Colorado Resources Ltd.

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

Consolidated Financial Statements

For the Years Ended March 31, 2019 and 2018

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
March 31, 2019 and 2018
(Expressed in Canadian Dollars)

Index | **Page**

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF COLORADO RESOURCES LTD.

Opinion

We have audited the consolidated financial statements of Colorado Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows 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 March 31, 2019 and 2018, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of $2,344,482 during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its current assets by $546,430. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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 of 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 audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this, 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 IFRS, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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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 auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 25, 2019

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31

(Expressed in Canadian Dollars)

	Note		2019		2018
Assets					
Current					
Cash and cash equivalents	5	$	134,598	$	1,476,261
Restricted cash	3, 5		-		3,625,637
Receivables	6		26,950		461,632
Prepaids and advances			13,205		153,756
Marketable securities	7		57,060		210,000
Total current assets			231,813		5,927,286
Non-current					
Reclamation deposits	8		162,000		150,000
Property, plant, and equipment	9		12,057		23,683
Exploration and evaluation assets	10		22,676,882		18,965,634
Total non-current assets			22,850,939		19,139,317
Total Assets		$	23,082,752	$	25,066,603
Liabilities and Shareholders' Equity					
Current					
Trade and other payables	11, 18	$	278,243	$	591,390
Loan payable	12		500,000		-
Provisions	14		-		4,683
Total current liabilities			778,243		596,073
Shareholders' equity					
Share capital	15		40,988,917		40,678,462
Contributed surplus	15, 16		5,123,722		5,255,716
Accumulated deficit			(23,808,130)		(21,463,648)
Total shareholders' equity			22,304,509		24,470,530
Total Liabilities and Shareholders' Equity		$	23,082,752	$	25,066,603

Signed on behalf of the Board of Directors by:

"Cecil Bond"	**Director**	*"Robert Shaw"*	**Director**
Cecil Bond		Robert Shaw	

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended March 31

(Expressed in Canadian Dollars)

	Note		2019		2018
Expenses					
Administrative and general	17, 18	$	2,327,885	$	1,669,838
Depreciation	9		12,780		11,037
Directors fees	18		118,040		108,500
Interest on loan payable	12		22,512		-
Finance charge	12		21,250		-
Pre-exploration expenditures			40,161		5,173
(Gain) loss on foreign exchange			(1,364)		6,174
Share-based payments	16		-		628,565
Total expenses			(2,541,264)		(2,429,287)
Other income (loss)					
Interest and other income			73,384		94,081
Gain on sale of equipment			3,000		-
Other income	13		-		540,077
Gain on settlement of trade payables	11		142,606		-
Write-down on exploration and evaluation assets	10		(16,068)		(2,605,780)
Write-down on marketable securities	7		-		(105,000)
Unrealized loss on marketable securities	7		(6,140)		-
Net loss for the year		$	(2,344,482)	$	(4,505,909)
Other comprehensive loss					
Fair value loss on marketable securities	7		-		(21,000)
Loss and comprehensive loss for the year		$	(2,344,482)	$	(4,526,909)
Loss per common share, basic and diluted	21	$	(0.02)	$	(0.04)

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

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31

(Expressed in Canadian Dollars)

	Note		Share Capital Amount		Contributed Surplus		Accumulated Other Comprehensive Income (loss)		Accumulated Deficit		Total
Balance March 31, 2017		$	32,622,219	$	4,661,062	$	21,000	$	(16,957,739)	$	20,346,542
Loss for the year			-		-		-		(4,505,909)		(4,505,909)
Shares issued for exploration and evaluation assets	10, 15		862,500		-		-		-		862,500
Fair value of options exercised	16		33,911		(33,911)		-		-		-
Share-based payments	16		-		628,565		-		-		628,565
Marketable securities at FVOCI	7		-		-		(21,000)		-		(21,000)
Shares issued for cash	15		7,423,741		-		-		-		7,423,741
Share issuance costs	15		(263,909)		-		-		-		(263,909)
Balance, March 31 2018		$	40,678,462	$	5,255,716	$	-	$	(21,463,648)	$	24,470,530
Loss for the year			-		-		-		(2,344,482)		(2,344,482)
Shares issued for bonus fees on loan	12, 15		21,250		-		-		-		21,250
Shares issued for settlement of trade payables	11, 15		21,752		-		-		-		21,752
Share issuance costs	15		(541)		-		-		-		(541)
Shares issued on exercise of options	15		136,000		-		-		-		136,000
Fair value of options exercised	15, 16		131,994		(131,994)		-		-		-
Balance, March 31, 2019		**$**	**40,988,917**	**$**	**5,123,722**	**$**	**-**	**$**	**(23,808,130)**	**$**	**22,304,509**

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended March 31
(Expressed in Canadian Dollars)

	Notes		2019		2018
Cash flows from operating activities					
Loss for the year		$	(2,344,482)	$	(4,505,909)
Items not effecting cash					
Depreciation	9		12,780		11,037
Share-based payments	16		-		628,565
Other income	13		-		(540,077)
Accrued interest	12		22,512		-
Finance charges	12		21,250		-
Write-down of marketable securities	7		-		105,000
Unrealized loss on marketable securities	7		6,140		-
Write-down on exploration and evaluation assets	10		16,068		2,605,780
Gain on settlement of trade payables	11		(142,606)		-
Gain on sale of sale of equipment	9		(3,000)		-
Changes in non-cash working capital balances:					
Provision	14		(4,683)		-
Receivables	6		434,682		21,991
Trade and other payables	11		(171,301)		505,553
Prepaids and advances			140,551		(106,494)
Total cash outflows from operating activities			(2,012,089)		(1,274,554)
Cash flows from investing activities					
Proceeds from the sale of marketable securities	7		146,800		-
Purchase of reclamation bonds	8		(12,000)		(9,000)
Purchase of property, plant and equipment	9		(1,154)		(10,109)
Sale of property, plant and equipment	9		3,000		-
Resource property expenditures	10, 15		(3,727,316)		(7,290,304)
Total cash outflows from investing activities			(3,590,670)		(7,309,413)
Cash flows from financing activities					
Exercise of options	15, 16		136,000		44,000
Proceeds from loans received	12		500,000		-
Exercise of warrants	15		-		136,941
Shares issued for private placement	15		-		7,242,800
Share issuance costs	15		(541)		(263,909)
Total cash inflows provided by financing activities			635,459		7,159,832
Decrease in cash during the year			(4,967,300)		(1,424,135)
Cash and cash equivalents, beginning of year			5,101,898		6,526,033
Cash and cash equivalents, end of year		$	134,598	$	5,101,898
Composition of cash, cash equivalents and restricted cash					
Cash		$	111,598	$	166,098
Cash equivalents	5		23,000		4,935,800
Cash, cash equivalents and restricted cash, end of the year		$	134,598	$	5,101,898

See Note 23 for Supplemental Cash Flow Information

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

1. CORPORATION INFORMATION

Colorado Resources Ltd. (the "Company") was incorporated on October 9, 2009 under the *Business Corporations Act* (British Columbia). The Company is in the exploration stage and its principal business activities include the acquisition, exploration and development of mineral properties. The Company's principal properties are located in British Columbia.

The Company is listed on the TSX Venture Exchange (the "Exchange"), having the symbol CXO.V as a Tier 1 issuer and its corporate office and principal place of business are located at 105 - 3500 Carrington Road, West Kelowna, BC V4T 3C1.

2. BASIS OF PREPARATION AND GOING CONCERN

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Effective April 1, 2018, the Company adopted IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 9 and IFRS 15 were adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of each standard. As a result of the application of IFRS 9, the Company changed its accounting policies for financial assets and impairment thereon as described in Note 3. As a result of the application of IFRS 15, the Company changed its accounting policies for the recognition of revenue as described in Note 3.

The consolidated financial statements were authorized for issue by the Board of Directors on July 25, 2019.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiaries.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Going Concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes 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 business.

The Company has not generated revenues from its operations to date. The Company incurred a net loss of $2,344,482 during the year ended March 31, 2019 (2018 - $4,505,909) and, as of that date, the Company's deficit was $23,808,130 (2018 - $21,463,648) and is expected to continue to incur losses. The Company has working capital deficiency of $546,430 as at March 31, 2019 (2018 - $5,331,213 working capital) of which the Company has flow through expenditure requirements of $Nil (2018 - $3,625,637 which were satisfied during the current year). These conditions indicate the existence of material uncertainties, which may cast significant doubt on the Company's ability to continue as a going concern. The Company will continue to have to raise funds beyond its current working capital balance in order to continue the development of its exploration properties and general operations and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.

No adjustments have been made to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

These consolidated financial statements include the accounts of the following subsidiaries:

	% of Ownership	Jurisdiction	Principal Activity
Colorado Gold S.A. de C.V. ("Colorado Gold")	100%	Mexico	Inactive
Colorado Exploration Inc.	100%	USA	Exploration

A subsidiary is an entity that the Company controls, either directly or indirectly. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Foreign Currency Transactions

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value are reported at the exchange rate at the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, demand deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition Costs

The fair value of all consideration paid to acquire an exploration and evaluation asset is capitalized, including amounts arising under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on property, plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, acquisition costs and exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure and acquisition costs, in excess of estimated recoveries, are written off to profit or loss.

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

Mineral Exploration and Evaluation Expenditures (cont'd)

Acquisition Costs (cont'd)

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property will be considered to be a mine under development and will be classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Farm-Out Arrangements

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

Property, Plant and Equipment

Recognition and Measurement

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Major Maintenance and Repairs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent Costs

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.

Gains and Losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

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

Property, Plant and Equipment (cont'd)

Depreciation

Depreciation is recognized in profit or loss and is provided at the following annual rates:

	Percentage
Vehicles	30%
Furniture and fixtures	20%
Office equipment	30%
Field equipment	30%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets are undertaken whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

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

Financial Instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized costs

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- 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 amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

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

Financial Instruments (cont'd)

Financial Assets (cont'd)

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value, with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

Financial liabilities are classified as amortized cost, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and are subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. In this context, interest expense includes initial transaction costs and premiums payable on redemptions, as well as any interest or coupon payable while the liability is outstanding.

Provisions

Provisions are recognized as liabilities when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value, based on current market discount rates and liability specific risks. Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

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

Flow-through Shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates the flow-through share using the residual method into i) share capital, ii) warrants and iii) flow-through share premium, equal to the estimated premium, if any, investors paid for the flow-through feature, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. The required flow-through expenditures as at March 31, 2019 of $Nil (2018 - $3,625,637) is recorded as restricted cash.

Proceeds received from the issuance of flow-through shares are restricted to be used only for certain Canadian resource property exploration expenditures incurred within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds in Note 13.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

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 loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company will recognize a previously unrecognized deferred tax asset only to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share options and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new share options and are shown in equity as a deduction, net of tax, from the proceeds. Where the Company issued common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

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

Contributed Surplus

Contributed surplus consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted options or warrants vest and then subsequently expire or are forfeited, no reversal of contributed surplus is recognized.

Earnings/Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year. Diluted earnings per common share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Diluted loss per common share excludes the effects of any instruments that would be anti-dilutive if they were converted.

Share-based Payments

The fair value, at the grant date, of equity-settled share option awards is charged to profit or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in contributed surplus. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate
- Dividend yield

Taxes Recoverable

Mineral Tax Credit

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments, if any, resulting from such a review are recorded in the period that the tax filings are amended.

(Expressed in Canadian Dollars)

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

Adoption of New Accounting Standards and Amendments

The following outlines the new accounting standards and amendments adopted by the Company effective April 1, 2018:

IFRS 9 *Financial Instruments*

On April 1, 2018, the Company adopted IFRS 9 *Financial Instruments* ("IFRS 9"), which replaced IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments using the modified retrospective approach. The adoption of the ECL impairment model did not have an impact on the Company's consolidated financial statements. IFRS 9 does not require restatement of comparative periods. The change did not result in a change in carrying value of any of the Company's financial instruments on transition date.

The Company's financial instruments are accounted for as follows under IFRS 9 as compared to the Company's previous policy in accordance with IAS 39:

	April 1, 2018	
	IAS 39	**IFRS 9**
Financial Assets		
Cash and cash equivalents	FVTPL	FVTPL
Restricted cash	FVTPL	FVTPL
Receivables	Amortized cost	Amortized cost
Marketable securities	FVTOCI	FVTPL
Reclamation deposits	Amortized cost	Amortized cost
Financial Liabilities		
Trade and other payables	Amortized cost	Amortized cost
Loan payable	Amortized cost	Amortized cost

For marketable securities, the Company made an irrevocable election to recognize changes in fair value through profit or loss rather than other comprehensive income. As a result of adopting IFRS 9, the net change in fair value of the marketable securities, including realized and unrealized gains and losses, if any, is now presented as an item that is recognized in net income in the consolidated statements of loss and comprehensive loss.

The adoption of IFRS 9 has not had a significant impact on the Company's policies related to financial assets of cash and cash equivalents, restricted cash, receivables, and reclamation deposits and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

On April 1, 2018, the Company adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and a number of revenue-related interpretations. The Company adopted IFRS 15 using a modified retrospective approach however the adoption did not have an impact on the Company's consolidated financial statements.

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

Future Accounting Pronouncements

The standard below is the only one which the Company currently expects may be applicable to the Company at a future date.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases.

This standard is applicable to the Company's annual period beginning on April 1, 2019.

The impact of adopting this new standard will result in an additional right of use asset of $137,679 capitalized and a corresponding lease liability of the same amount included as a liability in the consolidated statements of financial position. The assets will be amortized over the term of the remaining lease period.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Exploration and Evaluation Expenditure

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, indicators of impairment are identified suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash generating unit or group of cash generating units level in the year the new information becomes available. Such impairment tests and recoverable value models have a degree of estimation and judgment which may differ in the future.

Income Taxes

The Company has not recognized a deferred tax asset as management believes it is not probable that taxable profit will be available against which deductible temporary differences can be utilized.

Impairment of Marketable Securities

Management assesses at the end of each reporting period whether there had been any other-than-temporary impairments on its investments, using objective evidence to determine if the marketable securities are impaired. Listed prices on public stock exchanges are used to determine if the fair value is at a significant or prolonged decline below the historical cost of the marketable securities.

At March 31, 2018 there were indications that suggest that the Company's marketable securities are impaired (Note 7).

At March 31, 2019 indications of impairment were not applicable with the adoption of IFRS 9.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Valuation of Share-based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Mineral Tax Credit

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in Canada. Management's judgement is applied in determining whether the resource expenditures are eligible for claiming such credits.

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgements of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgements prove to be inaccurate, management's continued use of the going concern assumptions may not be appropriate (Note 2).

Recoverability of Receivables

Timing of collection on sales taxes receivable to be recovered in Canada is uncertain as the Company's input tax credits are currently under review. The Company is corresponding with the Canada Revenue Agency to conclude ongoing audits on certain returns. The Company assesses the recoverability of the amounts receivable at each reporting date. As at March 31, 2019 and 2018, the Company determined the full balance to be recoverable. Changes in these estimates can materially affect the amount recognized as sales taxes receivable and could result in an impairment being recognized in the consolidated statements of loss and comprehensive loss.

5. CASH AND CASH EQUIVALENTS, RESTRICTED CASH

Cash and cash equivalents and restricted cash consists of cash on hand, demand deposits with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. Cash equivalents are held in cashable guaranteed investment certificates with maturity dates of August and interest rates of 1.35%.

6. RECEIVABLES

		March 31 2019		March 31 2018
Sales taxes receivable	$	25,375	$	27,935
British Columbia mining tax credits		-		426,314
Other		1,575		7,383
	$	26,950	$	461,632

Sales tax receivable represents input tax credits arising from sales tax levied on the supply of goods purchased or services received in Canada.

The British Columbia mining tax credits ("BCMET") receivable represent a refund claim applied for on exploration expenditures incurred in British Columbia pursuant to the *British Columbia Minerals Tax Act.* During the year ended March 31, 2019 the Company received the net refund of $422,360 with the remaining $3,954 expensed to property evaluation.

(Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES

Marketable securities consist of an investment in 1,264,000 (2018 – 4,200,000) common shares of Damara Gold Corp. ("Damara"). The fair value of the marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation. During the year ended March 31, 2019, the Company recorded $6,140 as an unrealized loss on marketable securities.

During the year ended March 31, 2018, the Company recorded $126,000 as an unrealized loss on investment in marketable securities of which $21,000 was recognized in other comprehensive loss reducing the balance to Nil, and $105,000 was recorded as a write down on marketable securities in profit or loss on the basis of a prolonged decline in fair value of these securities.

During the year ended March 31, 2019 the Company sold 2,936,000 (2018 – Nil) Damara shares for gross proceeds of $146,800 (2018 - $Nil).

8. RECLAMATION DEPOSITS

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company on its Hit, North ROK, Heart Peaks and KSP properties. The reclamation deposits are held with the Ministry of Energy and Mines in British Columbia. Reclamation bonds included guaranteed investment certificates with maturity dates ranging from June 18, 2019 to June 8, 2020 and with interest rates ranging from 1.25% - 1.35%.

9. PROPERTY, PLANT AND EQUIPMENT

	Vehicle	Furniture & Fixtures	Office Equipment	Field Equipment	Total
Cost					
Balance March 31, 2017	$ 10,528	$ 12,887	$ 55,498	$ 278,201	$ 357,114
Assets acquired	-	888	1,735	7,486	10,109
Balance March 31, 2018	10,528	13,775	57,233	285,687	367,223
Assets acquired	-	-	1,154	-	1,154
Disposition	(10,528)	-	-	-	(10,528)
Balance March 31, 2019	**$ -**	**$ 13,775**	**$ 58,387**	**$ 285,687**	**$ 357,849**
Depreciation					
Balance March 31, 2017	$ 10,528	$ 11,919	$ 45,443	$ 264,613	$ 332,503
Depreciation for the year	-	293	3,377	7,367	11,037
Balance March 31, 2018	10,528	12,212	48,820	271,980	343,540
Depreciation for the year	-	381	4,242	8,157	12,780
Disposition	(10,528)	-	-	-	(10,528)
Balance March 31, 2019	**$ -**	**$ 12,593**	**$ 53,062**	**$ 280,137**	**$ 345,792**
Carrying amounts					
Balance March 31, 2018	$ -	$ 1,563	$ 8,413	$ 13,707	$ 23,683
Balance March 31, 2019	**$ -**	**$ 1,182**	**$ 5,325**	**$ 5,550**	**$ 12,057**

During the year ended March 31, 2019, the Company sold a vehicle for gross proceeds of $3,000 (2018 - $Nil), resulting in a gain on sale of equipment of $3,000 (2018 - $Nil).

(Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION ASSETS

	British Columbia						Nevada USA	
	North ROK/ROK-Coyote	KSP	Hit	KingPin	Kinaskan-Castle	Other	Green Springs	Total
Costs								
Balance at March 31, 2017	$5,493,785	$5,357,595	$1,369,317	$225,567	$446,574	$16,068	$592,541	$13,501,447
Acquisition costs	-	1,919,041	37	-	-	-	338,269	2,257,347
Exploration costs	1,139,672	3,990,685	10,688	71,939	304,708	-	290,245	5,807,937
Provision	-	-	-	-	-	-	4,683	4,683
Write-down of exploration and evaluation assets	-	-	(1,380,042)	-	-	-	(1,225,738)	(2,605,780)
Balance at March 31, 2018	6,633,457	11,267,321	-	297,506	751,282	16,068	-	18,965,634
Acquisition costs	-	9,000	-	-	302	-	-	9,302
Exploration costs	17,957	3,513,531	-	1,040	185,485	-	-	3,718,014
Write-down of exploration and evaluation assets	-	-	-	-	-	(16,068)	-	(16,068)
Balance at March 31, 2019	**$6,651,414**	**$14,789,852**	**$-**	**$298,546**	**$937,069**	**$-**	**$-**	**$22,676,882**

10. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia

North ROK-Coyote Property

Colorado holds a 100% interest in the North ROK and ROK-Coyote properties located in northern British Columbia (collectively the "North ROK Property") subject to certain net smelter return royalties "NSR".

The ROK-Coyote portion of the North ROK Property is subject to a 2% NSR agreement with previously arms-length parties on three claims ("ROK NSR"). The ROK NSR can be extinguished in its entirety for a purchase price of $2,000,000. An additional NSR also includes an agreement with an arm's length and a previously non-arm's length party for a 2% NSR on 16 claims ("Real McCoy and Coyote NSR") of which 1% of the Real McCoy and Coyote NSR can be purchased for an aggregate $2,000,000. Adam Travis, a former director of the Company (effective April 17, 2018, Mr. Travis ceased to be a director) holds a 50% interest in the Real McCoy & Coyote NSR.

As at March 31, 2019, the Company has incurred $6,651,414 net of BCMET recoveries (2018 - $6,633,457) in acquisition and explorations costs.

KSP Property

Colorado holds a 100% interest (subject to certain NSR's) in the KSP property located to the southeast of the past-producing Snip Mine, British Columbia.

KSP Option

Pursuant to an option agreement dated December 19, 2013 (the "KSP Option") between the Company and SnipGold Corp. ("SnipGold") Colorado had the right to acquire up to an 80% interest in the southeastern portion of SnipGold's Iskut Property and an adjoining area acquired by Colorado through staking (collectively referred to as the "KSP Property"). On June 21, 2016, Seabridge Gold Inc. ("Seabridge") acquired SnipGold and has assumed all obligations of SnipGold. SnipGold remains a wholly owned subsidiary of Seabridge.

In consideration for the KSP Option, the Company made aggregate cash payments of $500,000 and incurred exploration expenditures of $6,000,000 over a four-year period to earn an initial 51% interest ("Initial Interest").

On May 10, 2017, the Company provided notice pursuant to the KSP Option to exercise the Initial Interest and acquired a 51% interest in the Property.

On August 3, 2017 Colorado entered into an amending agreement with SnipGold wherein the parties amended the KSP Option, wherein Colorado purchased the outstanding 49% interest remaining. The Company received Exchange approval and completed the payment of $1,000,000 in cash and issued 2,000,000 Colorado shares at $0.38 per share for $760,000. SnipGold retains a 2% NSR on the KSP Property (half of which can be purchased at any time for $2,000,000).

KSP Other

The KSP Property includes several additional claims and mineral leases acquired through staking or purchase agreements wherein:

- one mineral tenure is subject to a 2% NSR to an individual of which the NSR may be purchased in its entirety for $1,000,000;
- one mineral tenure is subject to a 1% NSR to an individual of which the NSR may be purchased in its entirety for $500,000; and
- two mineral tenures are subject to a 2% NSR to Teck Resources Limited.

10. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia (cont'd)

KSP Property (cont'd)

***KSP Other* (cont'd)**

As at March 31, 2019, the Company has incurred $14,789,852 in acquisition and exploration costs (2018 - $11,267,321), net of BCMET recoveries.

Hit Property

Colorado holds a 100% interest in mineral tenures located in the Similkameen Mining Division of British Columbia forming the Hit Property, acquired through staking and pursuant to various agreements and subject to certain NSR's as follows:

Aspen Option

On April 23, 2012, the Company entered into an option agreement, as amended on January 13, 2014 and October 24, 2014 ("Aspen Option") to acquire mineral claims in the Aspen Grove area of south-western British Columbia. The Company exercised the Aspen Option and acquired a 100% interest subject to a 2.5% NSR, of which 2% of the NSR may be purchased for $4,000,000.

Hit Other

On September 16, 2011, the Company acquired a 100% interest in additional mineral tenures referred to as the Aspen Grove South Property, located in southern British Columbia, from two private individuals (the "Vendors") forming part of the Hit Property. The Vendors retained a 2.5% NSR, of which the first 1.5% of the NSR may be purchased for $1,000,000, and the remaining 1% NSR for $3,000,000.

During the year ended March 31, 2018, the Company wrote-off the Hit Property in the amount of $1,380,042. The impairment was determined in accordance with level 3 of the fair value hierarchy.

KingPin Property

The Company acquired a 100% interest in several mineral claims located in the Golden Triangle area in northwestern British Columbia through staking (collectively referred to as the "KingPin Property").

On April 20, 2016, the Company entered into a purchase agreement with a third party (the "Vendor"), to acquire a 100% interest in the Max Property, subject to a retained 2% NSR for the following consideration:

1. $20,000 cash payment to the Vendor upon signing (paid); and
2. 200,000 common shares of Colorado to be issued to the Vendor within 10 days of Exchange approval (issued).

The Company has the option to purchase from the Vendor 1% of the NSR for $1,000,000 within 240 days of commercial production and at any time thereafter the remaining 1% for $5,000,000. The Max Property forms part of the KingPin Property.

As at March 31, 2019, the Company has incurred $298,546 (2018 - $297,506) in acquisition and explorations costs.

(Expressed in Canadian Dollars)

10. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia (cont'd)

Kinaskan-Castle Property

Colorado holds a 100% interest (subject to a 2% NSR) in the Kinaskan-Castle property located in the Liard Mining District of British Columbia. The underlying original vendor holds a 2% NSR, which the Company has the option to purchase for $4,000,000.

As at March 31, 2019, the Company has incurred $937,069 (2018 - $751,282) in acquisition and explorations costs.

Other

"Other" properties held included the GJ Key property, the GS property, and the Stu property and Iskut claims, located near Stewart, British Columbia.

During the year ended March 31, 2019 the Company wrote-off the Other properties in the aggregate amount of $16,068 as the Company no longer intends to pursue these properties. The impairment was determined in accordance with level 3 of the fair value hierarchy.

During the year ended March 31, 2018 the Company wrote-off the Hit property and the Green Springs property in the aggregate amount of $2,605,780 as the Company no longer intends to pursue these properties. The impairment was determined in accordance with level 3 of the fair value hierarchy.

Nevada, US

Green Springs

On December 6, 2016, Colorado entered into a definitive agreement with Ely Gold & Minerals Inc. ("ELY") wherein ELY granted the exclusive option to Colorado to acquire ELY's 100% interest in and to the Green Springs Property by making the following payments and share issuances over four years:

- Initial - US$50,000 cash (paid) and the issuance of 300,000 common shares (issued) upon Exchange approval (*received on December 13, 2016);*
- Year 1 Anniversary - US$100,000 cash (paid) and the issuance of 500,000 common shares (issued);
- Year 2 Anniversary- US$200,000 cash and the issuance of 600,000 common shares;
- Year 3 Anniversary - US$400,000 cash and the issuance of 850,000 common shares; and
- Year 4 Anniversary- US$2,250,000 cash.

On May 9, 2018, the Company provided notice to Ely to terminate the option and as at March 31, 2018, the Company wrote-off the Green Springs property in the amount of $1,225,738. The impairment was determined in accordance with level 3 of the fair value hierarchy.

11. TRADE AND OTHER PAYABLES

		March 31, 2019		March 31, 2018
Trade payables	$	112,968	$	196,532
Accrued Liabilities		2,871		52,412
Due to related party - Note 18		162,404		342,446
Total	$	278,243	$	591,390

(Expressed in Canadian Dollars)

11. TRADE AND OTHER PAYABLES (cont'd)

On December 31, 2018, the Company settled an aggregate $23,730 in trade payables through the issuance of an aggregate 395,498 common shares at an issue price of $0.055 for a fair value of $21,752, as follows:

Debtor	Debt Amount	Share Price	No. Shares
Nagy	$7,407	$0.06	123,456
Lindqvist	$16,323	$0.06	272,042

As a result, as at March 31, 2019 the Company recorded a gain on settlement of debt of $1,978 (2018 - $Nil). Additionally, during the year ended March 31, 2019 the Company settled an aggregate of $805,073 (2018 - $Nil) in trade payables with third party vendors with payments of $664,445 (2018 - $Nil) resulting in a further gain on settlement of debt of $140,628 (2018 - $Nil).

12. LOANS PAYABLE

On September 13, 2018, the Company obtained a secured loan of $500,000 (the "Loan") from Goldcorp Inc. ("Goldcorp"). Terms of the Loan include interest at a rate of 8% per annum compounded monthly, a maximum term of twelve months, maturing on September 13, 2019 (the "Maturity Date") with early repayment provisions, and is secured against the Company's KSP, Kinaskan-Castle and North ROK properties.

Additional terms include the Company's option to pay interest in cash or, subject to the approval of the TSX Venture Exchange in shares (the "Interest Shares"). The issue price of any Interest Shares will be the lower of the 10-day volume weighted average price and the closing price of Colorado's common shares on the last trading day prior to payment.

As a condition for providing the Loan and subject to the approval of the Exchange, the Company has agreed to issue to Goldcorp common shares as a bonus (the "Bonus Shares"), as follows:

i. 250,000 Bonus Shares were issued upon receipt of Exchange approval; at a value of $21,250 being the market price of the shares of $0.085 on the date of issuance; and
ii. an additional 250,000 Bonus Shares if the Loan is not fully repaid before the six-month anniversary on the date which is the earlier of: (i) the Maturity Date; or (ii) the date on which the outstanding balance of the Loan is repaid (not yet issued).

As of March 31, 2019, the principle amount of $500,000 (2018 - $Nil) remains outstanding. Included in trade payables is interest payable of $22,512 (2018 - $Nil).

13. OTHER LIABILITIES

		Issued on March 17, 2017
Balance at March 31, 2017	$	540,077
Settlement of flow-through share liability on incurring expenditures		(540,077)
Balance at March 31, 2018 and 2019	$	-

On March 17, 2017, the Company completed a private placement for 8,180,000 flow-through common shares at a price of $0.42 per share for gross proceeds of $3,435,600. The Company determined that these shares were issued at a premium of $0.135 per share based on the share price of $0.285 on the date of issuance. An amount of $564,223 was allocated to the warrants reserve and the flow-through premium liability recognized on the issuance of the shares was $540,077. As at March 31, 2018 the Company had incurred $3,435,600 of qualifying Canadian Exploration Expenditures ("CEE") thereby fulfilling the obligation and had extinguished $540,077 of the flow-through premium liability. The extinguishment of the liability was recognized as other income of $540,077 during the year ended March 31, 2018.

14. PROVISIONS

The Company fulfils its site restoration obligations as required when a drill site is abandoned, and accordingly, no discounted present value was calculated due to the expected short-term nature of the obligation. Management will continue to assess asset retirement obligations as future exploration activity is undertaken.

At March 31, 2019, the Company had fulfilled its rehabilitation obligations of $4,683. As at March 31, 2019 provisions of $Nil (2018 - $4,683) were recorded.

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares with no par value.

Common Shares

The following is a summary of changes in common share capital from April 1, 2017 to March 31, 2019:

	Notes	Number	Price	Total
Balance - March 31, 2017		96,320,386	-	$32,622,219
Issued for private placement	15	12,720,000	$0.365	4,642,800
Issued for private placement	15	10,000,000	$0.260	2,600,000
Exercise of share purchase warrants	15	1,260	$0.350	441
Exercise of share purchase warrants	15	1,050,000	$0.130	136,500
Exercise of options	15,16	200,000	$0.220	44,000
Fair value of stock options transferred on exercise	16	-	-	33,911
Shares issued for exploration and evaluation assets	10,15	2,000,000	$0.380	760,000
Shares issued for exploration and evaluation assets	10,15	500,000	$0.205	102,500
Share issue costs	15	-	-	(263,909)
Balance - March 31, 2018		122,791,646	-	$ 40,678,462
Exercise of options	15,16	**1,700,000**	**$0.080**	**136,000**
Bonus shares issued on loan	12,15	**250,000**	**$0.085**	**21,250**
Fair value of stock options transferred on exercise	16	**-**	**-**	**131,994**
Shares issued for settlement of trade payables	11	**395,498**	**$0.055**	**21,752**
Share issue costs	15	**-**	**-**	**(541)**
Balance - March 31, 2019		**125,137,144**	**-**	**$40,988,917**

During the year ended March 31, 2019 the Company issued the following:

i) The Company issued an aggregate 1,700,000 common shares pursuant to the exercise of stock options at an exercise price of $0.08 per common share, for cash proceeds of $136,000. The fair value of options of $131,944 was transferred from contributed surplus to share capital. The weighted average share price of the Company's common shares on exercise was $0.16.

ii) The Company issued 250,000 common shares pursuant to the Loan as described in Note 12 hereinabove. The common shares were valued at $21,250 as determined by the market price when issued being $0.085 per share.

iii) The Company issued 395,498 common shares pursuant to the settlement of $23,730 in trade payables valued at $21,752 as determined by the market price when issued being $0.055 per share, as described in Note 11. Share issuance costs of $541 was incurred during the year.

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES (cont'd)

Common Shares (cont'd)

During the year ended March 31, 2018 the Company issued the following:

iv) On August 3, 2017 the Company issued 2,000,000 common shares to SnipGold pursuant to the KSP Option as described in Note 10 hereinabove. The common shares were valued at $760,000 as determined by the market price when issued being $0.38 per share.

v) On August 24, 2017 the Company issued 200,000 common shares for the exercise of options at an exercise price of $0.22 per share. The fair value of options of $33,911 was transferred from contributed surplus to share capital. The weighted average share price of the Company's common shares on exercise was $0.36.

vi) On August 31, 2017 the Company issued 10,000,000 non-flow-through units (the "Units") at an issue price of $0.26 per Unit. Each Unit consisted of one common share in the capital of the Company (a "Common Share") and one half of one non-transferable Common Share purchase warrant. Each whole warrant (a "Warrant"), entitles the holder thereof to acquire an additional Common Share at an exercise price of $0.45 until February 29, 2020.

Additionally, the Company issued a further 12,720,000 flow-through units (the "FT Units") at an issue price of $0.365 per FT Unit. Each Flow-Through Unit consisted of one flow-through common share of the Company that qualifies as a flow-through share for purposes of the *Income Tax Act* (Canada) (a "FT Share") and a Warrant on the same terms as described hereinabove.

The Company paid aggregate cash finders' fees in connection with the placements of $190,268. Additional share issue costs of $73,641 were incurred in relation to legal, regulatory and filing fees.

vii) On September 12, 2017 the Company issued 1,260 common shares pursuant to the exercise of share purchase warrants at an exercise price of $0.35.

viii) On November 22, 2017 the Company issued 500,000 common shares pursuant to the Green Springs Agreement as described Note 10 hereinabove. The common shares were valued at $102,500 as determined by the market price when issued being $0.205 per common share.

ix) On December 15, 2017 the Company issued 1,050,000 common shares pursuant the exercise of share purchase warrants at an exercise price of $0.13.

Share Purchase Warrants

The following is a summary of changes in share purchase warrants from April 1, 2017 to December 31, 2019:

	Number	Weighted Average Share Price
Balance as at March 31, 2017	21,246,096	$0.73
Issued	11,360,000	$0.45
Exercised	(1,050,000)	$0.13
Expired	(287,500)	$0.13
Balance as at March 31, 2018	31,268,596	$0.48
Expired	**(15,446,096)**	**$0.53**
Balance as at March 31, 2019	**15,822,500**	**$0.46**

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES (cont'd)

Share Purchase Warrants (cont'd)

At March 31, 2019, 15,822,500 (2018 - 31,268,596) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 0.79 (2018 – 1.04) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

Number	Exercise Price	Expiry Date
4,090,000	$0.50	17-Sep-19
372,500	$0.50	17-Sep-19
11,360,000	$0.45	29-Feb-20
15,822,500		

Agents Warrants

The following is a summary of changes in Agent's Warrants from April 1, 2017 to March 31, 2019:

	Number	Weighted Average Share Price
Balance as at March 31, 2017	679,999	$0.41
Exercised	(1,260)	$0.35
Balance as at March 31, 2018	678,739	$0.41
Expired	**(195,739)**	**$0.40**
Balance as at March 31, 2019	**483,000**	**$0.41**

As at March 31, 2019, 483,000 (2018 – 678,739) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 0.47 (2018 – 1.08) years. Each Agent Warrant entitles the holders thereof the right to purchase one common share as follows:

Agent's Warrants	Exercise Price	Expiry Date
441,300	$0.42	17-Sep-19
41,700	$0.32	17-Sep-19
483,000		

16. SHARE-BASED PAYMENTS

Option Plan Details

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall be not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options vest when granted unless otherwise specified by the Board of Directors.

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS (cont'd)

The following is a summary of changes in options for the year ended March 31, 2019:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired/ Forfeited	Closing Balance	Vested and Exercisable
30-Oct-13	30-Oct-18	$0.290	100,000	-	-	(100,000)	-	-
1-May-14	1-May-19	$0.265	895,000	-	-	(510,000)	385,000	385,000
12-Sep-14	12-Sep-19	$0.250	210,000	-	-	(210,000)	-	-
7-May-15	7-May-20	$0.150	810,000	-	-	(500,000)	310,000	310,000
30-Dec-15	30-Dec-20	$0.080	1,995,000	-	(1,700,000)	(150,000)	145,000	145,000
6-Jun-16	6-Jun-21	$0.440	1,035,000	-	-	(585,000)	450,000	450,000
6-Jun-17	6-Jun-22	$0.260	2,607,500	-	-	(1,755,000)	852,500	852,500
16-Feb-18	16-Feb-23	$0.150	500,000	-	-	-	500,000	500,000
			8,152,500	**-**	**(1,700,000)**	**(3,810,000)**	**2,642,500**	**2,642,500**
Weighted Average Exercise Price			**$0.22**	**-**	**$0.08**	**$0.07**	**$0.25**	**$0.25**
Weighted Average Life remaining			**3.09**	**-**	**-**	**-**	**2.37**	**2.37**

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS (cont'd)

The following is a summary of changes in options for the year ended March 31, 2018:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired	Closing Balance	Vested and Exercisable
6-Jun-12	6-Jun-17	$0.300	1,052,500	-	-	(1,052,500)	-	-
30-Oct-13	30-Oct-18	$0.290	100,000	-	-	-	100,000	100,000
1-May-14	1-May-19	$0.265	895,000	-	-	-	895,000	895,000
12-Sep-14	12-Sep-19	$0.250	210,000	-	-	-	210,000	210,000
7-May-15	7-May-20	$0.150	810,000	-	-	-	810,000	810,000
30-Dec-15	30-Dec-20	$0.080	1,995,000	-	-	-	1,995,000	1,995,000
6-Jun-16	6-Jun-21	$0.440	1,035,000	-	-	-	1,035,000	1,035,000
21-Nov-16	21-Nov-21	$0.220	200,000	-	(200,000)	-	-	-
6-Jun-17	6-Jun-22	$0.260	-	2,607,500	-	-	2,607,500	2,607,500
16-Feb-18	16-Feb-23	$0.150	-	500,000	-	-	500,000	500,000
			6,297,500	3,107,500	(200,000)	(1,052,500)	8,152,500	8,152,500
Weighted Average Exercise Price			$0.22	$0.26	-	$0.30	$0.22	$0.22
Weighted Average Life remaining			2.74	2.75	-	-	3.09	3.09

Fair Value of Options Issued During the Period

There were no options granted during the year ended March 31, 2019.

The weighted average fair value at grant date of options granted during the year ended March 31, 2018 was $0.22.

The expected price volatility is based on the Company's historic volatility (based on the expected life of the options), adjusted for any expected changes to future volatility due to publicly available information.

i) Expenses Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions recognized during the year ended March 31, 2019 were $Nil (2018 - $628,565) using the Black-Scholes option pricing model. For purposes of the fair value calculations, the following assumptions were used for the Black-Scholes valuation model:

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS (cont'd)

Fair Value of Options Issued During the Period (cont'd)

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free-Interest Rate	Expected Life	Volatility Factor	Dividend Yield
6-Jun-17	6-Jun-22	$0.27	$0.26	1.28%	5	115.26%	0
16-Feb-18	16-Feb-23	$0.14	$0.15	2.04%	5	116.29%	0

ii) Weighted average remaining contractual life of stock options

The weighted average remaining contractual life of stock options as at March 31, 2019 is 2.37 years (2018 – 3.09 years).

17. ADMINISTRATIVE AND GENERAL EXPENSES

	Note		For the Years Ended March 31 2019		2018
Administrative and General Expenses:					
Accounting and legal		$	630,566	$	329,172
Consulting	18		204,613		542,401
Corporate development			-		2,063
Investor relations, website development and marketing			3,825		119,251
Office and administration fees			182,288		235,993
Part XII Tax			35,477		-
Penalties and other interest			2,441		-
Regulatory fees			19,463		19,190
Shareholder communication and annual general meeting			958,416		227,256
Transfer agent fees			8,795		6,298
Travel			15,659		55,710
Wages	18		266,342		132,504
		$	2,327,885	$	1,669,838

18. RELATED PARTY TRANSACTIONS

Transactions with related parties were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Key Management Compensation

		March 31, 2019		March 31, 2018
Administration and labour	$	35,313	$	130,933
Consulting fees		204,613		701,535
Wages		160,500		15,000
Share based payments		-		408,670
	$	400,426	$	1,256,138

a. Wages of $160,500 (2018 - $15,000) were paid or accrued to Robert Shaw ("Shaw") the Company's President and Chief Executive Officer. Mr. Shaw was appointed on February 26, 2018;

18. RELATED PARTY TRANSACTIONS (cont'd)

b. Consulting fees of $Nil (2018 - $463,924) of which $Nil (2018 - $100,509) was capitalized to exploration and evaluation assets were paid or accrued to Cazador Resources Ltd. ("Cazador"), a company controlled by Adam Travis, the Company's former President and Chief Executive Officer. Mr. Travis was terminated as CEO effective February 26, 2018;

c. Administration and labour fees of $Nil (2018 - $72,508) were paid or accrued to Cazador in relation to the Company's general corporate administration and field work of which $Nil (2018 - $22,430) was capitalized to exploration and evaluation assets;

d. Equipment rental fees of $Nil (2018 - $8,000) were paid or accrued to Cazador which were capitalized to exploration and evaluation assets;

e. Consulting fees of $195,963 (2018 - $145,800) were paid or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the Chief Financial Officer and Corporate Secretary of the Company which includes $137,926 pursuant to the Minco Settlement Agreement as described hereinbelow;

f. Administration fees of $35,313 (2018 - $58,425) were paid or accrued to Minco in relation to providing administrative and accounting services; and

g. Share-based payments are the fair value of options granted to key management personnel.

Minco Contract

On April 19, 2018, Terese Gieselman resigned effective June 19, 2018 and gave notice of termination of the consulting agreement dated October 31, 2014 between the Company and Minco (the "Minco Contract"). Pursuant to the terms of the Minco Contract an amount of $137,926 (the "Settlement Amount") was due and payable on June 19, 2018. The Company entered into an agreement with Minco (the "Minco Settlement Agreement") effective June 19, 2018 wherein the Company agreed to pay Minco the Settlement Amount (paid on July 20, 2018) and Minco agreed to release the Company from any and all future claims. Additionally, the Company and Minco entered into a consulting agreement (the "New Minco Contract") for a period of 12 months to provide services as required by the Company. The New Minco Contract could be terminated with 10 days written notice. Effective June 19,2019, the New Minco Contract expired.

Travis Settlement

On April 10, 2018 the Company and Adam Travis entered into a settlement agreement (the "Travis Settlement Agreement"). The Travis Settlement Agreement included provisions with respect to the composition of the Company's board of directors and nominees ("Dissident Proxy") that were to be elected at Colorado's annual meeting of shareholders held on April 17, 2018. Pursuant to the terms of the Travis Settlement Agreement the Company agreed to reimburse Mr. Travis and Cazador certain expenditures to a maximum of $650,000 for costs incurred in relation to the Dissident Proxy and other expenditures associated with Travis Settlement Agreement.

On November 28, 2018 the Company and Mr. Travis resolved all matters that were in dispute and paid all outstanding expenses in the amount of $688,421, and severance fees in the amount of $225,000 pursuant to the Travis Settlement Agreement.

Consulting Fees Non-Executive Directors

- Consulting fees of $650 (2018 – $22,450) were paid or accrued to 43983 Yukon Inc. ("43983 Yukon"), a company controlled by Larry Nagy, a former director of the Company. Mr. Nagy resigned as director effective April 17, 2018;
- Consulting fees of $8,000 (2018 - $17,000) were paid or accrued to William Lindqvist ("Lindqvist"), a former director of the Company. Mr. Lindqvist resigned as a director effective April 17, 2018; and
- Consulting fees of $Nil (2018 - $52,361) were paid of accrued to Carl Hering ("Hering") a former director of the Company. Mr. Hering resigned effective March 20, 2018.

(Expressed in Canadian Dollars)

18. RELATED PARTY TRANSACTIONS (cont'd)

Related Party Liabilities Included in Trade and Other Payables:

Amounts due to:	Service for:	March 31, 2019	March 31, 2018
Cazador Resources Ltd.	Consulting Fees	$ -	$ 252,108
Minco	Consulting Fees	6,904	18,119
Patrick Soares	Directors' fees	26,000	-
Cecil Bond	Directors' fees	26,000	-
Bryan Wilson	Directors' fees	26,500	-
Alastair Still	Directors' fees	26,500	-
43983 Yukon	Expenses	-	12,679
Hering	Consulting Fees	-	25,252
Shaw	Wages	50,500	15,000
Lindqvist	Consulting Fees	-	19,288
		$ 162,404	$ 342,446

Related Party Receivables included in Other receivables:

Amounts due from:	Service for:	March 31, 2019	March 31, 2018
Cazador	Expenses	$ -	$ 3,382
Minco	Rent & Expenses	-	939
Golden Ridge Resources Ltd.	Rent & Expenses	-	2,401
		$ -	$ 6,722

Amounts included in other receivables are for rent and expenses for shared office space and administrative costs with related parties and companies with common former directors or officers.

19. SEGMENT REPORTING

The Company operates in one industry segment, the mineral resources industry, and in two geographical segments, Canada and the United States.

	March 31, 2019	March 31, 2018
	Canada	
Reclamation Deposits	$ 162,000	$ 150,000
Property, Plant and Equipment	12,057	23,683
Exploration and evaluation assets	22,676,882	18,965,634
Total	$ 22,850,939	$ 19,139,317

(Expressed in Canadian Dollars)

20. INCOME TAXES

Taxation in the Company and its subsidiary's operational jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The difference between tax expense for the years ended and the expected income taxes based on the statutory tax rate arises as follows:

	March 31, 2019	March 31, 2018
Loss before tax per the accounts	$(2,344,482)	$(4,505,909)
Recovery at local statutory rates - 27.00% (2018 – 26.00%)	(633,010)	(1,171,536)
Non-deductible expenses	-	24,600
Differences between Canadian and foreign tax rates	-	(196,275)
Effect of change in tax rates	(72,900)	-
Origination and reversal of temporary differences	10,738	60,528
Impact of (over)/under provision in prior year	(19,207)	26,045
Resource properties	-	2,702,267
Change in unrecognized deferred tax assets	714,379	(1,445,629)
Income taxes	$-	$-

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities as at March 31, 2019 and 2018 are summarized as follows:

	March 31, 2019	March 31, 2018
Non-capital losses	$2,682,219	$1,900,501
Resource properties	(2,682,219)	(1,900,501)
Deferred tax asset/(liability)	$-	$-

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets, has been met.

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		March 31, 2019	March 31,2018
Unrecognized deductible temporary differences and unused tax losses:			
	Non-capital losses	$1,811,676	$1,749,670
	Equipment	372,222	359,444
	Resource properties	1,217,989	1,217,989
	Share issue cost	410,715	597,811
	Available for sale securities	18,870	52,500
	Capital losses	25,349	25,349
	Non-refundable ITC	332,138	332,138
Total		$4,188,959	$4,334,901

(Expressed in Canadian Dollars)

20. INCOME TAXES (cont'd)

As at March 31, 2019, the Company has estimated non-capital losses for Canada of $11,234,000 for tax purposes that may be carried forward to reduce taxable income derived in future years, as summarized below:

Total non-capital tax losses expire as follows:

Year of Expiry	Taxable Losses
2030	$71,000
2031	676,000
2032	1,177,000
2033	985,000
2034	1,270,000
2035	1,122,000
2036	935,000
2037	797,000
2038	1,690,000
2039	2,511,000
Total	**$11,234,000**

Flow-through Shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended March 31, 2019, the Company received $Nil (2018 - $4,642,800) from the issue of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. During the year-ended March 31, 2019, the Company renounced $Nil (2018 - $8,078,400) to the subscribers (see Note 13).

As at March 31, 2019 the Company had $Nil (2018 - $3,625,637) remaining in flow through expenditures to complete.

21. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the period.

	March 31, 2019	March 31, 2018
Net loss attributable to common shareholders	($2,344,482)	($4,505,909)
Weighted average number of common shares	124,358,207	111,390,227
Basic and diluted loss per share	($0.02)	($0.04)

22. COMMITMENTS AND CONTINGENCIES

Office Lease

On May 27, 2017 the Company entered into a five year lease with Vintage Commercial Ltd. effective July 1, 2017 at an annual rent of $53,766 until June 30, 2022.

23. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on cash flows are excluded from the consolidated statements of cash flows. During the period ended March 31, 2019 and 2018 the following transactions were excluded from the consolidated statements of cash flows:

i) The Company issued Nil common shares (2018 – 2,500,000) valued at $Nil (2018 - $862,500) for acquisition of exploration and evaluation assets, as determined by their market price when issued (Notes 10 and 15);
ii) The Company issued 250,000 common shares (2018 – Nil) valued at $21,250 (2018 - $Nil) as bonus shares in connection with the Loan as determined by their market price when issued (Notes 12 and 15);
iii) The Company issued 395,498 common shares (2018 – Nil) valued at $21,752 as determined by their market price when issued as settlement for trade payables of $23,730 (2018 - $Nil), resulting in a gain on settlement of debt of $1,978 (2018 – $Nil) (Note 11 and 15);
iv) Exploration and evaluation assets included a site restoration provision of $Nil (2018 - $4,683) at March 31, 2019;
v) The Company settled trade payables of $805,073 (2018 - $Nil) with payments of $664,445 (2018 - $Nil), resulting in a gain on settlement of debt of $140,628 (2018 - $Nil) (Note 11); and
vi) During the years ended March 31, 2019 and 2018, no cash was paid for interest or income taxes.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:
- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets are reviewed periodically by the Board of Directors if and when there are any changes or updates required.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of interest rate and commodity price risk.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has cash balances and fixed interest-bearing debt. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

Cash and guaranteed investment certificates are subject to floating interest rates.

The Company as at March 31, 2019 as described hereinabove entered into the Goldcorp Loan with a set interest rate of 8% therefore limited interest rate risk on any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities may be subject to risks associated with fluctuations in the market prices of the relevant commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company also holds marketable securities that are subject to changes in market price.

Foreign Exchange Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and United States dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not hold significant monetary assets or liabilities in foreign currencies and therefore is not exposed to significant risks arising from the fluctuation of foreign exchange rates.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and receivables. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand and receivables are entered into with credit-worthy counterparties.

The carrying amount of financial assets represents the maximum credit exposure. Credit risk exposure is limited through maintaining cash with high-credit quality financial institutions and management considers this risk to be minimal for all cash assets based on changes that are reasonably possible at each reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to endeavour that it will have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, circumstances may arise where the Company is unable to meet those goals (See Note 2 and 25). The key to managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company would prepare annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, when required the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

General Objectives, Policies and Processes (cont'd)

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The consolidated statements of financial position carrying amounts for receivables, trade and other payables, and loan payable approximate fair value due to their short-term nature.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities which include cash and cash equivalents and marketable securities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the sale of the marketable securities (Note 7) and cash and cash equivalents, have been determined by reference to published price quotations in an active market, a Level 1 valuation.

25. CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, warrants and stock options as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met. The Company's capital is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year ended March 31, 2019.

26. EVENTS AFTER THE REPORTING DATE

Subsequent to the year ended March 31, 2019, the Company entered into a binding arrangement agreement (the "Arrangement Agreement") with Buckingham Copper Corp. ("Buckingham") pursuant to which the Company will acquire all of the issued and outstanding common shares of Buckingham, with Buckingham Shareholders receiving 0.50 of a common share of the Company for each Buckingham common share held, resulting in 12,049,053 Colorado common shares to be issued. The completion of the Arrangement Agreement is subject to the completion of the Company's private placement of flow-through and non-flow-through subscriptions receipts for gross proceeds no less than $2,500,000, arranged by Buckingham.

Subsequent to the year ended March 31, 2019, on May 1, 2019, 385,000 stock options expired unexercised.