Jayden Resources Inc.

Condensed Interim Financial Statements

For the period March 31, 2019

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Condensed Interim Financial Statements
Three Months Ended March 31, 2019

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Jayden Resources Inc. for the three months ended March 31, 2019 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

The accompanying unaudited condensed 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 condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim financial statements by an entity's auditor.

Jayden Resources Inc.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes		Three Months Ended March 31 2019		2018
Expenses					
Administrative expenses	4	$	(62,573)	$	(76,546)
			(62,573)		(76,546)
Other income (loss)					
Interest income			14		2
Realized loss on disposal of marketable securities	5		(4,406,572)		-
Net loss from operations			**(4,469,131)**		**(76,544)**
Other comprehensive loss					
Item that may be reclassified subsequently to profit or loss :					
Unrealized loss on marketable securities			(36,040)		-
Comprehensive income (loss) for the period		**$**	**(4,505,171)**	**$**	**(76,544)**
Loss per share					
- Basic and diluted		$	(0.05)	$	(0.00)
Weighted average number of common shares outstanding					
- Basic and diluted			90,995,746		88,161,746

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

Jayden Resources Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	March 31 2019	December 31, 2018
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		81,325	392,481
GST receivables		9,149	6,781
Prepaid expenses		14,341	20,966
Marketable securities	5	211,431	20,036,936
Total Assets		316,246	20,457,164
Liabilities and Shareholders' Equity			
Current liabilities			
Account payable and accrued liabilities		176,695	173,193
Total Liabilities		176,695	173,193
Shareholders' Equity			
Share capital	6	46,759,995	46,759,995
Dividend		(15,639,249)	-
Reserves		7,652,004	7,688,044
Deficit		(38,633,199)	(34,164,068)
Total equity		139,551	20,283,971
Total Liabilities and Shareholders' Equity		316,246	20,457,164

Approved on Behalf of the Board

"Denise Lok" Director
Denise Lok

"Savio Chiu" Director
Savio Chiu

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

Jayden Resources Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Number of issued shares	Share capital	Reserve: Share-based payments reserve	Reserve: Fair value reserve for marketable Securities	Dividend	Accumulated losses	Total
		$	$	$	$	$	$
Balances, January 1, 2018	88,161,746	46,233,799	2,359,449	-	-	(48,015,544)	577,704
Finders warrant conversion	1,200,000	330,116	(186,116)	-	-	-	144,000
Warrant conversion (note 8)	1,634,000	196,080	-	-	-	-	196,080
Accumulate other comprehensive income	-	-	-	5,514,711	-	-	5,514,711
Loss for the year	-	-	-	-	-	13,851,476	13,851,476
Balances, December 31, 2018	90,995,746	46,759,995	2,173,333	5,514,711	-	(34,164,068)	20,283,971
Dividend paid out	-	-	-	-	(15,639,249)	-	(15,639,249)
Unrealized loss on marketable securities	-	-	-	(36,040)	-	-	(36,040)
Loss for the period	-	-	-	-	-	(4,469,131)	(4,469,131)
Balances, March 31, 2019	90,995,746	46,759,995	2,173,333	5,478,671	(15,639,249)	(38,633,199)	139,551

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

Jayden Resources Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Three Months Ended March 31,	
	2019	2018
	$	$
Cash flows from operating activities		
Loss for the period	(4,469,131)	(76,544)
Adjustments for:		
Depreciation	-	419
Bank interest income	(14)	(2)
Loss on disposal of marketable securities	4,406,572	-
Operating loss before working capital changes	(62,573)	(76,127)
Decrease (increase) in GST receivable	(2,368)	(2,877)
Increase in prepaid expenses	6,625	7,488
Increase (Decrease) in bank indebtedness	-	(79,556)
Increase in accounts payables and accrued liabilities	3,503	(12,906)
Net cash used in operating activities	(54,813)	(163,978)
Cash flows from investing activities		
Proceeds from sale of marketable securities	141,741	-
Interest received	14	2
Net cash used in investing activities	141,755	2
Cash flows from financing activities		
Dividend paid out	(398,098)	-
Net cash generated from financing activities	(398,098)	-
Net increase in cash	(311,156)	(163,976)
Cash and cash equivalents, beginning of the period	392,481	571,285
Cash and cash equivalents, end of the period	81,325	407,309

Supplementary cash flow information (note 11)

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

1. Nature of operations and going concern

(a) Nature of operations

Jayden Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia. On October 15, 2015, the Company's common shares ceased trading on the TSE and began trading on the TSX Venture Exchange under the symbol JDN. On August 8, 2012, the Company changed its place of jurisdiction and was registered in the Cayman Islands as an exempted company with limited liability by way of continuation. Its subsidiary, Jayden Resources (Canada) Inc. ("Jayden Canada") was disposed of during the year ended December 31, 2018, as such the financial statements have been deconsolidated. The Company is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

The head office and principal address of the Company are located at Zephyr House, Mary Street, PO Box 709, Grand Cayman KY1-1107, Cayman Islands. The registered and records office are located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

(b) Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operation, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

The Company has not generated any revenues and has incurred accumulated deficits of $38,633,199 (2017: $34,164,068) since inception. During the period ended March 31, 2019 the Company generated negative cash flows from operations of $54,813 (2018: $163,978). The Company is not expected to generate cash inflow from its operation during the next twelve months and therefore must rely on securing additional funds from either debt or equity financings for cash consideration. During the period ended March 31, 2019, the Company received net cash proceeds of $141,755 (2018: $2) pursuant to investing activities, and the Company had net cash outflows of $398,098 (2018: Nil) pursuant to financing activities.

The continuation of the Company as a going concern is depend upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interest. The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations, and the recoverability of the amounts shown for mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests. These matters and conditions, primarily as a result of the conditions described above, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. If the going concern assumption is not appropriate, material adjustments to the financial statements could be required.

2. Basis of presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Boards ("IASB"), on a basis consistent with the significant accounting policies disclosed in the recent annual financial statements. These condensed interim financial statements were approved by the board of directors for issue on May 29, 2019.

(b) Basis of measurement

These condensed interim financial statements have been prepared on a going concern basis, under the historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations as of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements, estimates and assumptions
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Deferred taxes
The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. 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 reporting date could be impacted.

Critical judgments in applying the Company's accounting policies
The following is the critical judgment, apart from those involving estimations that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

2. Basis of presentation (continued)

(c) Critical accounting judgments, estimates and assumptions (continued)

Going concern
Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed interim financial statements for the period ended March 31, 2018. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded the ultimate appropriateness of the use of accounting principles applicable to a going concern.

3. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in value. The cash and cash equivalents are mainly denominated in Canadian dollars and Hong Kong dollars. At March 31, 2019 no cash and cash equivalents were held by the Company, and at December 31, 2018 cash and cash equivalents were comprised of bank balances and cashable guaranteed investment certificates ("GICs"). GICs are matured in one year and are eligible for immediate cancellation after a 30 day hold period with interest earned to the date of cancellation. The GICs earn respective interest prime – 2.60% and 0.9% per annum (2017- prime - 2.10% and 0.6% per annum).

(b) Interest income

Interest income from financial assets is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's carrying amount.

(c) Financing costs

The costs related to equity transactions are deferred until the closing of the equity transactions. These costs are accounted for as a deduction from equity. Transaction costs of abandoned equity transactions are recognized in profit or loss.

(d) Property, plant and equipment

Property, plant and equipment, other than land, is recorded at cost less accumulated depreciation. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated using the declining balance method to write off the cost of asset, less the estimated residual value, at the following rates:

Computer equipment	30%
Other equipment	20%
Software	100%
Building	4%

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Land is stated at acquisition cost less any impairment losses. Land is not depreciated.

The asset's residual values, depreciation method and useful lives are reviewed and adjusted if appropriate at each reporting date.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognize in profit or loss.

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

(e) Exploration and evaluation assets

Exploration and evaluation expenses are comprised costs that are directly attributable to:

- Research and analyzing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods and;
- Activities in relation to evaluating the technical feasibility and commercially viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the subsequent costs incurred for the development of that project are capitalized as mining properties, a component of property, plant and equipment.

Development expenditures are net of the proceeds of the sale of ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs are classified as mineral interest.

3. Significant accounting policies (continued)

(f) Impairment of non-current assets

Property, plant and equipment and exploration and evaluation assets are assessed for impairment when events or circumstances indicate that the carrying amounts of the assets may not be recoverable. An impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Value in use is determined as the present value of the estimated future pre-tax cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal. The Company reviews impairment on non-financial assets for possible reversal when events or circumstances warrant such consideration.

(g) Decommissioning and rehabilitation liabilities

Decommissioning and rehabilitation liabilities are recognized for future obligations to retire long-lived assets which include dismantling, removing facilities and restoring the affected areas to normal operations. The provision for future restoration costs is the best estimate of the present value of the cash flows required to settle the restoration obligation at the reporting date.

Upon initial recognition of the decommissioning and rehabilitation liability, the amount is capitalized to the carrying value of the related asset and amortized as an expense over the economic life of the asset. The liability increases in following periods as the accretion expenses are accounted for. The liability is adjusted annually for changes to factors such as expected amount of cash flows required to discharge the liability, the timing of such cash flows and the discount rate.

The Company did not have any significant decommissioning and restoration obligations at the reporting dates.

(h) Share-based payment transactions

The share option plan allows the Company employees (including directors and senior executives) and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period recognized in profit or loss represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve. No expense is recognized for awards that do not ultimately vest.

At the time when the share options are exercised, the amount previously recognized in share option reserve is transferred to share capital. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share option expenses is transferred to accumulated losses.

3. Significant accounting policies (continued)

(h) Share-based payment transactions

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and priced at the previous day's closing price.

(i) Warrants issued in equity financing transactions

The Company engages in equity financing transaction to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common share and a certain number of warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction.

The carrying amount of the warrants that are part of units is determined based on any difference between gross proceeds and the estimated fair market value of the shares and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fee or other transactions costs are accounted for as share-based payments.

(j) Earnings(loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) for the year by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted earnings (loss) per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

(k) Translation of foreign currencies

The functional and presentation currency of the Company is the Canadian dollar as this is the principal currency of the economic environment in which they operate. Transactions in foreign currencies (currencies other than Canadian dollars) are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3. Significant accounting policies (continued)

(l) Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(n) Discontinued operation

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the Statements of Income (Loss) is represented in a format as if the operation had been discontinued from the start of the comparative period.

The Company presents the Net Income from Discontinued Operations as net amount on the Statements of Income (Loss).

3. Significant accounting policies (continued)

(o) Recent accounting pronouncements and future changes in accounting standards

The Company did not adopt any new accounting standard changes or amendments in 2018 that had a material impact on the Company's financial statements. The following amendment was adopted by the Company for the year ended December 31, 2018:

IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The Company adopted IFRS 9 using the modified retrospective approach where the cumulative impact of adoption will be recognized in retained earnings as of January 1, 2018 and comparatives will not be restated.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value and are subsequently measured at either (i) amortized cost; (ii) fair value through other comprehensive income, or (iii) at fair value through profit or loss.

Amortized cost

Financial assets classified and measured at amortized cost are those assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are SPPI. Financial assets classified at amortized cost are measured using the effective interest method.

Fair value through other comprehensive income ("FVTOCI")

Financial assets classified and measured at FVTOCI are those assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise to cash flows that are SPPI. This classification includes certain equity instruments where IFRS 9 allows an entity to make an irrevocable election to classify the equity instruments, on an instrument-by-instrument basis, that would otherwise be measured at fair value through profit or loss ("FVTPL") to present subsequent changes in FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets classified and measured at FVTPL are those assets that do not meet the criteria to be classified at amortized cost or at FVTOCI. This category includes debt instruments whose cash flow characteristics are not SPPI or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell the financial asset.

Consistent with IAS 39, financial liabilities under IFRS 9 are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

3. Significant accounting policies (continued)

The following table summarizes the classification of the Company's financial instruments under IAS 39 and IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial Assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Marketable securities	Available for sale	FVTOCI
Financial Liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The adoption of IFRS 9 did not have an impact on the Company's classification and measurement of financial assets and liabilities.

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had no impact on the carrying amounts of financial assets at amortized cost.

Consistent with IAS 39, the financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Financial liabilities are derecognized when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The Company has reviewed new accounting pronouncements that have been issued but are not yet effective. The Company will continue to evaluate the impact these standards will have on the financial statements when they are finalized. Currently the effect is expected to be immaterial. These standards include:

IFRS 9 Financial instruments (Amendment)

In October 2017, the International Accounting Standards Board (IASB) issued amendments to IFRS 9 Financial Instruments, incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in November 2017, to address the classification of certain prepayable financial assets.

The amendments clarify that a financial asset that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature with negative compensation may be eligible to be measured at either amortized cost or fair value through other comprehensive income. This classification is subject to the assessment of the business model in which the particular financial asset is held as well as consideration of whether certain eligibility conditions are met. The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning January 1, 2019.

4. Administrative expenses

	Three Months Ended March 31	
	2019	2018
	$	$
Depreciation	-	419
Corporate administration	20,133	29,738
Exploration costs	-	19,101
Net foreign exchange (gain) loss	(65)	-
Professional fees	13,450	-
Regulatory and shareholder services	11,055	9,271
Consulting Fees	18,000	18,017
	62,573	76,546

5. Marketable Securities

	Shares	2019	2018
		$	$
Ascot Resources Ltd.	240,263	211,431	20,036,936
		211,431	20,036,936

During the period ended, March 31, 2019, the Company sold 142,000 shares for gross proceeds of $141,665, these shares had a carrying value of $146,183. A realized loss of $4,518 was recorded.

For the year ended December 31, 2018, the Company received 15,179,497 shares of Ascot Resources Ltd., of which 14,797,234 shares were part of a non cash dividend to shareholders during the period ended March 31, 2019. A realized loss of $4,402,054 was recorded.

The fair values of the above investments have been determined by reference to their quoted bid prices at the respective reporting dates.

(Expressed in Canadian Dollars)

6. Share capital and stock options

(a) Share capital

The authorized share capital of the Company is 5,000,000,000 shares without par value.

During the period ended March 31, 2019, there were no share capital transactions.

(b) Stock options

The Company has a stock option plan whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSX-V policies.

Stock option transactions and the number of stock options outstanding and exercisable as at March 31, 2019 and December 31, 2118 are summarized as follows:

	Three Months Ended March 31, 2019		Year ended December 31, 2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Options outstanding	1,425,000	0.11	1,425,000	0.11
Options exercisable	1,425,000	0.11	1,425,000	0.11

March 31, 2019
Options outstanding and exercisable

Number outstanding	Expiry date	Exercise price
		$
1,425,000	April 4, 2019	0.11

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessary provide reliable measure of the fair value of the Company's stock options.

(Expressed in Canadian Dollars)

6. Share capital and stock options (continued)

(c) Share purchase warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding as at March 31, 2019, are summarized as follows:

March 31, 2019 Warrants outstanding and exercisable		
Number outstanding	Expiry date	Exercise price
		$
12,897,500	September 30, 2019	0.12

During the period ended March 31, 2019, there were no warrant exercise transactions.

7. Related party balances and transactions

Related party transactions

The Company entered into the following material related party transactions during the following periods:

Services provided for the three months ended March 31, 2019	Management services
	$
Baron Global Financial Canada Ltd. (1)	-

Services provided for the year ended December 31, 2018	Management services
	$
Baron Global Financial Canada Ltd. (1)	20,000

(1) Mr. Herrick Lau Mong Tak, officer of the Company, is the managing director of Baron Global Financial Canada Ltd.

8. Financial instruments

The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not have any written risk management policies and guidelines. However, the board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Company has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Company is exposed to are described below.

(i) Currency risk

Some of the operating expenses and cash & equivalents held are denominated in foreign currencies and as such are subject to currency risk. The Company does not enter into derivative financial instruments to mitigate this risk but the Company does not believe its net exposure to foreign exchange risk is significant as most funds are held by the Company in CAD.

(ii) Credit risk

The Company's cash & cash equivalent is held in authorized Canadian financial institutions. The Company does not have any asset-backed commercial paper. Management believes that the credit risk concentration with respect to its financial instruments is minimal.

The Company adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognized stock exchanges. No margin trading is allowed. Loans and financial guarantees to individuals on non-Group entities have to be approved by the board of directors. The board monitors the Company's overall investment position and exposure on a day to day basis.

The credit and investment policies have been followed by the Company since prior years and are considered to have been effective in limiting the Company's exposure to credit risk to a desirable level.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at banks and GICs carried at floating interest rates with reference to the market and non-interest bearing director's loans. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

The policies to manage interest rate risk have been followed by the Company since prior years and are considered to be effective.

8. Financial instruments (continued)

(iv) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risk.

(v) Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Company is exposed to change in market prices of listed equity in respect of its investments classified as marketable securities.

The policies to manage other price risk have been followed by the Company since prior years and are considered to be effective.

(vi) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

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

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The cash and cash equivalent and marketable securities measured are grouped into level 1 as at March 31, 2019 and December 31, 2018.

There have been no significant transfers between levels 1 and 2 in the respective reporting periods. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods. The listed equity securities are denominated in Canadian dollars. Fair values have been determined by reference to their quoted bid prices at the reporting dates.

The fair value of the Company's amounts due to related companies and payables and accruals approximates its carrying values.

(Expressed in Canadian Dollars)

9. Capital risk management

The Company's capital management objectives are to insure the Company's ability to continue as a going concern so as to benefit from its operations to provide an adequate return for its shareholders.

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

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

10. Commitment

The Company entered into consulting contracts providing the following services:

	Monthly Fee	Service Provided
	$	
Andrew Michaels & Company	6,000	Consultant

11. Supplementary cash flow information

	Period Ended March 31	
	2019	2018
	$	$
Non-cash Financing activities		
Non-cash dividend	15,241,151	-
Unlrealized loss on FV of marketable securities	36,041	-

12. Subsequent events

On April 4, 2019, 1,425,000 stock options expired unexercised.