COLORADO RESOURCES LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

(Expressed in Canadian Dollars)

Smythe CPA

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, 2020 and 2019;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the 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, 2020 and 2019, and its consolidated financial performance and 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 1 in the consolidated financial statements, which indicates that the Company incurred a net and comprehensive loss of $1,341,202 during the year ended March 31, 2020 and has an accumulated deficit of $20,293,877 as at March 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 other information, we are required to report that fact. We have nothing to report in this regard.

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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.

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

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia

July 16, 2020

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COLORADO RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31
(Expressed in Canadian dollars)

	Note	**2020**	2019
ASSETS		**$**	$
Current			
Cash and cash equivalents	6	**573,200**	134,598
Restricted cash	6, 19	**1,622,314**	-
Receivables		**56,942**	26,950
Prepaid expenses and deposits		**79,286**	13,205
Marketable securities	7	**25,280**	57,060
Current portion of net investment in sublease	10	**25,684**	-
		2,382,706	231,813
Non-Current			
Net investment in sublease	10	**36,733**	-
Reclamation deposits	8	**167,000**	162,000
Property, plant and equipment	9	**5,724**	12,057
Right-of-use asset	4, 10	**29,329**	-
Exploration and evaluation assets	11	**26,480,272**	22,676,882
		29,101,764	23,082,752
LIABILITIES			
Current			
Accounts payable and accrued liabilities	12, 20(b)	**369,233**	278,243
Lease liability	4, 10	**44,324**	-
Loan payable	14	**-**	500,000
		413,557	778,243
Non-Current			
Flow-through share premium liability	13	**631,720**	-
Lease liability	4, 10	**59,204**	-
		1,104,481	778,243
EQUITY			
Share capital	15	**47,173,446**	40,988,917
Share-based payments reserve		**1,117,714**	1,154,769
Deficit		**(20,293,877)**	(19,839,177)
		27,997,283	22,304,509
		29,101,764	23,082,752

Approved on behalf of the Board:
_*"Cecil Bond"*_______, Director
_*"Fletcher Morgan"*__, Director

COLORADO RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31
(Expressed in Canadian dollars)

	Note	2020	2019
		$	$
Expenses			
Consulting	20(a)	**278,332**	204,613
Depreciation	9, 10	**33,646**	12,780
Directors' fees	20(a)	**25,000**	118,040
Finance charge	14	**21,250**	21,250
Interest on lease liability		**10,877**	-
Interest on loan payable		**16,109**	22,512
Investor relations		**125,552**	962,241
Office and administration	20(a)	**137,547**	183,365
Part XII Tax		**-**	35,477
Pre-exploration expenditures		**-**	40,161
Professional fees		**133,346**	630,566
Salaries and benefits	20(a)	**131,935**	266,342
Share-based payments expense	15(e), 20(a)	**360,028**	-
Transfer agent, regulatory and filing fees		**52,674**	28,258
Travel and accommodation		**98,152**	15,659
		1,424,448	2,541,264
Other Items			
Accretion on sublease		**(1,992)**	-
Gain on sale of equipment		**-**	(3,000)
Gain on settlement of accounts payable and accrued liabilities	12	**(96,135)**	(142,606)
Interest and miscellaneous income		**(26,362)**	(73,384)
Loss on derecognition of right-of-use asset	10	**9,463**	-
Write-down of exploration and evaluation assets	11	**-**	16,068
Unrealized loss on marketable securities	7	**31,780**	6,140
		(83,246)	(196,782)
Loss and comprehensive loss for the year		**(1,341,202)**	(2,344,482)
Basic and diluted loss per share		**$ (0.01)**	$ (0.02)
Basic and diluted weighted average number of shares outstanding		**162,110,737**	124,358,207

See accompanying notes to the consolidated financial statements.

COLORADO RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Share-based payments reserve	Deficit	Total
			$	$	$	$
Balance, March 31, 2018		**122,791,646**	**40,678,462**	**2,725,952**	**(18,933,884)**	**24,470,530**
Net loss for the year		-	-	-	(2,344,482)	(2,344,482)
Shares issued for bonus fees on loan	14	250,000	21,250	-	-	21,250
Shares issued for settlement of trade payables		395,498	21,752	-	-	21,752
Share issue costs		-	(541)	-	-	(541)
Shares issued pursuant to exercise of options	15(c)	1,700,000	136,000	-	-	136,000
Fair value of options exercised	15(c)	-	131,994	(131,994)	-	-
Reclass of expired or forfeited stock options and warrants	15(f)	-	-	(1,439,189)	1,439,189	-
Balance, March 31, 2019		**125,137,144**	**40,988,917**	**1,154,769**	**(19,839,177)**	**22,304,509**
Net loss for the year		-	-	-	(1,341,202)	(1,341,202)
Private placements, net of share issue costs	15(b)	60,060,450	4,662,545	364,716	-	5,027,261
Flow-through share premium	13	-	(631,720)	-	-	(631,720)
Shares issued for settlement of loan	14	6,336,717	538,621	-	-	538,621
Shares issued pursuant to Buckingham acquisition	5	12,490,052	1,249,005	124,703	-	1,373,708
Shares issued for bonus fees on loan	14	250,000	21,250	-	-	21,250
Shares issued for mineral property option payment	11(d), 15(b)	6,896,552	344,828	-	-	344,828
Share-based payments expense	15(e)	-	-	360,028	-	360,028
Reclass of expired or forfeited stock options and warrants	15(f)	-	-	(886,502)	886,502	-
Balance, March 31, 2020		**211,170,915**	**47,173,446**	**1,117,714**	**(20,293,877)**	**27,997,283**

See accompanying notes to the consolidated financial statements.

COLORADO RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31
(Expressed in Canadian dollars)

	Note	2020	2019
Operating Activities			
Net loss for the year		**(1,341,202)**	(2,344,482)
Items not involving cash:			
Depreciation	9, 10	**33,646**	12,780
Accrued interest	14	**16,109**	22,512
Accretion of lease liability	10	**10,877**	-
Finance charges	14	**21,250**	21,250
Loss on derecognition of ROU asset	10	**9,463**	-
Share-based payments expense	15(e)	**360,028**	-
Unrealized loss on marektable securities	7	**31,780**	6,140
Write-down of exploration and evaluation assets	11(f)	**-**	16,068
Gain on settlement of accounts payable and accrued liabilities		**(96,135)**	(142,606)
Gain on settlement of equipment		**-**	(3,000)
		(954,184)	(2,411,338)
Net change in non-cash working capital	16	**(714,369)**	399,249
Cash used in operating activities		**(1,668,553)**	(2,012,089)
Investing Activities			
Proceeds from the sale of marketable securities		**-**	146,800
Purchase of reclamation bonds	8	**(5,000)**	(12,000)
Purchase of property, plant and equipment	9	**(3,199)**	(1,154)
Net investment in sublease	10	**5,958**	-
Sale of property, plant and equipment		**-**	3,000
Exploration and evaluation assets expenditures	11	**(1,477,162)**	(3,727,316)
Acquisition of Buckingham Copper	5	**20,241**	-
Cash used in investing activities		**(1,459,162)**	(3,590,670)
Financing Activities			
Receipt of loan proceeds	14	**-**	500,000
Proceeds pursuant to private placements	15(b)	**5,308,341**	-
Share issue costs	15(b)	**(281,080)**	(541)
Proceeds from Buckingham loan	5	**200,000**	-
Cash received on exercise of stock options	15(c)	**-**	136,000
Lease liability payments	10	**(38,630)**	-
Cash provided by financing activities		**5,188,631**	635,459
Net increase (decrease) in cash and cash equivalents		**2,060,916**	(4,967,300)
Cash and cash equivalents, beginning of year		**134,598**	5,101,898
Cash and cash equivalents, end of year		**2,195,514**	134,598
Cash, cash equivalents and restricted cash is comprised of:			
Cash and cash equivalents		**573,200**	23,000
Restricted cash		**1,622,314**	111,598
		2,195,514	134,598
Supplemental cash flow information	16		

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

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 "**TSX-V**"), having the symbol CXO.V as a Tier 1 issuer and its corporate office and principal place of business are located at Suite 2300 - 1066 W Hastings Street, Vancouver, B.C. V6E 3X2.

The Company has not generated revenues from its operations to date. The Company incurred a net loss of $1,341,202 during the year ended March 31, 2020 (2019: $2,344,482) and, as of that date, the Company's accumulated deficit was $20,293,877 (2019: $19,839,177). The Company had working capital of $1,969,149 as at March 31, 2020 (2019: working capital deficiency of $546,430) of which the Company has flow through expenditure requirements of $1,622,314 (2019: $Nil). 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.

2. BASIS OF PREPARATION

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

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 Board of Directors (the "**Board**") approved these consolidated financial statements on July 16, 2020.

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

Effective April 1, 2019, the Company adopted IFRS 16 *Leases* ("**IFRS 16**"). IFRS 16 was adopted using the modified retrospective approach 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 4.

2. BASIS OF PREPARATION (continued)

The Company also changed its accounting policy with respect to Contributed Surplus (renamed to Share-Based Payments reserve). The Company has retrospectively recasted prior periods' share-based payment reserve (See Note 3(o)).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

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

	Percent Ownership	Jurisdiction	Principal Activity
Buckingham Copper Corp. (see Note 5)	100%	Canada	Exploration
Colorado Gold S.A. de C.V.	100%	Mexico	Inactive
Colorado Exploration Inc.	100%	USA	Inactive

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.

b) 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.

c) 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.

d) Mineral Exploration and Evaluation Expenditures

Pre-exploration Costs

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Mineral Exploration and Evaluation Expenditures (continued)

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.

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.

e) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Property, Plant and Equipment (continued)

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.

Depreciation

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

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.

f) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices and forfeiture rates. Changes in subjective input assumptions can materially affect the fair value estimate.

Flow-through share private placements

As an incentive to complete private placements, the Company may issue common shares, which by agreement are designated as flow-through ("**FT**") shares. The shares are usually issued at a premium to the trading price of the Company's shares because the Company renounces the resulting expenditures and income tax benefits to the FT shareholders. On issue, share capital is increased only by the non-FT share equivalent value and share-based payments reserve is increased by the fair value of warrants, if any, as determined by the Black-Scholes option pricing model. Any premium is recorded as a FT share premium liability. The estimate is subject to the limitations of the highly subjective assumptions in the Black-Scholes option pricing model.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Significant Accounting Estimates and Judgments (continued)

i) Critical accounting estimates (continued)

Discount rate

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, right-of-use asset and investment in sublease, specific to the asset, underlying currency and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations are estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. 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.

Going concern assumption

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Right-of-use asset

The Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Impairment

The assessment of any impairment or recovery of right-of-use assets, plant and equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Judgment is required in assessing the appropriate level of cash generating units ("**CGU**") to be tested for such impairment, if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Significant Accounting Estimates and Judgments (continued)

ii) Critical accounting judgments (continued)

Impairment (continued)

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 CGU or group of CGUs 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.

Decommissioning liabilities

In the event that decommissioning liabilities are required to be recognized, such liabilities would be stated at the fair value of estimated future costs. Such estimates require extensive judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations, and remediation practices.

Asset acquisition versus business combination

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 (see Note 5).

h) 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 gives 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 less transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset is measured at amortized cost using the effective interest method, net of impairment loss, if necessary.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial Instruments (continued)

Financial Assets (continued)

*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 less 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.

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 consolidated 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.

i) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) 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 include 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.

k) Equity Units

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

l) Flow-through Shares

The Company will, from time to time, issue FT common shares to finance a significant portion of its exploration program. Pursuant to the terms of the FT share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates proceeds from the FT share and unit offerings using the residual method into i) share capital, ii) fair value of warrants determined using the Black-Scholes option pricing model and iii) FT share premium. The FT share premium, if any, represents the premium investors paid for the FT feature, which is recognized as a liability. Upon expenditures being incurred, the Company derecognizes the liability. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of FT 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 on the consolidated statements of financial position.

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

m) Income Taxes

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Income Taxes (continued)

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period-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 goodwill, and temporary differences arising on the initial recognition of an asset or liability in a transaction that 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 period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

n) 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.

o) Share-based Payments Reserve (previously Contributed Surplus)

Share-based payments reserve 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.

During the year ended March 31, 2020, the Company amended its accounting policy with respect to contributed surplus. Firstly, the Company changed the name from contributed surplus to share-based payments reserve. Secondly, the Company amended its accounting policy to reclassify amounts from share-based payments reserve with respect to cancelled or expired options and warrants, to deficit. Previously, if granted options or warrants vested and then subsequently expired or were forfeited, no reversal of contributed surplus was recognized.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Share-based Payments Reserve (previously Contributed Surplus) (continued)

The amounts have been retrospectively recasted with $2,529,764 reallocated for options and warrants that expired prior to March 31, 2018, and $1,439,189 for options and warrants that expired during the year ended March 31, 2019. As the amounts are an adjustment within shareholders' equity, the recasting had no effect on the consolidated financial position, operating results or cash flows previously reported.

	$
Amount previously reported prior to change in accounting policy	5,255,716
Effect of change in accounting policy	(2,529,764)
Balance, March 31, 2018	2,725,952

p) 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.

q) Share-based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. 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 share-based payments reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest.

Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) 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.

4. NEW STANDARD ADOPTED

Adoption of IFRS 16 Leases

The Company adopted IFRS 16 effective April 1, 2019 using the modified retrospective approach. The comparative figures for the 2019 reporting period have not been restated and are accounted for under IAS 17 *Leases,* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, as permitted under the specific transitional provisions in the standard.

The following is the new accounting policy for leases under IFRS 16.

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("**ROU asset**"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured on the initial amount of the lease liability, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated depreciation, impairment losses and adjusted for certain re-measurements of the lease liability. The ROU asset is depreciated from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in the consolidated statements of comprehensive loss in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the consolidated statements of financial position.

(Expressed in Canadian dollars)

4. NEW STANDARD ADOPTED (continued)

Adoption of IFRS 16 Leases (continued)

The Company applied the exemption not to recognize ROU asset and lease liabilities for leases with less than 12 months of lease term and leases for low-value assets when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

On transition to IFRS 16, the Company has an office lease in Kelowna, British Columbia which is classified as an operating lease under IAS 17. Upon transition to IFRS 16, the lease liability was measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 12%. As a result, the Company, as a lessee, recognized $101,187 as a lease liability for the Kelowna office, representing its obligation to make lease payments. A ROU asset of the same amount was recognized, representing its right to use the underlying asset.

	$
Operating lease liability as at March 31, 2019	151,012
Effect of discounting at incremental borrowing rate	(49,825)
Lease Liability recognized as at April 1, 2019	101,187

When a Company subleases a ROU asset, it classifies the sublease as an operating lease or a finance lease. When the sublease is classified as a finance lease, the lessor derecognizes the ROU asset pertaining to the head lease that it transfers to the sublessee, at the sublease commencement date, but continues to account for the original lease liability. The sublessor recognizes a net investment in sublease and evaluates it for impairment. The Company recognizes finance income on the net investment in the lease and also records income relating to variable lease payments not included in the measurement of the net investment in the lease.

5. ACQUISITION OF BUCKINGHAM

On August 20, 2019, the Company completed a plan of arrangement with Buckingham Copper Corp. ("**Buckingham**"), which resulted in the acquisition of Buckingham (the "**Buckingham Acquisition**"), with Buckingham shareholders receiving one half of a common share of the Company for each Buckingham common share held, resulting in 12,490,052 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 and exercisable at $0.12 until August 20, 2022.

At the time of the Buckingham Acquisition, Buckingham's assets consisted primarily of cash, receivables and prepaids, and exploration and evaluation assets, 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.

(Expressed in Canadian dollars)

5. ACQUISITION OF BUCKINGHAM (continued)

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, in accordance with IFRS 2, was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

Market price of shares	$	0.10
Exercise price	$	0.12
Risk-free interest rate		1.19%
Expected stock price volatility		102%
Expected dividend yield		0.0%
Expected life in years		3.0
Fair value	$	0.06

The Company considered the Buckingham transaction an asset acquisition with details as follows:

Consideration paid:	$
Issuance of 12,490,052 common 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
Prepaids	38,854
Exploration and evaluation assets - Moat	851,740
Exploration and evaluation assets - Sofia	1,129,660
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.

6. CASH AND CASH EQUIVALENTS, RESTRICTED CASH

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. Restricted cash relates to the portion of proceeds received on issuance of FT shares received but not yet expended at the end of the reporting year.

7. MARKETABLE SECURITIES

Marketable securities consist of an investment of 1,264,000 (2019: 1,264,000) 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, 2020 the Company sold Nil (2019: 2,936,000) Damara shares for gross proceeds of $Nil (2019: $146,800).

(Expressed in Canadian dollars)

7. MARKETABLE SECURITIES (continued)

A summary of the changes in FVTPL investments is presented below:

	$
Balance, March 31, 2018	210,000
Sale of FVTPL investment	(146,800)
Unrealized loss on FVTPL investment	(6,140)
Balance, March 31, 2019	57,060
Unrealized loss on FVTPL investment	(31,780)
Balance, March 31, 2020	25,280

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, KSP and Moat properties. The reclamation deposits are held with the Ministry of Energy and Mines in British Columbia. As at March 31, 2020, reclamation bonds included guaranteed investment certificates with maturity dates ranging from June 16, 2020 to June 7, 2021.

9. PROPERTY, PLANT AND EQUIPMENT

A summary of the changes in property, plant and equipment is presented below:

	Vehicle	Furniture & fixtures	Office equipment	Field equipment	Total
	$	$	$	$	$
Cost					
Balance, March 31, 2018	10,528	13,775	57,233	285,687	367,223
Additions	-	-	1,154	-	1,154
Disposals	(10,528)	-	-	-	(10,528)
Balance, March 31, 2019	-	13,775	58,387	285,687	357,849
Additions	-	-	3,199	-	3,199
Balance, March 31, 2020	-	13,775	61,586	285,687	361,048
Accumulated 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
Disposals	(10,528)	-	-	-	(10,528)
Balance, March 31, 2019	-	12,593	53,062	280,137	345,792
Depreciation for the year	-	382	3,600	5,550	9,532
Balance, March 31, 2020	-	12,975	56,662	285,687	355,324
Carrying Amount					
Balance, March 31, 2018	-	1,563	8,413	13,707	23,683
Balance, March 31, 2019	-	1,182	5,325	5,550	12,057
Balance, March 31, 2020	-	800	4,924	-	5,724

(Expressed in Canadian dollars)

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On transition to IFRS 16, the Company has a lease agreement for its office space in Kelowna, British Columbia. Effective March 1, 2020, the Company entered into a separate lease agreement for office space in Vancouver, British Columbia.

Furthermore, effective January 1, 2020, the Kelowna office was subleased by the Company during the year. The Company classified the sublease as a finance lease and derecognized the ROU asset in respect of the sublease, for which a net investment in sublease of $68,375 was recorded. The difference between the ROU asset derecognized and the net investment in sublease is recorded as a loss on derecognition of right-of-use asset for $9,463 during the year ended March 31, 2020.

The ROU asset for the Vancouver office is amortized on a straight-line basis until the end of the lease term of March 2022.

The continuity of the ROU asset and lease liability for the year ended March 31, 2020 is as follows:

Right-of-use assets	$
Value of ROU asset as at April 1, 2019	101,187
Addition to ROU asset during the year	30,094
Depreciation	(24,114)
Extinguishment on signing of sublease	(68,375)
Loss on derecognition of right-of-use asset	(9,463)
Value of ROU asset as at March 31, 2020	29,329

Lease liability	$
Lease liability recognized as of April 1, 2019	101,187
Addition to lease liability during the year	30,094
Interest on lease liability	10,877
Lease payments	(38,630)
Lease liability recognized as of March 31, 2020	103,528
Current portion	44,324
Non-current portion	59,204
	103,528

(Expressed in Canadian dollars)

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

Investment in Sublease	$
Value of investment in sublease as at April 1, 2019	-
Investment in sublease effective January 1, 2020	68,375
Sub-lease income	(5,958)
Balance, March 31, 2020	62,417
Current portion	25,684
Non-current portion	36,733
	62,417

The future minimum lease payments as of March 31, 2020 were as follows:

Year ending March 31	$
2021	74,786
2022	74,786
2023	29,853
	179,425
Less: common area maintenance excluded from ROU asset	(61,246)
Less: amount representing interest payments	(14,651)
Present value of net minimum lease payments	103,528

(Expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets, all of which are in British Columbia, is presented below:

	North ROK/ROK-Coyote	KSP	KingPin	Kinaskan-Castle	Sofia	Other	Total
	$	$	$	$	$	$	$
Balance, 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	185,486	-	-	3,718,014
Write-down of mineral assets	-	-	-	-	-	(16,068)	(16,068)
	17,957	3,522,531	1,040	185,788	-	(16,068)	3,711,248
Balance, March 31, 2019	6,651,414	14,789,852	298,546	937,070	-	-	22,676,882
Acquisition of Buckingham	-	-	-	851,740	1,129,660	-	1,981,400
Other acquisition costs	500	1,318	63	345,887	1,566	-	349,334
Exploration costs	44,287	139,212	304	1,218,227	70,626	-	1,472,656
	44,787	140,530	367	2,415,854	1,201,852	-	3,803,390
Balance, March 31, 2020	6,696,201	14,930,382	298,913	3,352,924	1,201,852	-	26,480,272

11. EXPLORATION AND EVALUATION ASSETS (continued)

BRITISH COLUMBIA

a) 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 ("**NSR**") royalties.

The ROK-Coyote portion of the North ROK Property is subject to a 2% NSR agreement 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.

As at March 31, 2020, the Company had capitalized $6,696,201 in acquisition and exploration costs (2019: $6,651,414), net of British Columbia Mining Exploration Tax ("**BCMET**") recoveries.

b) 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 Seabridge wherein the parties amended the KSP Option, and Colorado purchased the remaining 49% interest. The Company received TSX-V approval and completed the transaction with a payment of $1,000,000 in cash and an issuance of 2,000,000 Colorado shares at $0.38 per share for $760,000. Seabridge retained 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 of which the NSR may be purchased in its entirety for $1,000,000;
- one mineral tenure is subject to a 1% NSR of which the NSR may be purchased in its entirety for $500,000; and
- two mineral tenures are subject to a 2% NSR.

11. EXPLORATION AND EVALUATION ASSETS (continued)

BRITISH COLUMBIA (continued)

b) KSP Property (continued)

KSP Other (continued)

As at March 31, 2020, the Company had capitalized $14,930,382 in acquisition and exploration costs (2019: $14,789,852), net of BCMET recoveries.

c) 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 to acquire a 100% interest in the Max Property, subject to a retained 2% NSR and paid $20,000 cash and issued 200,000 common shares.

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, 2020, the Company had capitalized $298,913 (2019: $298,546) in acquisition and exploration costs, net of BCMET recoveries.

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.

On August 20, 2019, the Company acquired a property option agreement (the "**Moat Option Agreement**") as part of the Buckingham acquisition (Note 5). Under the Moat Option Agreement, the Company can acquire the undivided 100% right, title and interest to a group of mining claims (the "**Moat Property**"), subject to a 2.5% NSR.

On December 11, 2019, the Company issued 6,896,552 common shares to the optionor of the Moat Property valued at $344,828 which was capitalized to exploration and evaluation assets.

In order to earn a 100% interest in the Moat Property, the Company has the following commitments:

- issue $500,000 in common shares by December 27, 2020; and
- issue $700,000 in common shares by December 27, 2021.

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 allocated $851,740 in acquisition costs (see Note 5).

As at March 31, 2020, the Company had capitalized $3,352,924 (2019: $937,070) in acquisition and explorations costs.

(Expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION ASSETS (continued)

BRITISH COLUMBIA (continued)

e) Sofia Property

On August 20, 2019, the Company acquired a property option agreement (the "**Sofia Option Agreement**") as part of the Buckingham acquisition (Note 5). 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% 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 allocated $1,129,660 in acquisition costs (see Note 5).

As at March 31, 2020, the Company had incurred $1,201,852 (2019: $Nil) in acquisition and explorations costs.

f) Other

"Other" properties held include 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. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following amounts as at March 31:

	2020	2019
	$	$
Accounts payable	181,901	112,968
Accrued liabilities	113,627	2,871
Due to related parties (see Note 20(b))	73,705	162,404
	369,233	278,243

In March 2020, the Company agreed to settle $214,500 in former CEO and directors' fees for an amount of $127,000, resulting in the Company recording a gain on settlement of $87,500. An amount of $60,000 was paid prior to March 31, 2020 with the remaining $67,000 recorded in accounts payable and accrued liabilities.

In December 2018, the Company settled $23,730 in trade payables through the issuance of 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
	$	$	
Larry Nagy	7,407	0.06	123,456
William Lindqvist	16,323	0.06	272,042
	23,730		395,498

(Expressed in Canadian dollars)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

As a result, during the year ended March 31, 2020, the Company recorded a gain on settlement of debt of $Nil (2019: $1,978). In addition, during the year ended March 31, 2020, the Company settled an aggregate of $9,037 (2019: $805,073) in trade payables with third party vendors with payments of $402 (2019: $664,445) resulting in a further gain on settlement of debt of $8,635 (2019: $140,628).

13. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	$
Balance, March 31, 2018 and 2019	-
Flow-through share premium liability on the issuance of flow-through common shares	631,720
Balance, March 31, 2020	631,720

Of the approximately $1,622,000 of qualifying Canadian exploration expenditures remaining to be spent at March 31, 2020, pursuant to FT private placements completed during the years ended March 31, 2019 and 2020, approximately $437,500 and $1,184,500 must be spent by December 31, 2020 and December 31, 2021, respectively.

14. LOAN PAYABLE

Newmont 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 security 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 TSX-V, 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.

On April 18, 2019, Goldcorp was acquired by Newmont Mining Corporation ("**Newmont**").

In connection with the Loan, the Company issued the following common shares (the "**Bonus Shares**") pursuant to the terms of the Loan:

- 250,000 Bonus Shares to Goldcorp on September 18, 2018, valued at $21,250 being the market price of the shares of $0.085 on the date of issuance; and

- 250,000 Bonus Shares to Newmont on August 20, 2019, valued at $21,250 as a result of the Loan being repaid after the six-month anniversary (recorded as Finance Charge on the statement of loss and comprehensive loss).

On August 20, 2019, Newmont exercised 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, the related interest of $38,621 and releasing the security against the properties.

14. LOAN PAYABLE (continued)

Buckingham Loan

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 Buckingham Acquisition, resulting in Buckingham being a wholly-owned subsidiary of the Company and the loan becoming an intercompany balance (see Note 5).

15. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value

b) Share issuance details

Year ended March 31, 2020

- On March 31, 2020, the Company completed a non-brokered private placement, issuing 6,929,667 non-FT (“**NFT**”) units at a price of $0.06 per unit for gross proceeds of $415,780. Each NFT unit consisted of one NFT common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder to acquire an additional NFT common share at an exercise price of $0.09 with an expiry of March 31, 2023.

  The Company’s share price on March 31, 2020 was $0.035 and as a result, the Company allocated $242,538 of the gross proceeds to share capital and the remaining $173,242 to reserves.

- On March 31, 2020, the Company completed a non-brokered private placement, issuing 15,793,000 FT common shares at an issue price of $0.075 per FT share for gross proceeds of $1,184,475.

  The Company’s share price on March 31, 2020 was $0.035 and as a result, the Company allocated $552,755 of the gross proceeds to share capital and the remaining $631,720 to FT share premium liability.

  No finders’ fees or commissions were paid in connection with the March 31, 2020 private placements. Share issue costs totaled $74,739.

- On December 11, 2019, the Company issued 6,896,552 common shares pursuant to the Moat Option Agreement. The number of shares issued was determined using the trailing ten-day volume weighted average share price of $0.058 as at December 10, 2019, settling the obligation to issue $400,000 worth of common shares prior to December 27, 2019. On the date of issuance, December 11, 2019, the shares were valued at $0.05 based on the closing price, and thus the value of the shares issued was $344,828. See Notes 5 and 11(d) for details of the Moat Option Agreement;

15. SHARE CAPITAL

b) Share issuance details (continued)

Year ended March 31, 2020 (continued)

- On August 20, 2019, the Company completed a private placement, issuing 15,267,855 FT units at a price of $0.12 per unit, and 22,069,928 NFT units at a price of $0.085, for aggregate gross proceeds of $3,708,086. Each FT unit consisted of one FT common share of the Company and one half of one common share purchase warrant, with each whole warrant entitling the holder to acquire an additional NFT common share of the Company at an exercise price of $0.15 per share with an expiry of August 20, 2022.. Each NFT unit consisted of one NFT common share of the Company and one half of one NFT common share purchase warrant, with each whole warrant entitling the holder to acquire an additional NFT common share of the Company at an exercise price of $0.12 per share with an expiry of August 20, 2022. On issuance of the units, $152,679 was allocated to the warrants and no amount was allocated to FT share premium liability.

  In connection with the private placement, the Company issued 688,885 agent warrants with a fair value of $38,796, 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 years and the remaining agent warrants are exercisable at $0.12 for three years;

- As part of the units issued to Newmont on August 20, 2019, the Company issued 6,336,717 common shares to Newmont to settle loan and interest payable of $538,621 (Note 14);

- On August 20, 2019, the Company issued 250,000 Bonus Shares with a fair value of $21,250 to Newmont at a deemed value of $0.085 per share pursuant to the Loan; and

- On August 20, 2019, pursuant to the Buckingham Acquisition, the Company issued 12,490,052 common shares valued at the market price of $0.10 per unit.

Year ended March 31, 2019

- The Company issued an aggregate 1,700,000 common shares pursuant to the exercise of 1,700,000 stock options at an exercise price of $0.08 per common share, for cash proceeds of $136,000. In connection with the exercise, an amount of $131,994 was transferred from contributed surplus to share capital;

- The Company issued 250,000 Bonus Shares pursuant to the Loan as described in Note 13. The Bonus Shares were valued at $21,250 as determined by the market price when issued being $0.085 per share; and

- The Company settled an aggregate $23,730 in trade payables due to two former directors of the Company through the issuance of an aggregate 395,498 common shares at an agreed upon price of $0.06 per share. As the market price of the Company's shares on the date of issuance was $0.055, the Company recorded a gain on settlement of debt of $1,978.

c) Stock options

The Company has a 10% rolling stock option plan, whereby it can grant stock options to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

(Expressed in Canadian dollars)

15. SHARE CAPITAL (continued)

c) Stock options (continued)

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		$
Balance, March 31, 2018	8,152,500	0.22
Exercised	(1,700,000)	0.08
Expired	(3,810,000)	0.07
Balance, March 31, 2019	2,642,500	0.25
Granted	7,650,000	0.12
Forfeited	(857,500)	0.25
Expired	(385,000)	0.27
Balance, March 31, 2020	9,050,000	0.14

The following stock options were outstanding as at March 31, 2020:

Outstanding		Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
			$		
125,000	*	125,000	0.15	May 7, 2020	0.10
75,000		75,000	0.08	December 30, 2020	0.75
300,000		300,000	0.44	June 6, 2021	1.18
400,000		400,000	0.26	June 6, 2022	2.18
500,000		500,000	0.15	February 16, 2023	2.88
7,650,000		3,346,875	0.12	September 5, 2024	4.44
9,050,000		4,746,875	0.14		4.05

* Subsequent to March 31, 2020, these stock options expired unexercised.

During the year ended March 31, 2020, the Company reclassified $Nil (2019: $131,994) from share-based payments reserve to share capital with respect to the options that were exercised during the year.

(Expressed in Canadian dollars)

15. SHARE CAPITAL (continued)

d) Share purchase warrants

A summary of the changes in share purchase warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, March 31, 2018	31,947,335	0.48
Expired	(15,641,835)	0.53
Balance, March 31, 2019	16,305,500	0.46
Issued	28,090,898	0.12
Expired	(16,305,500)	0.46
Balance, March 31, 2020	28,090,898	0.12

The following share purchase warrants were outstanding as at March 31, 2020:

Outstanding	Exercisable	Exercise Price	Expiry Date
		$	
16,501,801	16,501,801	0.12	August 20, 2022
8,124,265	8,124,265	0.15	August 20, 2022
3,464,832	3,464,832	0.09	March 31, 2023
28,090,898	28,090,898		

e) Share-based payments expense

The share-based payments expense for the stock options that vested during the year ended March 31, 2020 was $360,028 (2019: $Nil).

The weighted average fair value at grant date of options granted during the year ended March 31, 2020 was $0.07 per option (2019: $Nil).

The fair value of the stock options that were granted during the year ended March 31, 2020 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.32%
Expected stock price volatility	116%
Expected dividend yield	0.0%
Expected option life in years	5.0

Expected volatility is based on historical price volatility to the extent of the expected life of the option.

(Expressed in Canadian dollars)

15. SHARE CAPITAL (continued)

f) Share-based payments reserve

The fair value attributed to the 7,633,927 warrants issued in conjunction with the private placement completed on August 20, 2019 was $152,679. The weighted average assumptions were as follows:

Risk-free interest rate	1.19%
Expected stock price volatility	102%
Expected dividend yield	0.0%
Expected option life in years	3.0

The fair value of the 688,885 broker warrants issued in connection with the private placement completed on August 20, 2019 was $38,795. The weighted average assumptions for both the $0.15 and $0.12 broker warrants were as follows:

Risk-free interest rate	1.29%
Expected stock price volatility	102%
Expected dividend yield	0.0%
Expected option life in years	3.0

During the year ended March 31, 2020, the Company reclassified $886,502 (2019: $1,439,189) from share-based payments reserve to deficit with respect to options or warrants that either expired or were forfeited during the year.

16. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the years ended March 31 consisted of the following:

	2020	2019
	$	$
Provision	-	(4,683)
Receivables	(3,607)	434,682
Prepaid expenses and deposits	(27,227)	140,551
Accounts payable and accrued liabilities	(683,535)	(171,301)
	(714,369)	399,249

Financing and investing activities that do not have a direct impact on cash flows are excluded from the consolidated statement of cash flows. The non-cash financing and investing transactions for the year ended March 31, 2020 consisted of the Company:

- issuing warrants, resulting in a decrease in share capital and an increase in share-based payments reserve of $191,474;
- issuing 6,896,552 common shares valued at $344,828 in relation to the Moat Option Agreement;
- issuing 6,336,717 common shares valued at $538,621 pursuant to the settlement of the Loan;

16. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

- issuing 250,000 common shares valued at $21,250 as bonus shares pursuant to the Loan; and

- issuing 12,490,052 common shares valued at $1,249,005 pursuant to the Buckingham Acquisition.

The non-cash financing and investing transactions for the year ended March 31, 2019 consisted of the Company:

- issuing 250,000 common shares valued at $21,250 as bonus shares in connection with the Loan;

- issuing 395,498 common shares valued at $21,752 as settlement for trade payables of $23,730, resulting in a gain on settlement of debt of $1,978; and

- recording a gain on settlement of debt of $140,628 pursuant to the Company settling trade payables of $805,073 with payments totaling $664,445.

17. FINANCIAL INSTRUMENTS

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 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.

17. FINANCIAL INSTRUMENTS (continued)

General Objectives, Policies and Processes (continued)

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.

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.

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.

17. FINANCIAL INSTRUMENTS (continued)

General Objectives, Policies and Processes (continued)

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 1 and 18). 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 accounts payable and accrued liabilities, lease liability and option payment commitments. The Company endeavours not to maintain any trade payables beyond a 30-day period to maturity.

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, accounts payable and accrued liabilities 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, accounts payable and accrued liabilities;
- 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) which include the net investment in sublease and lease liability; 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).

(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS (continued)

General Objectives, Policies and Processes (continued)

The Company's financial instruments as at March 31, 2020 are as follows:

	Level 1	Level 2	Level 3
	$	$	$
Financial assets at FVTPL			
Cash and cash equivalents	573,200	-	-
Restricted cash	1,622,314	-	-
Marketable securities	25,280	-	-
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	369,233	-	-

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended March 31, 2019.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual 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.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's treasury management policy is to invest its cash in highly rated liquid short-term interest-bearing investments with an initial term to maturity of twelve months or less.

The Company is not subject to externally imposed capital requirements.

19. INCOME TAXES

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

(Expressed in Canadian dollars)

19. INCOME TAXES (continued)

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items for the years ended March 31:

	2020	2019
	$	$
Loss before income taxes	(1,341,202)	(2,344,482)
Canadian federal and provincial income tax rates	27.00%	27.00%
Income tax recovery based on the above rates	(362,125)	(633,010)
Increase (decrease) due to:		
Non-deductible expenses and other permanent differences	105,546	-
Effect of change in tax rates	-	(72,900)
Flow-through shares	376,462	-
Impact of under (over) provision in prior year	330,585	(19,207)
Origination and reversal of temporary differences	(69,493)	10,738
Change in unrecognized deferred tax assets	(380,975)	714,379
Net income tax recovery	-	-

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, 2020 and 2019 are summarized as follows:

	March 31, 2020	March 31, 2019
	$	$
Non-capital losses	3,339,278	2,682,219
Resource properties	(3,339,278)	(2,682,219)
	-	-

Unrecognizable deductible temporary differences and unused losses are as follows:

	March 31, 2020	March 31, 2019
	$	$
Share issue costs	429,182	410,715
Exploration and evaluation assets	1,293,094	1,217,989
Plant and equipment	287,008	372,222
Marketable securities	69,434	18,870
Capital losses and other	114,081	25,349
Non-capital losses	872,613	1,811,676
Non-refundable ITC	233,481	332,138
Lease liability	103,528	-
Unrecognized deferred tax assets	3,402,421	4,188,959

(Expressed in Canadian dollars)

19. INCOME TAXES (continued)

In assessing the ability to realize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

As at March 31, 2020, the Company had non-capital losses of approximately $13,175,000 (2019: $11,234,000) that expire as follows:

	$
2030	71,000
2031	676,000
2032	1,177,000
2033	977,000
2034	1,268,000
2035	1,112,000
2036	935,000
2037	861,000
2038	1,898,000
2039	3,024,000
2040	1,176,000
	13,175,000

FT shares require the Company to spend an amount equal to the gross proceeds of the issued FT 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, 2020, the Company received $3,016,618 (2019: $Nil) from the issue of FT shares. These amounts will not be available to the Company for deduction from future taxable income. During the year ended March 31, 2020, the Company renounced $3,016,618 (2019: $Nil) to the subscribers.

As at March 31, 2020, the Company had approximately $1,622,000 (2019: $Nil) of remaining FT expenditures to complete.

20. RELATED PARTY TRANSACTIONS

A related party transaction is a transaction between the issuer and a related party of the issuer at the time the transaction is agreed to as a consequence of which the issuer directly or indirectly enters into specified transactions, including a purchase or sale of assets, issuing securities, borrowing or lending money, and forgiving debts or liabilities.

Key management compensation

Key management personnel at the Company are the Directors and Officers of the Company. Transactions with key management personnel and their related parties are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

(Expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS (continued)

a) Related Party Transactions

The Company's related party transactions for the years ended March 31 were as follows:

		2020	2019
		$	$
Administration and labour	1	135,206	35,313
Consulting fees	2	146,214	204,613
Directors' fees		25,000	118,040
Salaries	3	98,620	160,500
Share-based payments	4	234,136	-
Total		639,176	518,466

[1] Administration and labour for the year ended March 31, 2020 consisted of fees earned by Anacott Resources Ltd., a company related by a common director and Minco Corporate Management Inc., a company controlled by the former CFO Terese Gieselman. Administration and labour for the year ended March 31, 2019 consisted exclusively of fees earned by Minco.

[2] Consulting fees for the year ended March 31, 2020 consisted of fees earned by Joseph E. Mullin LLC, a company controlled by the current CEO Joseph Mullin, the former CFO Ms. Gieselman and Elemental Capital Partners LLP, a company controlled by the Company's Chair of the Board. Consulting fees for the year ended March 31, 2019 consisted of fees earned by Minco which included $137,926 pursuant to the Minco Settlement Agreement as described below.

[3] Salaries for the year ended March 31, 2020 consisted of fees earned by the former CEO Robert Shaw and the former CFO, Eric Casey. Salaries for the year ended March 31, 2019 consisted of fees earned by Mr. Shaw.

[4] Share-based payments were non-cash items that consisted of the fair value of stock options that had been 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.

(Expressed in Canadian dollars)

20. RELATED PARTY TRANSACTIONS (continued)

a) Related Party Transactions (continued)

Travis Settlement (continued)

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 $Nil (2019: $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; and

- Consulting fees of $Nil (2019: $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.

b) Related Party Balances

The following related party balances were included in accounts payable and accrued liabilities:

		March 31, 2020	March 31, 2019
Amounts due to:	**Service for:**	$	$
Minco	Consulting fees	-	6,904
Anacott Resources	Administration	37,005	-
Elemental	Executive Chairman	6,300	-
Joseph Mullin	CEO	30,400	-
Patrick Soares	Director fees	-	26,000
Cecil Bond	Director fees	-	26,000
Bryan Wilson	Director fees	-	26,500
Alastair Still	Director fees	-	26,500
Robert Shaw	Salaries	-	50,500
		73,705	162,404

As a result of Mr. Soares and Mr. Shaw both resigning prior to March 31, 2020, the amounts owed to them at March 31, 2020 were not considered related party balances.

21. EVENTS AFTER THE REPORTING DATE

In addition to subsequent events disclosed elsewhere in these consolidated financial statements, the following events occurred after March 31, 2020:

a) COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. While the full impact of COVID-19 on the global economy is uncertain, rapid spread of COVID-19 may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease. It is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these consolidated financial statements. Should the Company's stock price remain at or below currently prevailing levels for an extended period, this could have a further significant adverse impact on the Company's financial position and results of operations for future periods.

b) On April 1, 2020, the Company granted 310,000 stock options with an exercise price of $0.09 per share with an expiry of April 1, 2025.

c) On June 30, 2020, the Company granted 1,050,000 stock options with an exercise price of $0.09 per share with an expiry of June 30, 2025.

d) Subsequent to March 31, 2020, the Company applied for the COVID-19 Relief Line of Credit through the Government sponsored Canada Emergency Business Account. On June 5, 2020, the Company received the amount of $40,000. On January 1, 2021, this operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2022. $10,000 of the loan will be forgiven if $30,000 is repaid in full on or before December 31, 2022.