Colorado Resources Ltd.

COLORADO RESOURCES LTD.
(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2019 and 2018

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
September 30, 2019 and 2018
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) the accompanying unaudited condensed consolidated interim financial statements of the Company for the six months ended September 30, 2019 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed interim financial reporting.

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

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

As at September 30 and March 31, 2019

(Expressed in Canadian Dollars)

	Note		September 30 2019		March 31 2019
Assets					
Current					
Cash and cash equivalents	5	$	992,958	$	134,598
Restricted cash	5		1,404,596		-
Receivables	6		153,973		26,950
Prepaids and advances			119,512		13,205
Marketable securities	7		37,919		57,060
Total current assets			2,708,958		231,813
Non-current					
Reclamation deposits	8		167,000		162,000
Property, plant, and equipment	10		126,384		12,057
Exploration and evaluation assets	9,11		25,737,980		22,676,882
Total non-current assets			26,031,364		22,850,939
Total Assets		$	28,740,322	$	23,082,752
Liabilities and Shareholders' Equity					
Current					
Trade and other payables	12	$	1,442,935	$	278,243
Loans payable	13		-		500,000
Total current liabilities			1,442,935		778,243
Long term lease liability	14		65,289		-
Total liabilities			1,508,224		778,243
Shareholders' Equity					
Share capital	15		46,108,065		40,988,917
Contributed surplus	15,16		5,602,443		5,123,722
Accumulated deficit			(24,478,410)		(23,808,130)
Total Shareholders' Equity			27,232,098		22,304,509
Total Liabilities and Shareholders' Equity		$	28,740,322	$	23,082,752

Signed on behalf of the Board of Directors by:

"Cecil Bond" Director
Cecil Bond

"Bryan Wilson" Director
Bryan Wilson

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

For the six months ended September 30

(Expressed in Canadian Dollars)

		Six Months Ended September 30		Three Months Ended September 30	
	Note	2019	2018	2019	2018
Expenses					
Administrative and general	17	$ 410,610	$ 1,921,046	$ 184,890	$ 221,965
Depreciation and accretion	10,14	31,611	5,646	15,691	212
Directors fees	18	25,000	13,040	-	-
Interest on loan payable	13	16,109	1,819	5,831	1,819
Finance charge	13	21,250	21,250	21,250	21,250
Pre-exploration expenditures		-	34,107	-	14,176
(Gain) loss on foreign exchange		3,816	(1,097)	3,918	(965)
Share-based payments		162,544	-	162,544	-
Total expenses		670,940	1,995,811	394,124	258,457
Other income					
Interest and other income		(11,165)	(63,129)	(10,669)	(49,710)
Gain on settlement of trade payables		(8,635)	-	(8,635)	-
Write-down on exploration and evaluation assets	11	-	16,068	-	-
Loss on marketable securities	7	19,140	6,320	18,960	(20)
Net loss and comprehensive loss for the period		$ 670,280	$ 1,955,070	$ 393,780	$ 208,727
Loss per common share, basic and diluted	20	$ 0.00	$ 0.02	$ 0.00	$ 0.00

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

COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)

For the six months ended September 30

(Expressed in Canadian Dollars)

	Note		Share Capital Amount		Contributed Surplus		Accumulated Deficit		Total
Balance March 31, 2018		$	40,678,462	$	5,255,716	$	(21,463,648)	$	24,470,530
Loss for the period			-		-		(1,955,070)		(1,955,070)
Shares issued for bonus fees on loan	13		21,250		-		-		21,250
Shares issued for cash	16		136,000		-		-		136,000
Shares issuance costs			(100)		-		-		(100)
Fair value of options exercised	15,16		131,994		(131,994)		-		-
Balance, September 30, 2018		**$**	**40,967,606**	**$**	**5,123,722**	**$**	**(23,418,718)**	**$**	**22,672,610**

	Note		Share Capital Amount		Contributed Surplus		Accumulated Deficit		Total
Balance, March 31, 2019		$	40,988,917	$	5,123,722	$	(23,808,130)	$	22,304,509
Loss for the period			-		-		(670,280)		(670,280)
Private placement flow through receipts	15		1,832,143		-		-		1,832,143
Fair value of warrants issued	15,16		(191,474)		191,474		-		-
Private placement non flow through receipts	15		1,875,944		-		-		1,875,944
Shares issued for settlement of loan	13,15		538,621		-		-		538,621
Shares issued for bonus fees on loan	13,15		21,250		-		-		21,250
Acquisition of Buckingham Copper Corp.	9		1,249,005		124,703		-		1,373,708
Share issuance costs	15		(206,341)		-		-		(206,341)
Share-based payments	16				162,544		-		162,544
Balance, September 30, 2019		**$**	**46,108,065**	**$**	**5,602,443**	**$**	**(24,478,410)**	**$**	**27,232,098**

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

COLORADO RESOURCES LTD.
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)
For the six months ended September 30
(Expressed in Canadian Dollars)

	Notes		2019		2018
Cash flows from operating activities					
Loss for the period		$	(670,280)	$	(1,955,070)
Items not effecting cash					
Depreciation	10,14		23,352		5,646
Share-based payments	16		162,544		-
Loss on marketable securities	7		19,140		6,320
Write-down on exploration and evaluation assets	11		-		16,068
Finance charges	13		21,250		21,250
Accretion of Lease Liability	14		8,260		-
Changes in non-cash working capital balances:					
Provision			-		(4,683)
Receivables	6		(100,638)		(92,808)
Trade and other payables	12		631,472		83,301
Prepaids and advances			(67,453)		139,908
Total cash outflows from operating activities			27,647		(1,780,068)
Cash flows from investing activities					
Proceeds from the sale of marketable securities	7		-		146,800
Lease Payment	14		(26,884)		-
Purchase of reclamation bonds	8		(5,000)		(12,000)
Purchase of property, plant and equipment	10		-		(1,155)
Resource property expenditures	11		(1,079,698)		(3,041,640)
Acquisition of Buckingham Copper	9		(154,855)		-
Total cash outflows from investing activities			(1,266,437)		(2,907,995)
Cash flows from financing activities					
Exercise of options	15,16		-		136,000
Proceeds from loans received	13		-		500,000
Shares issued for private placement	15,16		3,708,087		-
Share issuance costs	15,16		(206,341)		(100)
Total cash inflow provided by financing activities			3,501,746		635,900
Increase in cash during the period			2,262,956		(4,052,163)
Cash and cash equivalents, beginning of period			134,598		5,101,898
Cash and cash equivalents, end of period		$	2,397,554	$	1,049,735
Composition of cash, cash equivalents and restricted cash					
Cash and cash equivalents		$	992,958	$	478,201
Restricted cash	5		1,404,596		571,534
Cash, cash equivalents and restricted cash, end of period		$	2,397,554	$	1,049,735

See Note 21 for Supplemental Cash Flow Information

The accompanying notes are an integral part of these condensed consolidated interim 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, B.C. V4T 3C1.

2. BASIS OF PREPARATION AND GOING CONCERN

Statement of Compliance and Accounting Policies

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting, are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and are consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended March 31, 2019, with the adoption of updated policies described in Note 3. The disclosures which follow do not include all disclosures required for the annual financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended March 31, 2019.

Effective April 1, 2019, the Company adopted IFRS 16 Leases ("IFRS 16"). IFRS 16 was adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of the standard. As a result of the application of IFRS 16, the Company changed its accounting policies for leases as described in Note 3.

The Board of Directors approved these condensed consolidated interim financial statements on November 28, 2019.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on an historical cost basis, except for marketable securities which are valued at fair value on the reporting date. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND GOING CONCERN (cont'd)

Basis of Consolidation

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

	% of Ownership	Jurisdiction	Principal Activity
Buckingham Copper Corp. ("Buckingham")	100%	Canada	Exploration
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 condensed consolidated interim financial statements.

Going Concern

These condensed consolidated interim 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 $670,280 during the period ended September 30, 2019 (2018 - $1,955,070) and, as of that date, the Company's deficit was $24,478,410 (March 31, 2019 - $23,808,130) and is expected to continue to incur losses. The Company has working capital of $1,266,023 as at September 30, 2019 (March 31, 2019 - $546,430 deficiency) and the Company has a flow through expenditure requirement of $700,000 (March 31, 2019 - $Nil) required to be spent by December 31, 2020. 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.

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 proceeds from 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 a liability and the related deferred tax is recognized as a tax provision. The required flow-through expenditures as at September 30, 2019 of $700,000 (March 31, 2019- $Nil) 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 restricted cash.

2. BASIS OF PREPARATION AND GOING CONCERN (cont'd)

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.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The IASB has issued a number of amendments to standards and interpretations, with one new standard affecting the Company, which is not yet effective during the Company's current fiscal year, and has not been applied in preparing these condensed interim consolidated financial statements. These amendments, as well as the one new standard, are not anticipated to have an impact on the Company's financial statements when they are adopted in future years.

The IASB has also issued several new standards which are effective January 1, 2019. The only new standard first adopted by the Company in the six-month period ended September 30, 2019 was IFRS 16 as noted below. Pronouncements that are not applicable to the Company have been excluded from this note.

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 was adopted by the Company on April 1, 2019.

The impact of adopting this new standard resulted in an additional right of use asset of $137,679 (Note 10) capitalized and a corresponding lease liability of the same amount (Note 14) included as a liability in the condensed consolidated interim 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 in the annual financial statements for the year ended March 31, 2019. There have been no updates or changes to the significant account judgments, estimates and assumptions during the period ended September 30, 2019, with the exception of the judgement applied to the Buckingham transaction:.

Asset Acquisitions Versus Business Combinations
Management had to apply judgment with respect to whether the acquisition of Buckingham was an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the companies acquired at the time of acquisition. Pursuant to the assessment, Buckingham was considered to be an asset acquisition.

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 July 2020 and interest rates of 1.25%.

(Expressed in Canadian Dollars)

6. RECEIVABLES

		September 30 2019		March 31 2019
Sales taxes receivable	$	137,180	$	25,375
Other		16,793		1,575
	$	153,973	$	26,950

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

7. MARKETABLE SECURITIES

Marketable securities consist of an investment in 1,264,000 (September 30, 2018 – 1,268,000) 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 six months ended September 30, 2019, the Company recorded $19,140 as an unrealized loss on marketable securities. During the six months ended September 30, 2018, the Company recorded $6,320 as an unrealized loss on investment in marketable securities which 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 period ended September 30, 2019 the Company did not sell any Damara shares (2018 - 2,932,000 sold for $146,800).

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 varying maturity dates and interest rates ranging from 1.25% - 1.35%.

9. ACQUISITION OF BUCKINGHAM

On August 20, 2019, the Company completed a plan of arrangement with Buckingham, which resulted in the acquisition of Buckingham, with Buckingham shareholders receiving one half of a common share of the Company for each Buckingham common share held, resulting in 12,409,052 Colorado common shares issued. The acquisition also resulted in the 4,200,000 outstanding Buckingham warrants being converted to Colorado warrants at the same ratio as the common shares (the "Replacement Warrants"), resulting in an additional 2,100,000 Colorado warrants outstanding exercisable at $0.12 until August 20, 2022.

At the time of the Transaction, Buckingham's assets consisted primarily of cash, receivables and prepaids, and resource properties, and it did not have any processes capable of generating outputs; therefore, Buckingham did not meet the definition of a business. Accordingly, as Buckingham did not qualify as a business in accordance with IFRS 3 *Business Combinations*, the acquisition constituted an asset acquisition and has been accounted for as such.

As the acquisition was considered an asset acquisition, the excess of value of consideration paid over net assets acquired was allocated to Buckingham's Moat and Sofia properties.

The fair value of the common shares amounted to $1,249,005, based on the trading price of the Company's shares on the issuance date. The fair value of the Replacement Warrants was determined using the Black-Scholes pricing model with the following weighted average assumptions:

(Expressed in Canadian Dollars)

9. ACQUISITION OF BUCKINGHAM COPPER (cont'd)

Market price of shares	$0.10
Exercise price	$0.12
Expected life	3.0
Volatility	101.78%
Risk-free rate	1.19%
Dividend yield	0.00%

The Company considers the Transaction an asset acquisition with details as follows:

Consideration paid:	
Issuance of 12,490,052 shares at $0.10/share	$ 1,249,005
Transaction costs	375,096
Fair value of 2,100,000 Replacement Warrants issued	124,703
Total	$ 1,748,804

Assets acquired:	
Cash	$ 20,241
Receivables	26,385
Prepaid	38,854
Exploration and Evaluation Assets	1,981,400
Loan to Colorado	200,000
Liabilities assumed:	
Accounts Payable	(518,076)
Total	$ 1,748,804

Upon completion of the plan of arrangement, the $200,000 loan owed by Colorado to Buckingham became an intercompany balance. See Note 13.

10. PROPERTY, PLANT AND EQUIPMENT

	Vehicle	Furniture & Fixtures	Office Equipment	Field Equipment	Office Lease	Total
Cost						
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
Assets acquired	-	-	-	-	137,679	137,679
Balance September 30, 2019	$ -	$ 13,775	$ 58,387	$ 285,687	$ 137,679	$ 495,528
Depreciation						
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
Depreciation for the period	-	191	1,861	4,090	17,210	23,352
Balance September 30, 2019	$ -	$ 12,784	$ 54,923	$ 284,227	$ 17,210	$ 369,144
Carrying amounts						
Balance March 31, 2019	$ -	$ 1,182	$ 5,325	$ 5,550	$ -	$ 12,057
Balance September 30, 2019	$ -	$ 991	$ 3,464	$ 1,460	$ 120,469	$ 126,384

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS

	British Columbia						
	North ROK/ROK-Coyote	KSP	KingPin	Kinaskan-Castle	Sofia	Other	Total
Costs							
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	3,513,532	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	$14,789,853	$ 298,546	$ 937,069	$ -	$ -	$ 22,676,882
Acquisition costs	-	-	-	851,740	1,129,660	-	1,981,400
Exploration costs	-	9,471	-	1,028,515	41,712	-	1,079,698
Balance at September 30, 2019	**$ 6,651,414**	**$ 14,799,324**	**$ 298,546**	**$ 2,817,324**	**$ 1,171,372**	**$ -**	**$ 25,737,980**

11. 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 September 30, 2019, the Company has incurred $6,651,414 in acquisition and exploration costs (March 31, 2019 - $6,651,414), net of BCMET recoveries.

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. On June 21, 2016, Seabridge Gold Inc. ("Seabridge") acquired SnipGold and assumed all obligations of SnipGold.

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, and Colorado purchased the remaining 49% interest. 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.

11. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia (cont'd)

KSP Property (cont'd)

KSP Other (cont'd)

As at September 30, 2019, the Company has incurred $14,799,324 in acquisition and exploration costs (March 31, 2019 - $14,789,853), net of BCMET recoveries.

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 (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 September 30, 2019, the Company has incurred $298,546 (March 31, 2019 - $298,546) in acquisition and explorations costs.

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.

On August 20, 2019, the Company acquired a property option agreement (the "Moat Option Agreement") as part of the Buckingham acquisition (Note 9). Under the Moat Option Agreement, the Company acquired the undivided 100% right, title and interest to a group of mining claims in the Liard Mining Division of Northeast British Columbia (the "Moat Property"), subject to a 2.5% NSR. Under the terms of Moat Option Agreement, the Company is to issue the following payments in common shares of the Company on or before the following dates:

1. December 27, 2019, $400,000 in common shares
2. December 27, 2020, $500,000 in common shares
3. December 27, 2021, $700,000 in common shares

The Moat property adjoins the Kinaskan-Castle property to the east and southeast and has become part of Kinaskan-Castle for exploration work and reporting purposes. In connection with the Buckingham acquisition, the Company has allocated $851,740 in acquisition costs. See Note 9.

As at September 30, 2019, the Company has incurred $2,817,324 (March 31, 2019 - $937,069) in acquisition and explorations costs.

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION ASSETS (cont'd)

British Columbia (cont'd)

Sofia Property

On August 20, 2019, the Company acquired a property option agreement (the "Sofia Option Agreement") as part of the Buckingham acquisition (Note 9). Under the Sofia Option Agreement, the Company acquired the undivided 100% right, title and interest to a group of mining claims in the Liard Mining Division of Northeast British Columbia (the "Sofia Property"), subject to a 2% Net Smelter Royalty ("NSR"). The Company may purchase 1% of the NSR for $2,000,000 until one year following commencement of commercial production.

In connection with the Buckingham acquisition, the Company has allocated $1,129,660 in acquisition costs. See Note 9.

As at September 30, 2019, the Company has incurred $1,171,372 (March 31, 2019 - $Nil) 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.

12. TRADE AND OTHER PAYABLES

		September 30 2019		March 31 2019
Trade payables	$	1,066,320	$	112,968
Accrued Liabilities		68,936		2,871
Due to related party - Note 18		307,679		162,404
Total	$	1,442,935	$	278,243

13. LOANS PAYABLE

Goldcorp Loan

On September 13, 2018, the Company obtained a secured loan of $500,000 (the "Loan") from Goldcorp Inc. ("Goldcorp"). Terms of the Loan included 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 was secured against the Company's KSP, Kinaskan-Castle and North ROK properties.

Additional terms included the Company's option to pay interest in cash or, subject to the approval of the Exchange in shares (the "Interest Shares"). The issue price of any Interest Shares was set at 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.

(Expressed in Canadian Dollars)

13. LOANS PAYABLE (cont'd)

Goldcorp Loan (cont'd)

As a condition for providing the Loan, the Company has issued common shares to Goldcorp (the "Bonus Shares") pursuant to the terms of the Loan, 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. 250,000 Bonus Shares were issued on August 20, 2019, at a value of $21,250 as a result of the loan being repaid after the six-month anniversary.

On August 20, 2019, Newmont Goldcorp Corporation agreed to exercise its pre-emptive right and subscribed for 6,336,717 units of Colorado at a price of $0.085 per unit for aggregate proceeds of $538,621, with each unit consisting of one common share and one half of one common share purchase warrant exercisable at $0.12 for three years, thereby extinguishing the Company's loan amount of $500,000 plus related interest. The Company also issued 250,000 Bonus Shares at a deemed value of $0.085 per share pursuant to the Loan Agreement. See Note 13 (ii).

Buckingham Loan

In May 2019, the Company entered into a binding arrangement agreement (the "Arrangement Agreement") with Buckingham pursuant to which the Company acquired all of the issued and outstanding common shares of Buckingham. In order to provide the Company with bridge financing, Buckingham provided a $200,000 non-recourse subordinated loan to the Company. On August 20, 2019, the Company and Buckingham closed the Arrangement Agreement, resulting in Buckingham being a wholly-owned subsidiary of the Company and the loan becoming an intercompany balance. See Note 9.

14. OFFICE LEASE LIABILITY

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.

On April 1, 2019, the Company recognized a lease liability on its office lease, resulting from the adoption of the new accounting standard IFRS 16 (Note 3).

Balance at March 31, 2019	$	-
Office Lease Liability recognized on adoption of IFRS 16		137,679
Office Lease payments		(26,884)
Accretion		8,260
Balance at September 30, 2019	**$**	**119,055**
Current lease liability (included in accounts payable and accrued liabilities)	$	53,766
Long-term lease liability		65,289
Total office lease liability at September 30, 2019	**$**	**119,055**

(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, 2018 to September 30, 2019:

	Number	Price	Total
Balance - March 31, 2018	122,791,646	-	$ 40,678,462
Exercise of options	1,700,000	$ 0.080	136,000
Bonus shares issued on loan	250,000	$ 0.085	21,250
Fair value of stock options transferred on exercise	-	-	131,994
Shares issued for settlement of trade payables	395,498	$ 0.055	21,752
Share issue costs	-	-	(541)
Balance - March 31, 2019	125,137,144	-	$ 40,988,917
Shares issued for private placement	15,267,855	$ 0.120	1,832,143
Shares issued for private placement	22,069,928	$ 0.085	1,875,944
Shares issued on settlement of loan	6,336,717	$ 0.085	538,621
Bonus shares issued on loan	250,000	$ 0.085	21,250
Shares issued on acquisition of Buckingham	12,490,052	$ 0.100	1,249,005
Share issuance costs	-	-	(206,341)
Fair value of private placement warrants	-	-	(152,678)
Fair value of finder warrants	-	-	(38,796)
Balance - September 30, 2019	181,551,696	-	$ 46,108,065

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES (cont'd)

During the period ended September 30, 2019, the Company issued the following:

i) On August 20, 2019, the Company completed a private placement financing of 15,267,855 flow-through units at a price of $0.12 per unit, and 22,069,928 non flow-through units at a price of $0.085, for aggregate gross proceeds of $3,708,086. Each flow-through unit consists of one flow-through common share and one half of one common share purchase warrant, with each whole warrant exercisable at $0.15 for three years. Each non flow-through unit consists of one common share and one half of one common share purchase warrant, with each whole warrant exercisable at $0.12 for three years. In connection with the financing, the Company issued 688,885 agent warrants, paid agents' fees of $82,140, and incurred other cash share issuance costs of $124,201. Certain agent warrants are exercisable at $0.15 for three year and the remaining agent warrants are exercisable at $0.12 for three years.

ii) On August 20, 2019, Newmont Goldcorp Corporation exercised its pre-emptive right, pursuant to its Investor Rights Agreement with the Company and subscribed for 6,336,717 units of Colorado at a price of $0.085 per unit for aggregate proceeds of $538,612, with each unit consisting of one common share and one half of one common share purchase warrant exercisable at $0.12 for three years, thereby extinguishing the Company's loan amount of $500,000 plus related interest. In addition, the Company issued 250,000 Bonus Shares at a deemed value of $0.085 per share pursuant to the Loan Agreement.

iii) On August 20, 2019, the Company completed its previously announced arrangement to acquire all the issued and outstanding shares of Buckingham (the "Arrangement"). Under the terms of the Arrangement and as consideration for the acquisition, the Company issued 12,490,052 common shares valued at the market price of $0.10 per unit.

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 $131,994 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 Bonus Shares pursuant to the Loan as described in Note 13 hereinabove. The Bonus 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. Share issuance costs of $541 was incurred during the year.

Share Purchase Warrants

The following is a summary of changes in share purchase warrants from April 1, 2018 to September 30, 2019:

	Number	Weighted Average Exercise Price
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
Issued	**23,937,249**	**$0.12**
Expired	**(4,462,500)**	**$0.50**
Balance as at September 30, 2019	**35,297,249**	**$0.23**

At September 30, 2019, 35,297,249 (March 31, 2019 - 15,822,500) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 2.09 (March 31, 2019 – 0.79) years. Each warrant entitles the holders thereof the right to purchase one common share as follows:

(Expressed in Canadian Dollars)

15. SHARE CAPITAL AND RESERVES (cont'd)

Share Purchase Warrants (cont'd)

Number	Exercise Price	Expiry Date
11,360,000	$0.45	29-Feb-20
2,100,000	$0.12	20-Aug-22
14,203,322	$0.12	20-Aug-22
7,633,927	$0.15	20-Aug-22
35,297,249		

Agents Purchase Warrants

The following is a summary of changes in Agent's Warrants from April 1, 2018 to September 30, 2019:

	Number	Weighted Average Exercise Price
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
Issued	688,885	$0.14
Expired	(483,000)	$0.41
Balance as at September 30, 2019	688,885	$0.14

As at September 30, 2019, 688,885 (March 31, 2019 – 483,000) share purchase warrants were outstanding and exercisable with a weighted average remaining contractual life of 2.89 (March 31, 2019 – 0.47) years. Each Agent Warrant entitles the holders thereof the right to purchase one common share as follows:

Agent's Warrants	Exercise Price	Expiry Date
198,480	$0.12	20-Aug-22
490,405	$0.15	20-Aug-22
688,885		

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 period ended September 30, 2019:

Grant Date	Expiry Date	Exercise Price	Opening Balance	Granted	Exercised	Expired	Cancelled	Closing Balance	Vested and Exercisable
1-May-14	1-May-19	$0.265	385,000	-	-	(385,000)	-	-	-
7-May-15	7-May-20	$0.150	310,000	-	-	-	(185,000)	125.000	125.000
30-Dec-15	30-Dec-20	$0.080	145,000	-	-	-	(70,000)	75,000	75,000
6-Jun-16	6-Jun-21	$0.440	450,000	-	-	-	(150,000)	300,000	300,000
6-Jun-17	6-Jun-22	$0.260	852,500	-	-	-	(452,500)	400,000	400,000
16-Feb-18	16-Feb-23	$0.150	500,000	-	-	-	-	500,000	500,000
6-Sep-19	5-Sep-24	$0.120	-	7,650,000	-	-	-	7,650,000	1,912,500
			2,642,500	**7,650,000**	**-**	**(385,000)**	**(857,500)**	**9,050,000**	**3,312,500**
Weighted Average Exercise Price			**$0.25**	**$0.12**	**-**	**$0.27**	**$0.25**	**$0.14**	**$0.17**
Weighted Average Life remaining			**2.37**	**4.94**	**-**	**-**	**-**	**4.55**	**3.89**

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	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**

The weighted average remaining contractual life of vested and exercisable stock options as at September 30, 2019 is 3.89 years (March 31, 2019 – 2.37 years).

(Expressed in Canadian Dollars)

16. SHARE-BASED PAYMENTS (cont'd)

Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options granted during the period ended September 30, 2019 was $0.12 per option (2019 - $Nil).

The expected price volatility is based on the 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 period ended September 30, 2019 were $162,544 (2019 - $Nil) using the Black-Scholes option pricing model. For purposes of the fair value calculations, the following weighted average assumptions were used for the Black-Scholes valuation model:

	2020	2019
Risk free interest rate	1.32%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	116.07%	-
Expected life in years	5.00	-

17. ADMINISTRATIVE AND GENERAL EXPENSES

		For the six months ended September 30		For the three months ended September 30	
	Note	2019	2018	2019	2018
Administrative and General Expenses:					
Accounting and legal		$ 100,808	$ 599,902	$ (29,600)	$ 84,530
Consulting	18	45,556	197,176	35,850	13,636
Investor relations, website development and marketing		31,223	1,166	30,929	(1,265)
Office and administration fees		74,355	106,201	47,815	41,612
Part XII Tax		-	5,166	-	5,166
Penalties and other interest		7,794	-	6,616	-
Regulatory fees		23,160	12,263	22,427	5,243
Shareholder communication and annual general meeting		(2,406)	833,948	-	2,815
Transfer agent fees		12,296	5,939	11,605	1,331
Travel		26,960	15,329	22,235	3,711
Wages	18	90,864	143,956	37,013	65,186
		$ 410,610	$ 1,921,046	$ 184,890	$ 221,965

(Expressed in Canadian Dollars)

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

	September 30 2019	September 30 2018
Administration and labour	$ 32,032	$ 22,275
Consulting fees	26,831	197,176
Wages	53,918	104,000
Share based payments	105,707	-
	$ 218,488	$ 323,451

a. Wages of $34,000 (2018 - $104,000) were paid or accrued to Robert Shaw ("Shaw) the Company's former President and Chief Executive Officer. Mr. Shaw was appointed on February 26, 2018 and resigned on August 20, 2019.

b. Consulting fees of $4,481 (2018 - $183,506) were paid or accrued to Minco Corporate Management Inc. ("Minco"), a company controlled by Terese Gieselman, the former Chief Financial Officer and Corporate Secretary of the Company.

c. Administration fees of $6,513 (2018 - $22,275) were paid or accrued to Minco in relation to providing administrative and accounting services.

d. Administration fees of $25,519 (2018 - $Nil) were accrued to Anacott Resources Corp. ("Anacott") in relation to providing administrative and accounting services. Fletcher Morgan is a director of the Company and is the Chief Executive Officer and a director of Anacott.

e. Wages of $19,918 were paid or accrued to Eric Casey, the Company's Chief Financial Officer and Corporate Secretary. Mr. Casey was appointed on June 19, 2019 and provided consulting services prior to his appointment.

f. Consulting fees of $20,400 were accrued to Joseph E. Mullin LLC, a company controlled by Jospeh Mullin, the Company's Chief Executive Officer. Mr. Mullin was appointed on August 20, 2019.

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. 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.

(Expressed in Canadian Dollars)

18. RELATED PARTY TRANSACTIONS (cont'd)

Consulting Fees to Non-Executive Directors

- Consulting fees of $10,800 (2018 - $Nil) were paid or accrued to Michael Cathro, a director of the Company.
- Director fees of $6,250 (2018 - $12,250) were accrued to Cecil Bond, a director of the Company.
- Director fees of $6,250 (2018 - $13,250) were accrued to Bryan Wilson, a director of the Company.
- Director fees of $6,250 (2018 - $12,750) were accrued to Alastair Still, a director of the Company.
- Director fees of $6,250 (2018 - $12,250) were accrued to Patrick Soares, a former director of the Company. Mr. Soares resigned as a director effective August 20, 2019.
- Consulting fees of $Nil (2018 – $650) were paid or accrued to 43983 Yukon Inc, a company controlled by Larry Nagy, a former director of the Company. Mr. Nagy resigned as director effective April 17, 2018;
- Consulting fees of $Nil (2018 - $8,000) were paid or accrued to William Lindqvist, a former director of the Company. Mr. Lindqvist resigned as a director effective April 17, 2018.

Related Party Liabilities Included in Trade and Other Payables:

Amounts due to:	Service for:	September 30 2019	March 31 2019
Minco	Consulting Fees	$ -	$ 6,904
Anacott Resources Corp.	Consulting Fees	35,447	-
Patrick Soares	Directors' fees	32,250	26,000
Cecil Bond	Directors' fees	32,250	26,000
Bryan Wilson	Directors' fees	32,750	26,500
Alastair Still	Directors' fees	32,750	26,500
Michael Cathro	Consulting Fees & Expenses	11,373	-
Robert Shaw	Wages	84,500	50,500
Joseph E. Mullin LLC	Consulting fees & Expenses	38,166	-
Eric Casey	Wages & Expenses	8,193	-
		$ 307,679	$ 162,404

19. SEGMENT REPORTING

The Company operates in one industry segment, the mineral resources industry, and in one geographical segment, Canada.

	September 30 2019	March 31 2019
	Canada	
Reclamation Deposits	$ 167,000	$ 162,000
Property, Plant and Equipment	126,384	12,057
Exploration and evaluation assets	25,737,980	22,676,882
Total	$ 26,031,364	$22,850,939

(Expressed in Canadian Dollars)

20. 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.

	September 30 2019	September 30 2018
Net loss attributable to common shareholders	**$ 670,280**	$ 1,955,070
Weighted average number of common shares	**138,016,494**	123,782,356
Basic and diluted loss per share	**$ 0.00**	$ 0.02

21. 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 September 30, 2019 and 2018 the following transactions were excluded from the consolidated statements of cash flows:

i) As a result of the adoption of IFRS 16 (Note 3), on April 1, 2019, a new lease asset and lease liability were recognized, the lease asset recognized is presented in Note 10. The current portion of the lease liability is presented in Note 14 and is split between accounts payable and accrued liabilities ($53,766 at September 30, 2019) and long term lease liability ($65,289 at September 30, 2019).

ii) During the period ended September 30, 2019, the company issued warrants, resulting in a decrease in share capital and increase in contributed surplus of $191,474 ($Nil at September 30, 2018).

iii) During the period ended September 30, 2019 and 2018, no cash was paid for interest or income taxes.