stock option expense of $12,277 (2018 - $8,505) for the vested portion of the stock options.

The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values for the period ended March 31, 2019 and 2018 are as follows:

	Three months ended March 31, 2019	2018
Risk-free interest rate	1.74%	-
Expected life of option	5 years	-
Expected dividend yield	0%	-
Expected stock price volatility	186.38%	-
Fair value per option	$0.13	-

(Expressed in Canadian dollars)

8. SHARE CAPITAL AND RESERVES (cont'd)

Share purchase warrants

The Company's share purchase warrants outstanding as at March 31, 2019 and the changes for the periods then ended, are as follows:

	Outstanding Warrants	Weighted Average Exercise Price	Weighted Average Life (years)
Balance, December 31, 2017	21,516,669	$ 0.10	2.13
Exercised	(833,334)	0.10	
Balance, December 31, 2018	20,683,335	0.10	1.13
Granted	758,833	0.10	
Exercised	(2,341,667)	0.08	
Balance, March 31, 2019	19,100,501	$ 0.10	0.88

As at March 31, 2019, share purchase warrants were outstanding as follows:

Outstanding Warrants	Exercise Price	Expiry Date
19,100,521*	$ 0.10	February 15, 2020

* Subsequent to March 31, 2019, 691,667 warrants were exercised at $0.10 for total proceeds of $69,167.

During the period ended March 31, 2019, 1,516,667 warrants were exercised at $0.06 into units resulting in the issuance of 758,333 new warrants exercisable at $0.10 per share until February 15, 2020.

9. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2019, the Company incurred $19,978 (2018 - $18,821) in staff costs for the Chief Executive Officer and $9,000 (2018 - $7,500) in general and administrative fees for the Chief Financial Officer. As at March 31, 2019, the Company owed the Chief Executive Officer $260,579 (December 31, 2018 - $245,556). As at March 31, 2019, the Company owed the Chief Financial Officer $Nil (December 31, 2018 - $6,300).

These services were incurred in the normal course of operations for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities.

Key management includes Directors and Officers of the Company. The compensation paid or payable to key management for services during the periods ended March 31, 2019 and 2018 is as follows:

		2019		2018
Staff costs	$	19,978	$	18,821
Stock option expense		9,438		6,638
Office and administration fees		9,000		7,500
Total key management compensation	$	38,416	$	32,959

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to support the exploration and evaluation of its mineral properties and to maintain a flexible capital structure that optimizes the cost of capital within a framework of acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, and acquire or dispose of assets.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There were no changes in the Company's approach to capital management during the period ended March 31, 2019. The Company is not subject to any capital requirements imposed by a regulator.

11. FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

Level 1- Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Values based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Values based on prices or valuation techniques that are not based on observable market data.

Cash is measured at Level 1 of the fair value hierarchy. The fair value of receivables, accounts payable and accrued liabilities, and amounts due to related parties approximates fair value due to the short-term nature of the financial instruments. The Company classified its receivables as amortized cost. Accounts payable and accrued liabilities and due to related parties are classified and measured at amortized cost.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities are denominated in US dollars. The Company monitors this exposure, but has no hedge positions.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities, and due to related parties that are denominated in US dollars. At March 31, 2019, a 10% change in the value to the US dollar as compared to the Canadian dollar would affect net loss and shareholders' equity by approximately $23,000.

11. FINANCIAL INSTRUMENTS (cont'd)

Credit Risk

Credit risk arises from cash held with banks and financial institutions and receivables. The maximum exposure to credit risk is equal to the carrying value of these financial assets. The Company's cash is primarily held with a major Canadian bank.

Market Risk

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company's ability to raise capital to fund exploration.

Interest Rate Risk

Interest rate risk mainly arises from the Company's cash, which receives interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The majority of the Company's accounts payable and accrued liabilities are payable in less than 90 days. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing.

12. SEGMENTED INFORMATION

The Company operates in a single segment: the acquisition and exploration of mineral properties in the United States. The Company's mineral properties are located in the United States.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the period ended March 31, 2019 include the following:

a) Transferred $167,672 from contributed surplus to share capital when 1,516,667 brokers' warrants were exercised.

b) Transferred $13,420 from contributed surplus to share capital when 442,500 stock options were exercised.

Significant non-cash transactions for the period ended March 31, 2018 include the following:

a) Included in mineral properties is $25,000 which relates to accounts payable and accrued liabilities.

14. COMMITMENT

The Company has entered into a lease agreement for its premises in Utah, USA. The annual lease commitments are USD$2,000 for 2018 and USD$1,000 for 2019 respectively

15. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2019 the Company closed a private placement for gross proceeds totaling $2,679,881 comprised of 17,865,878 units (the "Units") at a price of $0.15 per Unit. Each Unit consists of one common share (the "Shares") and one-half share purchase warrant (the "Warrants"). Each whole Warrant entitles the holder to purchase one additional Share at a price of $0.225 for a period of three years from the date of issue of the Warrants. The warrants may be accelerated under certain terms if the stock closes for 15 trading days at $0.45 or more.