TRIGEN RESOURCES INC.

Financial Statements

April 30, 2017 and 2016

Expressed in Canadian Dollars

TRIGEN RESOURCES INC.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Trigen Resources Inc.:

We have audited the accompanying financial statements of Trigen Resources Inc., which comprise the statements of financial position as at April 30, 2017 and 2016, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Trigen Resources Inc. as at April 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Trigen Resources Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
August 25, 2017

TRIGEN RESOURCES INC.

Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	**April 30, 2017**	April 30, 2016
Assets			
Current assets			
Cash and cash equivalents	3	**$ 85,248**	$ 212,994
Receivables	4	**1,935**	2,385
Prepaids		**833**	1,136
		88,016	216,515
Property and equipment	5	**127**	389
		$ 88,143	$ 216,904
Liabilities and Shareholders' Equity			
Current liabilities			
Trade payables and accrued liabilities	6	**$ 12,185**	$ 16,907
Shareholders' Equity			
Share capital	7	**11,631,617**	11,631,617
Share-based payment reserve	7	**674,698**	674,698
Deficit		**(12,230,357)**	(12,106,318)
		75,958	199,997
		$ 88,.143	$ 216,904

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

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

Approved on behalf of the board of directors:

"Hari Varshney"
Director

"Praveen Varshney"
Director

TRIGEN RESOURCES INC.

Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	Amount	Share-based Payment Reserve	Deficit	Total Equity
Balance, April 30, 2015	13,578,556	$ 11,631,617	$ 674,698	$ (11,978,784)	$ 327,531
Net and comprehensive loss	–	–	–	(127,534)	(127,534)
Balance, April 30, 2016	13,578,556	11,631,617	674,698	(12,106,318)	199,997
Net and comprehensive loss	–	–	–	(124,039)	(124,039)
Balance, April 30, 2017	**13,578,556**	**$ 11,631,617**	**$ 674,698**	**$ (12,230,357)**	**$ 75,958**

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

TRIGEN RESOURCES INC.

Statements of Comprehensive Loss
For the years ended April 30,
(Expressed in Canadian Dollars)

	Note		2017		2016
Expenses:					
Amortization	5	**$**	**262**	$	501
Management fees	8		**30,000**		30,000
Office and administration	8		**69,019**		70,711
Professional fees			**9,041**		14,284
Regulatory and transfer agent fees			**9,151**		11,478
Travel and promotion			**7,595**		2,791
			(125,068)		(129,765)
Interest and other income			**1,029**		2,231
Net and comprehensive loss for the year		**$**	**(124,039)**	$	(127,534)
Loss per common share –Basic and diluted		**$**	**(0.01)**	$	(0.01)
Weighted average number of common shares outstanding –Basic and diluted			**13,578,556**		13,578,556

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

TRIGEN RESOURCES INC.

Statement of Cash Flows
For the years ended April 30,
(Expressed in Canadian Dollars)

		2017		2016
Cash provided by (used in):				
Operating:				
Net comprehensive loss	**$**	**(124,039)**	$	(127,534)
Item not involving cash:				
Amortization		**262**		501
Changes in non-cash working capital:				
Receivables		**450**		2,578
Prepaids		**303**		(303)
Trade payables and accrued liabilities		**(4,722)**		(57,354)
		(127,746)		(182,112)
Change in cash and cash equivalents		**(127,746)**		(182,112)
Cash and cash equivalents, beginning		**212,994**		395,106
Cash and cash equivalents, ending	**$**	**85,248**	$	212,994

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Trigen Resources Inc. (the “Company”) was incorporated on January 13, 1981 under the laws of British Columbia. The Company is listed on the NEX board of the TSX Venture Exchange (the “Exchange”). The Company continues to identify, evaluate and negotiate for a potential business opportunity.

The Company’s head office and principal address is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The records and registered office is Suite 400, 725 Granville Street, Vancouver, BC, V7Y 1G5.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated any revenue from operations. During the fiscal year ended April 30, 2017, the Company incurred a net loss of $124,039 (2016 - $127,534) and, as of this date, the Company has an accumulated deficit of $12,230,357.

Management is of the opinion that sufficient working capital is available to meet the Company’s liabilities and commitments as they become due for the upcoming fiscal year. The continuing operations of the Company are dependent upon its ability to identify and acquire a business opportunity, to raise adequate financing and to commence profitable operations in the future. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. Further discussion of liquidity risk has been disclosed in Notes 10 and 11.

These financial statements do not include any adjustments relating to the recoverability and classification of asset and liabilities which might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements were authorized for issue on August 25, 2017 by the directors of the Company.

Statement of compliance

These 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 Interpretation issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of Presentation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars unless otherwise noted.

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

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

The Company classifies its financial assets into the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale ("AFS"). The Company classifies its financial liabilities as either at fair value through profit or loss and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at FVTPL when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Transaction costs are expensed as incurred.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the transaction value, including transaction costs and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

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

Financial assets *(cont'd)*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. Held-to-maturity investments are recognized on a trade-date basis and initially measured at fair value, including transaction costs. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. AFS financial assets are measured initially at their fair value including transaction costs directly attributable to the acquisition. They are subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses.

Regular purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

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

Financial instruments (cont'd)

Financial assets (cont'd)

Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

The Company has classified its cash and cash equivalents as held-for-trading which are measured at FVTPL. Receivables are classified as loans and receivables, which are measured at amortized cost. Trade payables are classified as other financial liabilities, all of which are measured at amortized cost.

Non-derivative financial liabilities, which consist of trade payables, are subsequently measured at amortized cost.

The Company does not have any derivative financial assets and liabilities.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents are classified as a level 1 input.

Cash and cash equivalents

The Company considers cash and cash equivalents to include amounts held in banks and highly liquid investments in mutual funds consisting of high interest savings accounts.

Property and equipment

Property and equipment are recorded at cost and are amortized over their estimated useful lives at the following rates:

Equipment	–	20%	declining balance method
Leasehold improvements	–	5 years	straight line method

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

***Property and equipment** (cont'd)*

In the year of acquisition, only one-half of the amortization is recorded.

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of plant and equipment. The cost of replacing part of an item within equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

Impairment of long-lived assets

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

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 obligation between related parties.

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

Share-based payments

The fair value of share-based payments is measured at grant date using the Black-Scholes Option Pricing Model, and is recognized over the vesting period using the graded method. The fair value of share-based payments to non-employees is measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model.

For both employees and non-employees, the fair value is recognized as an expense with a corresponding increase in the share-based payment reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Loss per share

Loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(Expressed in Canadian Dollars)

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

Recent accounting pronouncements

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on its financial statements.

IFRS 9: New standard that replaces IAS 39 for classification and measurement of financial assets, effective for annual periods beginning on or after January 1, 2018.

IFRS 15: New standard that replaces existing revenue requirements IAS 11, IAS 18, IFRIC 13, IFRIC 18 and SIC 31 for measurement, recognition, and disclosure of revenues; effective for annual periods beginning on or after January 1, 2018.

*IFRS 16 –N*ew standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of:

	April 30, 2017	April 30, 2016
Cash at bank	$ 9,288	$ 3,141
High Interest Savings Account ("HISA")	75,960	209,853
	$ 85,248	$ 212,994

Cash equivalents consist of mutual fund investments in the HISA. As at April 30, 2017, the HISA was bearing an annual interest of approximately 0.71% (April 30, 2016 – 0.8%). The counter-party is a financial institution.

4. RECEIVABLES

Receivables are comprised of:

	April 30, 2017	April 30, 2016
Sales tax credits	$ 1,881	$ 2,252
Interest accrued on HISA	54	133
	$ 1,935	$ 2,385

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

	Equipment	Leasehold improvements	Total
Cost:			
At April 30, 2016 and 2017	$ 4,444	$ 2,309	$ **6,753**
Amortization:			
At April 30, 2015	$ 4,246	$ 1,617	$ 5,863
Amortization	39	462	501
At April 30, 2016	4,285	2,079	6,364
Amortization	32	230	262
At April 30, 2017	$ 4,317	$ 2,309	$ **6,626**
Net book value:			
At April 30, 2016	$ 159	$ 230	$ 389
At April 30, 2017	$ 127	$ –	$ **127**

6. TRADE PAYABLES AND ACCRUED LIABILITIES

	April 30, 2017	April 30, 2016
Trade payables	$ 373	$ 1,525
Due to related parties (Note 8)	1,312	1,312
Accrued liabilities	10,500	14,070
	$ 12,185	$ 16,907

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value
Unlimited Class A preference shares with a par value of $10
Unlimited Class B preference shares with a par value of $50

(b) Issued – common shares

There were no share issuances during the years ended April 30, 2017 and 2016.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (cont'd)

(c) Stock options

The Company maintains a 10% rolling stock option plan (the "Plan") that enables management to grant options to directors, officers, employees and other service providers. The Company follows the Exchange policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options.

There were no stock options outstanding as at April 30, 2017 and 2016.

(d) Share-based payment reserve

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

8. RELATED PARTY TRANSACTIONS

Effective January 1, 2011, the Company entered into a management and administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by two common directors, whereby the Company agreed to pay management and administrative fees of $2,500 and $3,000 per month, respectively.

During the year ended April 30, 2017, the Company paid $30,000 (2016 – $30,000) for management fees and $36,000 (2016 – $36,000) for administrative fees to VCC.

As at April 30, 2017, $1,312 (April 30, 2016 - $1,312) was due to a director of the Company for reimbursement of business expenses. The amount was included in trade payables and accrued liabilities (Note 6) and paid subsequent to April 30, 2017.

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes and details of deferred income tax assets are as follows:

	2017	2016
Loss before income taxes	$ 124,039	$ 127,534
Tax rate	26%	26%
Potential income tax recovery	(32,250)	(33,159)
Non-taxable items	298	252
Change in valuation allowance	31,883	26,158
Impact of income tax rate changes and other	69	6,749
Deferred income tax recovery	$ –	$ –

(Expressed in Canadian Dollars)

9. INCOME TAXES (cont'd)

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

	2017	2016
Deferred income tax assets:		
Non-capital loss carry-forwards	$ 537,680	$ 505,797
Equipment	4,725	4,725
Exploration and evaluation assets	242,397	242,397
	$ 784,802	$ 752,919

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

	Non-capital loss carry-forwards	Exploration and evaluation assets
2026	$ 198,682	$ –
2027	200,290	–
2028	299,590	–
2029	229,562	–
2030	206,441	–
2031	82,802	–
2032	160,212	–
2033	134,364	–
2034	129,159	–
2035	178,204	–
2036	126,065	–
2037	122,630	–
No expiry	–	932,295
	$ 2,068,001	$ 932,295

Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements as the Company has provided a full valuation allowance for the potential deferred tax assets resulting from these loss carry-forwards.

10. FINANCIAL INSTRUMENTS

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and short-term investment. As a majority of the Company's cash is held by a Canadian bank, there is a concentration of credit risk with one bank in Canada. While there is concentration of risk holding all funds with one institution, this risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at April 30, 2017, the Company has cash on hand of $9,288 and HISA investment of $75,960. Management assesses credit risk of cash and short-term investment as low.

The Company's secondary exposure to credit risk is on its receivables. This risk is minimal as receivables consist mainly of refundable government sales taxes and interest accrued on HISA.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates only in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account and HISA investment earn interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate rise to be minimal.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed. As at April 30, 2017, the Company has cash on hand of $9,288 and HISA investment of $75,960, which are sufficient to settle its current liabilities of $12,185.

11. CAPITAL DISCLOSURE

Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed.

There were no changes in the Company's approach to capital management during the year ended April 30, 2017. The Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

Subsequent to the year ended April 30, 2017, the Company:

a) closed its non-brokered private placement previously announced on April 27, 2017. 9,176,599 common shares of the Company were issued at a price of $0.06 per common share, for gross proceeds of $550,596, of which $288,700 has been received to date. All shares issued pursuant to the private placement are subject to a four-month and one day hold period expiring December 26, 2017.

b) entered into a consulting agreement with a third party for general business development services for a term of 12 months and a fee of $75,000.