AFRICAN METALS CORPORATION

For the Years Ended May 31, 2019 and 2018

Consolidated Financial Statements

(Expressed in Canadian Dollars)

May 31, 2019	**Page**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
African Metals Corporation

Opinion

We have audited the accompanying consolidated financial statements of African Metals Corporation (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2019 and 2018, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2019 and 2018, and its financial performance and its 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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 of the consolidated financial statements, which indicates that the Company's accumulated deficit was $34,955,142. As stated in Notes 1 and 17, these events and conditions 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 obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's 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.

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.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

June 30, 2020

AFRICAN METALS CORPORATION
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at May 31, 2019

		May 31, 2019		May 31, 2018
ASSETS				
Current				
Cash (Note 4)	**$**	**2,774,022**	$	6,898
Receivables (Note 5)		**62,093**		6,664
		2,836,115		13,562
Non-Current				
Plant and equipment (Note 6)		**-**		1,540,073
Exploration and evaluation assets (Note 7)		**-**		1,605,236
	$	**2,836,115**	$	3,158,871
LIABILITIES AND EQUITY (DEFICIENCY)				
Current				
Accounts payable and accrued liabilities (Note 8)	**$**	**509,416**	$	4,358,322
Loan payable		**-**		6,674,922
		509,416		11,033,244
Equity (Deficiency)				
Share capital (Note 10)		**31,732,846**		31,732,846
Reserves (Note 10)		**4,350,647**		4,350,647
Accumulated other comprehensive income		**1,198,348**		1,393,220
Deficit		**(34,955,142)**		(45,351,086)
		2,326,699		(7,874,373)
	$	**2,836,115**	$	3,158,871

Nature and Continuance of Operations (Note 1)
Contingencies (Note 16)
Subsequent Events (Note 17)

These consolidated financial statements are authorized for issue by the Board of Directors on June 30, 2020.

On behalf of the Board:

"Simeon Tshisangama"	*"David Mason"*
Simeon Tshisangama, President, CEO and Director	David Mason, Director

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

AFRICAN METALS CORPORATION

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
Years ended May 31,
(Expressed in Canadian Dollars)

		2019		2018
EXPENSES:				
Accounting and audit	**$**	**125,909**	$	15,000
Bank charges		**1,008**		-
Cost of sales and site costs		**131,140**		48,227
Foreign exchange gain		**(321,514)**		-
Gain on forgiveness of debt (Note 8)		**(2,633,136)**		-
Interest expense		**223,260**		402,242
Legal fees		**19,667**		-
Listing and filing fees		**9,037**		7,899
Management fees (Note 9)		**84,000**		144,000
Government filing fees		**8,118**		-
Office and miscellaneous		**3,696**		1,017
Promotion, travel and shareholder relations		**5,477**		2,839
Rent		**10,300**		1,200
Salaries		**88,867**		43,147
Telephone		**1,597**		-
Transfer agent		**4,288**		-
Interest income		**(35,567)**		-
Net Income (Loss) before Other Items:	**$**	**2,273,853**		(665,571)
Gain on sale of plant, equipment and exploration asset (Note 15)	**$**	**8,122,091**		-
Net Income (Loss) for the year	**$**	**10,395,944**		(665,571)
Cumulative translation adjustment	**$**	**(194,872)**	$	255,731
Income (Loss) and Comprehensive Income (Loss)	**$**	**10,201,072**	$	(409,840)
Basic and diluted income (loss) per common share	**$**	**0.74**	$	(0.03)
Weighted average number of common shares outstanding – basic and diluted		**14,038,682**		14,038,682

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

AFRICAN METALS CORPORATION

Consolidated Statements of Cash Flows
Years ended May 31,
(Expressed in Canadian Dollars)

		2019		2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	**$**	**10,395,944**	$	(665,571)
Items not affecting cash:				
Interest accrued on loan payable		**218,156**		402,242
Gain on sale of equipment and exploration asset		**(8,122,091)**		-
Gain on forgiveness of debt		**(2,633,136)**		-
Net change in non-working capital items				
Accounts payable and accrued liabilities		**(1,279,856)**		243,626
Accounts receivable		**(55,429)**		(224)
Net cash used in operating activities		**(1,476,412)**		(19,927)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment on loan payable		**(7,028,554)**		**-**
Net cash used by financing activities		**(7,028,554)**		-
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on sale of exploration and evaluation assets, plant and equipment, net of costs		**11,406,399**		**-**
Net cash provided in investing activities		**11,406,397**		**-**
Change in cash		**2,901,433**		(19,927)
Cash, beginning of year		**6,898**		14,112
Effect of foreign exchange on cash		**(134,309)**		12,713
Cash, end of year	**$**	**2,774,022**	$	6,898

Supplemental disclosure with respect to cash flows (Note 13)

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

AFRICAN METALS CORPORATION

Consolidated Statement of Changes in Equity (Deficiency)
Years Ended May 31, 2019 and 2018
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Income	Deficit	Total
Balance as at May 31, 2017	14,038,681	$ 31,732,846	$ 4,350,647	$1,137,489	$ (44,685,515)	$ (7,464,533)
Cumulative translation adjustment	-	-	-	255,731	-	255,731
Loss for the year	-	-	-	-	(665,571)	(665,571)
Balance as at May 31, 2018	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,393,220	$ (45,351,086)	$ (7,874,373)
Cumulative translation adjustment	—	—	-	(194,872)	-	(194,872)
Income for the year	—	—	—	—	10,395,944	10,395,944
Balance as at May 31, 2019	14,038,681	$ 31,732,846	$ 4,350,647	$ 1,198,348	(34,955,142)	$2,326,699

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

1. NATURE AND CONTINUANCE OF OPERATIONS

African Metals Corporation (the "Company"), an exploration stage company, was continued under the British Columbia Business Corporations Act effective January 4, 2005. Its current principal business activity is the exploration and evaluation of assets. Previously the business activity was the exploration and evaluation of assets located in the Democratic Republic of the Congo (the "DRC").

These consolidated financial statements (the "financial statements") have been prepared on a going concern basis which assumes that the Company will be able to continue in operation for the foreseeable future and meet its obligations in the normal course of business. The Company has an accumulated deficit of $34,955,142 and a positive working capital of $2,326,699. The Company expects to incur further losses in the development of its business. The Company's ability to continue its operations and to realize its assets is dependent upon obtaining additional financing to further its business objective. Although the Company has been successful in raising equity financing in the past, there is no assurance that such financing will continue to be available. While the Company believes that the risk of the contingencies is remote (Note 17), these uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

On December 6, 2018, the Company closed the sale of its DMS plant and its interest in its Luisha project and recorded a gain of $8,122,091 (Note 15).

After the sale of these assets, the Company no longer required its DRC subsidiary, Luisha Mining Enterprises, Sprl, ("LME"), and therefore dissolved LME on June 1, 2020.

The Company's future plan is to review opportunities in various industries.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(b) Key sources of estimation uncertainty and critical accounting judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Information about significant areas of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Key sources of estimation uncertainty and critical accounting judgments (continued)

Significant estimates and judgement made by management affecting the financial statements include:

Carrying value of non-current assets:

The carrying amount of the Company's non-current assets including exploration and evaluation assets and plant and equipment does not necessarily represent present or future values.

The Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable mineral resources, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Share-based payments:

Charges for share-based payments are based on the fair value at the date of the award. Stock options are valued using the Black-Scholes option pricing model, and inputs to the model include assumptions on expected volatility, discount rates and expected term, dividend yield, and expected forfeitures. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity. Expected volatility is a measure for variation of a price of a financial instrument over time. Expected volatility is derived from a time series of past market prices therefore may not be an accurate representation of future volatility.

Income taxes:

Tax interpretations, regulations and legislation in Canada and the Democratic Republic of Congo, in which the Company and its subsidiaries operate, are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the likelihood that they will be realized from future taxable earnings. Upon the sale of LME, the Company utilized tax carryforwards to offset any taxable income, and subsequently dissolved LME. The Company has estimated there are no taxes payable as of May 31, 2019.

Going concern:

The Company applies judgment in assessing its ability to continue as a going concern. In making this assessment, the Company considers the facts and circumstances disclosed in Note 1. While the Company believes that the risk of the contingencies is remote (Note 17), these uncertainties may cast significant doubt about its ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Key sources of estimation uncertainty and critical accounting judgments (continued)

Functional and presentation currency:

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates ("IAS 21").

The preparation of these consolidated financial management has made judgments regarding the functional currency of the Company and its subsidiaries as discussed in Note 2 (l).

Recovery of Accounts Payable:

During the year ended May 31, 2019 the Company wrote off accounts payable resulting in a gain of $2,633,136 as described in Note 8 and made the following judgements:

- Accounts Payable with vendor jurisdiction in Australia, Canada, Germany and South Africa are beyond the statute of limitations and therefore vendors have no legal recourse.
- Kundelungu Mineral Resources Sprl ("KMR") and Luisha Mining Enterprises Sprl ("LME") have been dissolved subsequent to May 31, 2019 and therefore there is no legal recourse of accounts payable to vendors.

(c) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company:

Entity	***Country of Incorporation***	***Principal Business***
Chevalier Resources Inc.	Canada	Holding company. Wholly owned subsidiary.
Kundelungu Mineral Resources Sprl ("KMR")	DRC	Exploration. 99% interest owned subsidiary.
Luisha Mining Enterprises Sprl ("LME")	DRC	Exploration. 71.25% interest
African Metals Holdings (BVI) Ltd.	BVI	Holding company. Wholly owned subsidiary
African Metals Resources (BVI) Ltd.	BVI	Holding company. Wholly owned subsidiary

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Exploration and evaluation assets

The Company expenses exploration and evaluation costs incurred prior to acquiring rights or title to mineral claims or licenses. Exploration and evaluation assets consist of exploration and mining concessions, options and contracts. Acquisition and exploration costs are capitalized and deferred until such time as the property is put into production, or the property is disposed of either through sale or abandonment.

If it is put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves.

Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition and deferred exploration costs will be written off to operations.

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. A property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Recorded costs of exploration and evaluation assets costs are not intended to reflect present or future values of resource properties. The recovery of recorded costs is subject to measurement uncertainty and it is reasonably possible that changes in future conditions in the near term could require a material change in the recorded amount.

(e) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. For the years presented, the Company has determined that it has no material provisions to record in the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and impairment. Such costs consist of the purchase price and any costs directly attributable to bringing the equipment to the location and condition necessary for its intended use.

(g) Share-based payments

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based payment expense with a corresponding increase in equity reserves. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to consultants and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(h) Income taxes

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

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Share issue costs

Share issue costs incurred on the issue of the Company's shares are charged directly to share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income (Loss) per share

Basic income (loss) per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method.

Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Existing stock options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share are the same for the years presented.

(k) Translation of foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company, Chevalier Resources Inc., African Metals Holdings (BVI) Ltd., and African Metals Resources (BVI) Ltd. is the Canadian dollar. The functional currency of KMR and LME is the United States 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*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations.

The Company's subsidiaries with a United States dollar functional currency have been translated into Canadian dollars as follows: assets and liabilities are translated at year end exchange rates, while revenues and expenses are translated using average rates over the year. Translation gains and losses relating to the foreign operations are included in accumulated other comprehensive loss as a separate component of equity (deficiency).

(l) Financial instruments

On June 1, 2018, the Company adopted IFRS 9, which replaced *IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39")*, on a retrospective basis using certain available transitional provisions. In accordance with the transitional provisions, the comparative information for prior periods have not been restated and the information presented for 2018 reflects the requirements of IAS 39 rather than IFRS 9.

The nature and effect of the changes to IFRS 9 are as follows:

i) Financial instrument classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

IFRS 9 provides a revised model for the classification and measurement of financial assets that eliminates the previous categories of financial assets under IAS 39 of "available-for-sale", "held-to-maturity", or "loans and receivables." Under IFRS 9, on initial recognition, a financial asset is classified as and measured at: amortized cost, FVPL, or FVOCI. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is available on an investment-by-investment basis.

The following table summarizes the impact of transition from IAS 39 to IFRS 9:

	Measurement Category		
Asset/Liability	**Original (IAS 39)**	**New (IFRS 9)**	**Subsequent measurement**
Cash	Amortized cost	Amortized cost	Amortized cost
Receivables	Loans and receivables	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost
Loan payable	Other financial liabilities	Amortized cost	Amortized cost

The adoption of IFRS 9 did not result in any changes in the carrying values of any of the Company's financial instruments on the transition date.

ii) Impairment of financial assets

IFRS 9 replaced the 'incurred loss' model in IAS 39 with an 'expected credit loss' ("ECL") model. The new impairment model applies to financial assets classified as and measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39. The adoption of the ECL model under IFRS 9 did not have an impact on the carrying values of any of the Company's financial assets on the transition date.

(m) Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date of impairment is reversed and does not exceed what the amortized cost would have been had the impairment not been recognized.

At May 31, 2019, the Company did not hold any long lived assets.

(Expressed in Canadian Dollars)

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

During the year ended May 31, 2019 the Company adopted *IFRS 9-Financial Instruments* as disclosed in Note 2(l). The rest of the accounting policies followed in the presentation of these consolidated financial statements are consistent with those of the previous financial year.

New standards and interpretations not yet adopted

The Company has not yet adopted the following new accounting pronouncements which are effective for fiscal periods of the Company beginning on or after June 1, 2019:

International Financial Reporting Standard 16 Leases ("IFRS 16")
This standard was published in January 2016 and becomes effective on January 1, 2019, replacing the existing guidance in IAS 17, 'Leases'. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company will adopt this standard effective January 1, 2019. Under this standard, the present value of lease commitments will be shown as a liability on the statement of financial position together with an asset representing the right of use, including those leases classified as operating leases under the current standard IAS 17. This implies higher amounts of depreciation expense and interest expense on lease liabilities will be recorded in the Company's consolidated net earnings or loss in 2019 and future years. Additionally, a corresponding reduction in general and administrative costs and/or production costs is expected. The Company has not entered any lease contracts and as such there is no impact of adopting this standard.

International Financial Reporting Standard 23 ("IFRIC 23") Uncertainty over Income Tax Treatments
IFRIC 23 is a new standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The Company sold its assets as disclosed in Note 15 and utilized loss carry forwards to offset any potential taxes. While the Company concluded that the risk of any taxes owing in the DRC is remote, the adoption of this standard may have a material impact on the Company's financial statement.

4. CASH

	May 31, 2019	May 31, 2018
Cash at bank	**$ 2,774,022**	$ 6,898
Total	**$ 2,774,022**	$ 6,898

5. RECEIVABLES

The Company's receivables are broken down as follows:

	May 31, 2019	May 31, 2018
GST/HST receivable	**$ 62,093**	$ 6,664
Total	**$ 62,093**	$ 6,664

(Expressed in Canadian Dollars)

6. PLANT AND EQUIPMENT

	DMS Plant
Cost	
May 31, 2017	$ 1,601,245
Translation adjustment	(61,172)
May 31, 2018	1,540,073
Disposal of DMS plant (Note 15)	(1,540,073)
May 31, 2019	-
Carrying amounts	
As at May 31, 2018	**$ 1,540,073**
As at May 31, 2019	**$ -**

7. EXPLORATION AND EVALUATION ASSETS

For the year ended May 31, 2018		
Acquisition costs – May 31, 2018	$	—
Acquisition costs – May 31, 2018		—
Exploration costs – May 31, 2017		1,668,996
Translation adjustment		(63,760)
Exploration costs – May 31, 2018		**1,605,236**
Balance – May 31, 2018	**$**	**1,605,236**
For the year ended May 31, 2019		
Acquisition costs – May 31, 2019	$	—
Acquisition costs – May 31, 2019		—
Exploration costs – May 31, 2019		1,605,236
Disposal of Exploration and Evaluation Assets (Note 15)		(1,605,236)
Exploration costs – May 31, 2019		**-**
Balance – May 31, 2019	**$**	**-**

Luisha project

The Company held a 71.25% interest in the Luisha project which consists of 20 parcels of land located northwest of Lubumbashi, the capital of Haut-Katanga province, Democratic Republic of Congo. The Company originally acquired 57% of the project through a share exchange agreement with Chevalier Resources Inc. ("Chevalier"), the owner of a 57% interest in LME, who holds the entire property interest. The Company later acquired a further 18% in LME during the year ended May 31, 2011. On July 27, 2016, the Company was granted a full 30-yr mining exploitation permit which reduced the Company's ownership from 75% to 71.25%. For the granting of this extended permit the DRC government received a 5% in LME.

The Company sold the project on December 6, 2018. (Note 15)

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	May 31, 2019	May 31, 2018
Trade payables	$ 361,053	$ 1,814,476
Accrued liabilities	116,115	724,294
Due to related parties (Note 10)	32,248	689,117
Mining royalty tax payable	-	658,059
Value added tax payable	-	472,376
Total	**$ 509,416**	**$4,358,322**

All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

During the year the Company wrote off the following accounts payables: (Note 2(b))

Vendors	Judgement	Amount
Vendor jurisdiction - Australia	Beyond statute of limitation	$ 20,170
Vendor jurisdiction - Canada	Beyond statute of limitation	96,067
Vendor jurisdiction - Germany	Beyond statute of limitation	108,000
Vendor jurisdiction – South Africa	Beyond statute of limitation	6,000
Vendors listed in KMR	No legal recourse (1)	743,016
Vendors listed in LME	No legal recourse (1)	1,572,379
Total		**$ 2,545,632**

(1) KMR and LME have been dissolved subsequent to year end and therefore there is no legal recourse of accounts payable to vendors.

During the year, the Company came into agreements with various vendors to settle balance owing resulting in a gain of $87,504.

9. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

a. Management fees totalling $84,000 (May 31, 2018 - $84,000) were incurred with directors of the Company as follows: $24,000 to a company controlled by David Mason (May 31, 2018 $24,000); $60,000 (May 31, 2018 - $60,000) to Simeon Tshisangama.

Additional fees totalling $60,000 were incurred to a company related to Daniel Gregory, Chief Financial Officer (May 31, 2018 $60,000).

b. Legal fees totalling $183,504 (May 31, 2018 - $NIL) were paid to John F. O'Donnell, a Director.

As at May 31, 2019, $32,248 (May 31, 2018 - $689,117) was due to directors of the Company, and to companies owned by directors and former directors of the Company. The balances do not bear interest, are unsecured and have no fixed payment terms.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

The authorized share capital of the Company is unlimited shares without par value.

Transactions for the issue of share capital during the year ended May 31, 2019 and 2018:

During the year ended May 31, 2019 and during 2018 no common shares were issued.

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's share capital issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares.

Options granted under the Plan may have a maximum term of five years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted by TSX Venture Exchange Policy) or such other price as may be agreed to by the Company and accepted by the TSX. All options granted under the Plan will become vested in full upon grant, except options granted to consultants performing investor relations activities, which options are subject to vesting restrictions such that one-quarter of the options shall vest every three months subsequent to the date of the grant of the options.

A summary of the status of the Company's stock options outstanding as of May 31, 2019 and 2018 and changes during the years then ended is as follows:

	May 31, 2019		**May 31, 2018**	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding, beginning of year	650,000	$ 0.05	650,000	$ 0.05
Outstanding end of year	650,000	$ 0.05	650,000	$ 0.05
Exercisable, end of year	650,000	$ 0.05	650,000	$ 0.05

At May 31, 2019, the Company had stock options outstanding to acquire 650,000 shares as follows:

Options	Exercise Price	Expiry Date	Remaining Life (Years)
500,000	$0.05	December 18, 2020	1.55
150,000	$0.05	January 28, 2021	1.67
Weighted Average Remaining Life			1.58

(Expressed in Canadian Dollars)

10. SHARE CAPITAL, (continued)

Warrants

A summary of the status of the Company's share purchase warrants outstanding as of May 31, 2019 and 2018 and changes during the years then ended is as follows:

	May 31, 2019		May 31, 2018	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding, beginning of year			1,350,000	0.20
Expired	-	-	(1,350,000)	0.20
Outstanding and exercisable, end of year	-	-	-	-

11. SEGMENTED INFORMATION

The Company's activities are in one industry segment of exploration and evaluation asset acquisition, exploration and development.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the management of capital, the Company includes components of equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended May 31, 2019. The Company is not subject to externally imposed capital requirements.

Financial Instruments

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

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

The fair value of the Company's receivables, accounts payable and accrued liabilities, and loan payable, approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

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

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has a low credit risk. At May 31, 2019, the Company did not have any receivables from customers.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2019, the Company had a cash balance of $ 2,774,022 to settle current liabilities of $509,416.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances and no loan payable. The Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

b) Foreign currency risk

The Company's expenditures are in Canadian and United States dollars and any future equity raised is expected to be predominantly in Canadian dollars. The Company's expenditures in the DRC are in United States dollars. At May 31, 2019, the Company has net total financial liabilities denominated in United States dollars of $NIL. A 10% fluctuation in the value of the United States dollar versus the Canadian dollar would not give rise to any change in profit or loss.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of copper, and cobalt, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

13. SUPPLEMENTAL CASH FLOW INFORMATION

New change in working capital items:

		May 31, 2019		May 31, 2018
Plant and equipment included in accounts payable	$	-	$	602,640
Exploration and evaluation assets included in accounts payable and accrued liabilities		-		546,828
	$	-	$	1,149,468

During the year ended May 31, 2019, the Company paid USD$2,220,623 in interest and $nil in taxes. During the year ended May 31, 2018 the Company did not pay any interest or taxes.

(Expressed in Canadian Dollars)

14. INCOME TAX

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the consolidated statements of income (loss) and comprehensive income (loss) is provided below:

	Year Ended May 31, 2019	Year Ended May 31, 2018
Net Income (loss) for the year	$ 10,395,944	$ (665,571)
Expected income tax recovery at statutory rates	$ 2,755,000	$ (176,000)
Change in statutory, foreign tax, foreign exchange rates	404,000	(18,000)
Permanent differences	(2,619,000)	-
Financing costs	(304,000)	-
Adjust prior years provision versus statutory tax returns and expiry of non-capital losses	(2,286,000)	-
Expiry of non-capital losses	637,000	-
Change in unrecognized deductible temporary differences	1,413,000	194,000
Total income tax expense (recovery)	$ -	$ -
Current income tax	$ -	$ -
Deferred tax recovery	$ -	$ -

Tax attributes are subject to review and potential adjustment by tax authorities.

Significant components of deductible and taxable temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

	Year Ended May 31, 2019	**Expiry Date**	Year Ended May 31, 2018	Expiry Dates
Exploration and evaluation assets	$ 4,128,000	No expiry date	$ 19,000	No expiry date
Financing costs	919,000	2040 to 2043	-	
Property and equipment	-		18,000	No expiry date
Allowable capital losses	1,690,000	No expiry date	-	No expiry date
Non-capital losses available for future periods	8,169,000	2027 to 2039	19,989,000	2026 onwards
Canada	8,169,000	2027 to 2039	5,561,000	2026 to 2036
Congo	-		14,428,000	Indefinite

15. SALE OF ASSETS:

On December 6, 2018, the Company closed the sale of its DMS plant (Note 6) and its interest in its Luisha project (Note 7) (the "Sale") as approved by its shareholders on October 5, 2018 for gross proceeds of USD $10,000,000. Of the gross proceeds of USD $10,000,000, USD $6,000,000, which includes a loan cancellation fee, was required to be paid to Traxys Europe S.A. to be applied against the outstanding loan payable.

Gain on sale of plant, equipment, and exploration asset: (expressed in Canadian dollars)

Sale		$ 13,221,300
Less:	Legal Fees	(213,146)
	Commission	(676,533)
	Loan cancellation fee	(925,224)
	Cost of plant	(1,540,073)
	Cost of mineral property	(1,605,236)
	Currency translation	(138,997)
Net Gain		$ 8,122,091

16. CONTINGENCIES

As disclosed elsewhere in these consolidated financial statements, the Company sold all of its assets in the DRC, (Note 15), and has dissolved the entities that held ownership of those assets. As a result, the Company recorded gains on payables owing within those entities. Should the DRC government and other vendors attempt to collect past dues, there is a risk the Company would be liable for these funds. The Company believes that the risk is remote.

17. SUBSEQUENT EVENTS

Subsequent to May 31, 2019, the Company has completed or undertaken certain corporate transactions as summarized as follows:

On April 26, 2019, the Company announced that it had entered into an agreement whereby the Company may acquire a 51% interest in the Silver Bell – St. Lawrence Gold Project, in the Virginia City Mining District of Montana, USA (the "Project"). Under the agreement, the Company may earn a 51% interest in the Project by making annual US$10,000 option payments and spending $US $1,000,000 in exploration expenditures within four years with a minimum of $200,000 in expenditures during the first two years.

On June 1, 2020 the Company dissolved LME with zero taxes payables.