Gelum Capital Ltd.
Consolidated Financial Statements
For the Years ended April 30, 2019 and 2018
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Gelum Capital Ltd.

Opinion

We have audited the consolidated financial statements of Gelum Capital Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2019 and 2018, and the consolidated statements of comprehensive loss, cash flows and changes in deficiency for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at April 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $1,493 during the year ended April 30, 2019 and, as of that date, had an accumulated deficit of $13,506,220. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that 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 the management's discussion and analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Stratton.

Vancouver, Canada *"Morgan & Company LLP"*

August 28, 2019 Chartered Professional Accountants

Gelum Capital Ltd.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	**As at 30 April 2019**	As at 30 April 2018
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	5	**84,174**	1,438
Amounts receivable	6	**3,307**	756
Total current assets		**87,481**	2,194
Consideration receivable	11,14	**-**	25,000
Total assets		**87,481**	27,194
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables		**44,611**	38,479
Due to Related Parties	14	**436,657**	417,466
Total current liabilities		**481,268**	455,945
Non-Current liabilities			
Convertible Note	7, 14	**173,962**	137,505
Total non-current liabilities		**173,962**	137,505
Total liabilities		**655,230**	593,450
Deficiency			
Common shares	8	**7,245,232**	7,245,232
Shares to be issued	14	**29,200**	29,200
Reserves	8	**5,588,580**	5,588,580
Equity portion of convertible note		**75,459**	75,459
Deficit		**(13,506,220)**	(13,504,727)
Total deficiency		**(567,749)**	(566,256)
Total liabilities and deficiency		**87,481**	27,194

Corporate Information and Going Concern (Note 1)

APPROVED BY THE BOARD:

"*Robert Kopple*"	"*Hendrik Van Alphen*"
Director	Director

Gelum Capital Ltd.

Consolidated Statements of Net and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Years ended 30 April 2019	2018
Operating Expenses			
General & administrative		**(90,704)**	(645,554)
Operating costs		**-**	(179,419)
Business development		**(2,069)**	(26,434)
Share-based payments	9	**-**	(70,430)
Total operating expenses		**(92,773)**	(921,837)
Gain on foreign exchange		**1,733**	30,312
Interest expense		**(20,000)**	(10,044)
Accretion expense		**(16,457)**	(7,727)
Gain on disposal of subsidiary	11	**-**	895,505
Gain on recovery of loan receivable	11	**126,004**	-
Write-off of loan receivable		**-**	(675,109)
Net loss for the year		**(1,493)**	(688,900)
Other comprehensive income			
Cumulative translation adjustment		**-**	303,159
Comprehensive loss for the year		**(1,493)**	(385,741)
Net loss attributable to:			
Shareholders of parent company		**(1,493)**	(461,732)
Non-controlling interest		**-**	(227,168)
Other comprehensive income attributable to:			
Shareholders of parent company		**-**	181,896
Non-controlling interest		**-**	121,263
Loss per share – basic and diluted	10	**(0.000)**	(0.146)

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

Gelum Capital Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes	Years ended 30 April **2019**	2018
		$	$
OPERATING ACTIVITIES			
Net income (loss) for the year		(1,493)	(688,900)
Adjustments to reconcile loss to cash provided (used in) operating activities:			
Share-based payments	9	-	70,430
Accretion expense		16,457	7,727
Accrued interest on convertible loan		20,000	10,192
Gain on disposal of subsidiary		-	(461,169)
Write-off of loan receivable		-	675,000
Recovery of loan receivable	11	(126,004)	-
Changes in non-cash working capital:			
Due to related parties		19,191	417,466
Amounts receivable	6	(2,551)	804
Prepaid expenses		-	19,148
Trade and other payables		6,132	(71,534)
Cash used in operating activities		**(68,268)**	(836)
FINANCING ACTIVITIES			
Loan to subsidiary		**-**	(675,109)
Net proceeds from issuance of convertible note		**-**	195,045
Recovery of loan to subsidiary		**151,004**	-
Cash provided by financing activities		**151,004**	(479,955)
(Decrease) increase in cash and cash equivalents		**82,736**	(480,791)
Cash and cash equivalents, beginning of year		**1,438**	482,229
Cash and cash equivalents, end of year		**84,174**	1,438

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

Gelum Capital Ltd.

Consolidated Statements of Changes in Deficiency

(Expressed in Canadian dollars)

	Number of shares	Common shares	Shares to be issued	Share issuance cost	Reserves		Equity portion of convertible note	Accumulated other comprehensive income attributable to parent	Deficit attributable to parent	Non-controlling interest	Total
					Option reserve	Warrant reserve					
		$	$	$	$	$	$	$	$	$	$
Balances, 30 April 2017	4,727,433	7,602,883	29,200	(357,651)	3,743,323	1,774,827	-	791,283	(13,042,995)	(91,550)	449,320
Share-based payment	-	-	-	-	70,430	-	-	-	-	-	70,430
Issuance of convertible note	-	-	-	-	-	-	75,459	-	-	-	75,459
Net loss for the year	-	-	-	-	-	-	-	303,159	(461,732)	(227,168)	(385,741)
Disposal of subsidiary	-	-	-	-	-	-	-	(1,094,442)	-	318,718	(775,724)
Balances, 30 April 2018	4,727,433	7,602,883	29,200	(357,651)	3,813,753	1,774,827	75,459	-	(13,504,727)	-	(566,256)
Net loss for the year	-	-	-	-	-	-	-	-	(1,493)	-	(1,493)
Balances, 30 April 2019	**4,727,433**	**7,602,883**	**29,200**	**(357,651)**	**3,813,753**	**1,774,827**	**75,459**	**-**	**(13,506,220)**	**-**	**(567,749)**

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

1. CORPORATE INFORMATION AND GOING CONCERN

Gelum Capital Ltd. (the “Company”) was incorporated under the laws of the province of British Columbia on 8 June 1987. The principal address and registered and records office is located at Suite, 400 – 725 Granville Street, Vancouver, BC, V7Y 1G5. The Company trades under the symbol “JEM” on the Canadian Securities Exchange (“CSE”)

The Company’s principal business is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business.

Effective 30 July 2018, the Company’s name was changed from Jagercor Energy Corp. to Gelum Capital Ltd. and the Company consolidated its common shares on a 20:1 basis. All references to the number of common shares and per share amounts have been retroactively restated to reflect this common share consolidation.

On 22 August 2017, the Company initiated the process of the acquisition of Energia Compañía Petrolera Sociedad Anónima (‘ECP’), an upstream oil and gas Argentinean Operator in Neuquén Basin; through its subsidiary in Argentina, Jager Energia Argentina SA and acquired a 95% interest in ECP. On April 27, 2018, the Company divested its shares of Jager Energia Argentina SA and terminated the acquisition transaction of ECP.

These financial statements present the consolidated operations of the Company and its former Argentinean controlled subsidiary. These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company’s consolidated financial statements for the year ended April 30, 2019 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company has a comprehensive loss of $1,493 for the year ended April 30, 2019 and has a working capital deficiency of $393,787 at April 30, 2019.

The Company had cash and cash equivalents of $84,174 as at April 30, 2019. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

On April 27, 2018, the Company sold its interest in Jager Energía Argentina S.A ("JEA"). Due to the sale of JEA, the comparative statement of loss and comprehensive loss reflects the consolidated operations of the Company and JEA for the year ended April 30, 2018, while the statement of financial position for the years ended April 30, 2019 and 2018 and the statement of loss and comprehensive loss for the year ended April 30, 2019 reflects the balances of the Company only.

Non-controlling interest

Non-controlling interest in the Company's less than wholly owned subsidiary is classified as a separate component of equity. On initial recognition, non-controlling interest is measured at the fair value of the non-controlling entity's contribution into the related subsidiary. Subsequent to the original transaction date, adjustments are made to the carrying amount of non-controlling interest for the non-controlling interest's share of changes to the subsidiary's equity.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interest is adjusted to reflect the change in the non-controlling interest's relative interest in the subsidiary, and the difference between the adjustment to the carrying amount of non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to owners of the Company.

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on the historical cost basis and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance 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"). The Board of Directors approved these consolidated financial statements on August 28, 2019.

2. BASIS OF PREPARATION (continued)

2.4 Recent accounting pronouncements

The Company has adopted IFRS 9 for financial instruments as at May 1, 2018, in accordance with its transitional provisions and described below. The adoption of IFRS 9 has not resulted in adjustments to previously reported figures and there was no change to the opening deficit balance as at May 1, 2018.

IFRS 9

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

Under IFRS 9, on initial recognition, a financial asset or liability is classified and measured at either: amortized cost; fair value through other comprehensive income ("FVTOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income (FVTOCI).

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the statement of income or loss, unless this creates an accounting mismatch.

Classification and Measurement Changes

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and has summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.4 Recent accounting pronouncements (continued)

	Measurement Category	
	Original (IAS 39)	New (IFRS 9)
Financial Assets:		
Cash and cash equivalents	Amortized cost	Amortized cost
Amounts receivables	Amortized cost	Amortized cost
Financial Liabilities:		
Trade and other payables	Amortized cost	Amortized cost
Due to Related Parties	Amortized cost	Amortized cost
Convertible Note	Amortized cost	Amortized cost

There has been no change in the measurement categories, carrying values or to previously reported figures of the Company's financial instruments. The adoption of the IFRS 9 did not have a significant impact on the financial statements.

New accounting standards

The Company adopted the following accounting standards that are effective for accounting periods beginning on or after January 1, 2019:

IFRS 16 - *Leases*

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and replaced IAS 17, Leases. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to current finance lease accounting. Leases become an on-balance sheet liability that attract interest, together with a new asset.

The Company does not have any leases and accordingly, there was no impact to the Company's financial statements as a result of adopting this new standard.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including

expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Company's critical judgments in applying accounting policies include judgments regarding the going concern of the Company, which have been discussed in Note 1.

Critical accounting estimates and assumptions developed and applied by management are as follows:

- Share based payments – the inputs used in accounting for share based payments in the statements of loss and comprehensive loss.

3.2 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. As at April 30, 2019, and 2018, the Company had no cash equivalents.

3.3 Principles of consolidation

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consist of the non-controlling interest's portion of net assets and profit or loss.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related property and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the production of hydrocarbon resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to producing property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Foreign currencies

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 Company determined that its functional currency is the Canadian dollar for its parent, and it is the US dollar for its Argentinean subsidiary commencing October 2014, prior to which it was the Canadian dollar. The functional currency of the Company's Argentinean subsidiary was changed to US dollars as a result of the Company's investment made and returns received during the year being denominated in US dollars.

Foreign currency transactions are translated into 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.

The financial results and position of foreign operations whose functional currency is different from the reporting currency are translated as follows:

i) assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
ii) income and expenses are translated at average exchange rates for the period.

Exchange gains and losses arising on translation are recognized in accumulated other comprehensive loss.

3.6 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed or capitalized, as appropriate. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Income Taxes

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred 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 the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are measured, recognized and disclosed for the full financial year in the audited financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments – Policy applicable from May 1, 2018

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is 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 on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments plus the cumulative amortization, using the effective interest method applied to the difference between the initial amount and the maturity amount, adjusted for any allowance due to losses or gains. Interest income is recognized using the effective interest method.

The Company's financial assets at amortized cost include its cash and cash equivalents, and amounts receivable.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI.

- The financial asset is 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any instruments classified as financial assets at FVTOCI.

FVTPL

All other financial assets are measured at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments – Policy applicable from May 1, 2018 (continued)

at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company does not have any financial assets measured at fair value through profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized as proceeds received net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized, by the Company, in profit or loss on the purchase, sale, or the cancellation of its own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Derecognition

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement;
- And either (a) the Company has transferred substantially all risks and rewards of the asset, or (b) the Company retains legal title but has contractually or otherwise transferred the associated economic risks and rewards.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.10 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 operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work 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 exploration and evaluation assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the 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 that were included in the provision are recorded against the provision as incurred. The costs to prevent and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Restoration and environmental obligations (continued)

control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

For the years presented, the Company does not have any restoration or environmental obligations.

3.11 Related party transactions

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. See Note 14 for further disclosures.

3.12 Earnings (loss) per share

The Company computes the dilutive effect of options, warrants and similar instruments by recognizing the dilutive effect on loss per share on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, this calculation proved to be anti-dilutive. Basic loss per share was calculated using the weighted-average number of shares outstanding during the period.

3.13 Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings. Gains and losses that would otherwise be recorded within profit or loss are presented in other comprehensive income (loss) until it is considered appropriate to recognize into net earnings. The Company's translation of its subsidiary to Canadian dollars is the only item currently affecting other comprehensive income (loss) for the periods presented.

3.14 Convertible note

The Company classified the convertible note into debt and equity components based on the residual method. The liability component was calculated as the present value of the principal and interest, discounted at a rate approximating the interest rate that was estimated would have been applicable to non-convertible debenture at the time the debenture was issued. This portion of the convertible debenture is accreted over its term to the full face value using the effective interest rate method. The equity element of the convertible debenture comprises the value of the conversion option, being the difference between the face value of the convertible debt and the liability component. Upon maturity, the equity component is reclassified to reserves.

4. SEGMENTED INFORMATION

The Company operates in one business segment, Geographical information is as follows:

	Canada	**Argentina**	**Total**
	$	$	$
Current assets			
As at 30 April 2019	**87,481**	**-**	**87,481**
As at 30 April 2018	2,194	-	2,194
Long-term assets			
As at 30 April 2019	**-**	**-**	**-**
As at 30 April 2018	25,000	-	25,000
Net loss			
As at 30 April 2019	**(1,493)**	**-**	**(1,493)**
As at 30 April 2018	(16,662)	(672,238)	(688,900)

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

	As at 30 April 2019	As at 30 April 2018
	$	$
Denomintaed in US dollars	**80,804**	-
Denominated in Canadian dollars	**3,370**	1,438
Total cash and cash equivalents	**84,174**	1,438

6. AMOUNTS RECEIVABLE

The Company's amounts receivable arise from Goods and Services Tax ("GST") receivable due from the government taxation authorities in Canada as follows:

	As at 30 April 2019	As at 30 April 2018
	$	$
GST receivable	**3,307**	756
Total	**3,307**	756

(Expressed in Canadian dollars)

7. CONVERTIBLE NOTE

On 14 October 2017, the Company issued a convertible note with a principal face value of $200,000 to two directors of the Company. The convertible note bears interest at the rate of 10% per annum, payable annually and has a maturity date of five years from the date of issuance. The lenders may convert at any time, all or a portion of the principal amount into units of the Company at a price of $1.00 per unit. Each unit consists of one common share and one share purchase warrant (a "Warrant"). Each Warrant will be exercisable into a common share on payment of the exercise price of $1.20 per common share

The Company´s convertible note is broken down as follows:

	$
Proceeds received, net of transaction costs	**195,045**
Allocated to equity portion	**(75,459)**
Allocated to liability portion	**119,586**
Liability portion as at April 30, 2018	**137,505**
Accretion expense for the year	**16,457**
Accrued interest	**20,000**
Liability portion as at April 30, 2019	**173,962**

During the year ended April 30, 2019, $20,000 (2018-$10,192) in interest was accrued on the Company's convertible notes.

8. SHARE CAPITAL

8.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

At 30 April 2019, the Company had 4,727,433 common shares outstanding (2018 –4,727,433).

8.2 Shares issuances

During the years ended April 30, 2019 and 2018, the Company did not issue any common shares.

8.3 Stock options

On December 19, 2016, the Company adopted a formal Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

(Expressed in Canadian dollars)

8. SHARED CAPITAL

8.3 Stock options (continued)

The following is a summary of the changes in the Company's stock options for the years ended April 30, 2019 and 2018:

	30 April 2019		30 April 2018	
	Number of options	**Weighted average exercise price $**	Number of options	Weighted average exercise price $
Outstanding, beginning of year	267,500	1.03	17,500	1.40
Granted	-	-	250,000	1.00
Expired	(17,500)	1.40	-	-
Outstanding, end of year	**250,000**	**1.00**	267,500	1.03

On 9 June 2017, the Company granted incentive stock options to directors and officers for the right to purchase up to an aggregate of 250,000 common shares.

The Company uses the Black-Scholes Option Pricing Model to estimate the value of the options granted.

The following table summarizes information regarding stock options outstanding and exercisable as at 30 April 2019:

Grant date	**Expiry date**	**Number of options outstanding**	**Number of options exercisable**	**Exercise price $**	**Remaining contractual life (years)**
09 June 2017	09 June 2022	250,000	250,000	1.00	3.11
Total Options		**250,000**	**250,000**		

(Expressed in Canadian dollars)

9. SHARE-BASED PAYMENTS

Share-based payments for the options granted by the Company are amortized over their vesting period, of which $Nil was recognized in the year ended 30 April 2019. (2018 - $70,430).

Grant date	**Fair value**	Amount vested in 2018
	$	$
09 June 2017	**70,430**	70,430
Total	**70,430**	70,430

The fair value of the stock options granted was determined using the black-scholes model with the following inputs: i) exercise price: $1.00; ii) share price: $0.30; iii) term: 5 years; iv) volatility: 202%; v) discount rate: 0.98%.

10. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Year ended 30 April	
	2019	2018
Net loss for the year	**$ (1,493)**	$ (688,900)
Weighted average number of shares – basic and diluted	**4,727,433**	4,727,433
Loss per share, basic and diluted	**$ (0.000)**	$ (0.146)

11. SALE OF SUBSIDIARY

On April 27, 2018, the Company sold its interest in its 57.64% owned subsidiary, Jagercor Energia Argentia SA (JEA) to a director of the Company for proceeds of 415,000 argentine pesos ($25,000 CAD).

During the year ended April 30, 2019, the Company received proceeds of $151,004 related to the sale and for partial repayment of a previously written-off loan to JEA resulting in a gain on loan receivable of $126,004.

The subsidiaries' assets and liabilities as of disposal date were as follows:

	$
Cash	**5,196**
Prepaid expenses	**2,525**
Accounts payable and accrued liabilities	**(102,502)**
Net liabilities	**(94,781)**

(Expressed in Canadian dollars)

11. SALE OF SUBSIDIARY (continued)

The gain on disposal of JEA was calculated as follows:

	$
Consideration	**25,000**
Net liabilities derecognized on disposition	**94,781**
Elimination of AOCI	**1,094,442**
Elimination of NCI	**(318,718)**
Gain on sale of subsidiary	**895,505**

Net comprehensive loss for the year ended April 30, 2018, includes $672,238 relating to JEA.

12. CAPITAL RISK MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital and (ii) obtain the best available net return.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition. To maintain or adjust the capital structure, the Company may attempt to issue new shares or issue new debt.

The Company is listed on the CSE. The Company is not subject to externally imposed capital requirements. Management plans to continue to evaluate and explore commercial opportunities.

13. FINANCIAL INSTRUMENTS

	Level	30 April 2019	30 April 2018
FINANCIAL ASSETS		**$**	$
At amortized cost			
Cash and cash equivalents	1	**84,174**	1,438
Amounts receivable	2	**3,307**	756
Total financial assets		**87,481**	2,194
FINANCIAL LIABILITIES			
At amortized cost			
Trade and other payables	2	**44,611**	48,671
Due to Related Parties	2	**436,657**	417,466
Convertible Note	2	**173,962**	127,313
Total financial liabilities		**655,230**	593,450

13. FINANCIAL INSTRUMENTS (continued)

13.1 Fair Value

The fair value of the Company's financial assets and financial liabilities approximate their carrying value.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 30 April 2019 and 2018, the Company does not have any Level 3 financial instruments.

13.2 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk
Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. As a result, credit risk is considered insignificant. Credit risk is also attributable to amounts accrued in amounts receivable due from the operator of the investment. Credit risk is considered low as the amounts were collected in full after the end of period.

Liquidity risk
The Company is reliant primarily upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents and short-term investments to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecast cash flows and matches the maturity dates of its cash and cash equivalents and short-term investments to capital and operating needs. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 30 April 2019, the Company had working capital deficiency of $393,787.

13. FINANCIAL INSTRUMENTS (continued)

13.2 Management of financial risks (continued)

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or price risk arising from these financial instruments.

The Company was exposed to foreign currency risk on fluctuations related to cash and cash equivalents, short-term investments, amounts receivable, and trade and other payables that are denominated in US dollars and Argentinean Pesos. As at April 30, 2019, foreign currency risk is minimal due to the sale of the subsidiary.

14. RELATED PARTY TRANSACTIONS

14.1 Shares to be issued

The liabilities of the Company include the following amounts due to related parties:

	30 April 2019	30 April 2018
	$	$
CEO (shares to be issued)	**29,200**	29,200
Total amount	**29,200**	29,200

As at 30 April 2019, related parties include an incentive bonus payable to compensate the Chief Executive Officer payable in 36,500 common shares at a price of $0.80 per share. Issuance pending since 2016.

On October 14, 2017, convertible notes were issued to two directors (See Note 7).

On April 27, 2018, the Argentinian subsidiary was sold to a director of the Company (See Note 11) for $25,000. The $25,000 was outstanding as at April 30, 2018.

As at April 30, 2019, there was $436,657 (2018 - $417,466) due to related parties. The amounts due to related parties are non-interest bearing, unsecured and due on demand.

14.2 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	Year ended 30 April	
	2019	2018
	$	$
Share-based payments	**-**	70,430
Accounting services	**14,500**	-
Total key management personnel compensation	**15,050**	70,430

(Expressed in Canadian dollars)

15. INCOME TAXES

15.1 Provision for income taxes

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate of 27% (2018-26%) arise as follows:

	Year ended 30 April	
	2019	2018
	$	$
Expected income tax recovery	**-**	(120,000)
Change in tax rates and other	**(17,000)**	219,000
Permanent differences	**(13,000)**	(987,000)
Change in unrecognized deductible temporary differences	**30,000**	888,000
Total income tax recovery	**-**	-

15.2 Deferred income taxes

The temporary differences that give rise to deferred income tax assets and liabilities are as follows:

	Year ended 30 April	
	2019	2018
	$	$
Exploration and evaluation assets	**4,000**	881,000
Share issuance costs	**-**	4,000
Non-capital losses available for future periods	**36,000**	1,748,000
Capital losses	**446,000**	445,000
Unrecognized deferred tax assets	**(486,000)**	(3,078,000)
Total income tax recovery	**-**	-

The Company's non-capital losses expire in the periods from 2037-2039 as follows.

2037	10,000
2038	-
2039	126,000
	136,000