INCA ONE GOLD CORP.

Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended January 31, 2019 and 2018
(Expressed in US Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in US Dollars)

	Note	**January 31, 2019**	April 30, 2018 *Restated – Note 2(d)*	April 30, 2017 *Restated – Note 2(d)*
		$	$	$
Assets				
Current:				
Cash		**1,670,692**	266,836	38,017
Receivables	6	**2,056,047**	914,340	732,737
Prepaid expenses and deposits	7	**1,656,950**	606,981	635,573
Inventory	8	**3,401,808**	2,473,703	574,762
		8,785,497	4,261,860	1,981,089
Long term receivable	9	**371,945**	-	-
Property, plant and equipment	10	**12,073,312**	5,206,236	5,079,305
Goodwill	4	**20,789**	-	-
Total assets		**21,251,543**	9,468,096	7,060,394
Liabilities				
Current:				
Accounts payable and accrued liabilities	11	**2,238,446**	2,121,050	1,640,706
Promissory notes payable	12	**1,784,318**	-	120,000
Secured debentures financing	13	**-**	300,000	-
Deferred revenue	18	**1,067,428**	1,064,585	-
		5,090,192	3,485,635	1,760,706
Promissory notes payable	12	**4,941,690**	-	-
Secured debenture financing	13	**1,467,361**	1,183,889	2,030,769
Mineral notes	14	**-**	48,625	48,193
Derivative financial liability	18	**981,852**	974,394	740,873
Asset retirement and reclamation obligations	15	**1,131,313**	581,356	444,145
		13,612,408	6,273,899	5,024,686
Shareholders' Equity (Deficiency)				
Share capital	16	**26,652,943**	22,175,028	19,328,264
Reserves	16	**6,197,651**	6,110,016	4,356,764
Accumulated other comprehensive income		**(264,799)**	(337,846)	(66,912)
Deficit		**(26,053,456)**	(24,753,001)	(21,582,408)
Shareholders equity (deficiency) attributable to Inca One		**6,532,339**	3,194,197	2,035,708
Non-controlling interest		**1,106,796**	-	-
Total shareholder's equity (deficiency)		**7,639,135**	3,194,197	2,035,708
Total liabilities and shareholders' equity (deficiency)		**21,251,543**	9,468,096	7,060,394

Nature of operations and going concern (note 1)
Acquisition of Anthem United Inc. (note 4)
Commitments (note 18)
Restatement (note 2d)
Subsequent event (note 16(d))

Approved on behalf of the Board of Directors on March 14, 2019

"Bruce Bragagnolo"	*"Edward Kelly"*
Director	Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Operations
and Comprehensive Income
(Unaudited - Expressed in US Dollars)

	Note	Three Months Ended January 31, **2019**	Three Months Ended January 31, 2018 *Restated – Note 2(d)*	Nine Months Ended January 31, **2019**	Nine Months Ended January 31, 2018 *Restated – Note 2(d)*
		$	$	**$**	$
Revenue		**11,574,969**	2,947,100	**26,159,912**	9,688,950
Cost of goods sold					
Cost of operations	22	**(10,032,376)**	(2,975,274)	**(23,504,555)**	(9,526,619)
Depreciation	22	**(378,142)**	(138,289)	**(826,707)**	(406,776)
Total cost of goods sold		**(10,410,518)**	(3,113,563)	**(24,331,262)**	(9,933,395)
Gross operating margin (deficit)		**1,164,451**	(166,463)	**1,828,650**	(244,445)
Corporate and administrative expenses	22	**(801,941)**	(557,399)	**(2,050,298)**	(1,627,719)
Income (loss) from operations		**362,510**	(723,862)	**(221,648)**	(1,872,164)
Reversal of prior year impairments		**-**	-	**-**	272,152
Finance and other income (expense)	22	**(329,324)**	(155,972)	**(847,952)**	(457,660)
Business development		**(3,393)**	-	**(219,457)**	-
Income (loss) before income taxes		**29,793**	(879,834)	**(1,289,057)**	(2,057,672)
Other comprehensive income (loss):					
Foreign currency translation adjustment		**10,012**	(160,152)	**73,047**	(332,443)
Comprehensive income (loss) for the period		**39,805**	(1,039,986)	**(1,216,010)**	(2,390,115)
Net loss and comprehensive loss attributable to:					
Inca One Gold Corp's shareholders		**(11,095)**	-	**(1,227,408)**	-
Non-controlling interest		**50,900**	-	**11,398**	-
		39,805		**(1,216,010)**	-
Weighted average shares outstanding					
Basic		**259,356,850**	81,839,401	**212,441,601**	83,787,265
Diluted		**259,356,850**	81,839,401	**212,441,601**	83,787,265
Earnings (loss) per share					
Basic		**0.00**	(0.01)	**(0.01)**	(0.02)
Diluted		**0.00**	(0.01)	**(0.01)**	(0.02)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INCA ONE GOLD CORP.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in US Dollars)

	Share capital						
	Common shares (note 17(b))	Amount	Equity reserves	Non-controlling interest	Accumulated other comprehensive (loss) income	Deficit	Total shareholders' equity (deficiency)
	#	$	$	$	$	$	$
Balance, April 30, 2017 restated – Note 2 (d)	**59,316,401**	**19,328,264**	**4,356,765**	-	**(66,913)**	**(21,582,408)**	**2,035,708**
Comprehensive loss for the period	-	-	-	-	(322,443)	(2,057,672)	(2,390,115)
Issuance of shares on private placement, net of share issue costs	68,023,000	1,815,153	**1,637,938**	-	-	-	3,453,091
Share -based payments			**43,456**	-	-	-	43,456
Balance, January 31, 2018	**127,399,401**	**21,143,417**	**6,038,159**	-	**(399,356)**	**(23,640,080)**	**3,142,140**
Comprehensive loss for the period	-	-	-	-	93,175	**(1,112,921)**	(1,019,746)
Other comprehensive loss for the period	-	-	-	-	**(31,665)**	-	(31,665)
Shares issued for debt settlement (note 5)	19,087,151	1,031,612	-	-	-	-	1,031,612
Warrants issued for debt settlement (note 5)	-	-	23,868	-	-	-	23,868
Share-based payments (note 16(d))	-	-	47,988	-	-	-	47,988
Balance, April 30, 2018 restated – Note 2 (d)	**146,426,552**	**22,175,029**	**6,110,015**	-	**(337,846)**	**(24,753,001)**	**3,194,197**
Comprehensive loss for the period	-	-	-	11,398	73,047	(1,300,455)	(1,216,010)
Shares issued for acquisition Anthem United	110,050,225	4,198,179		-	-	-	4,198,179
Non-controlling interest as at acquisition date				1,095,398	-	-	1,095,398
Exercised options (note 16(c))	6,433,335	279,735	(36,339)	-	-	-	243,396
Share-based payments (note 16(d))	-	-	123,975	-	-	-	123,975
Balance, January 31, 2019	**262,910,112**	**26,652,943**	**6,197,651**	**1,106,796**	**(264,799)**	**(26,053,456)**	**7,639,135**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

INCA ONE GOLD CORP.

Consolidated Statements of Cash Flows
(Unaudited - Expressed in US Dollars)

	Nine Months Ended	
	January 31, 2019	January 31, 2018 *Restated – Note 2(d)*
Cash flows provided by (used in):	**$**	$
Operating activities:		
Net loss for the year	**(1,216,010)**	(2,057,672)
Items not involving cash:		
Depreciation	**842,379**	472,392
Stock-based compensation	**123,975**	43,457
Accretion expense	**12,876**	411
Accretion of asset retirement and reclamation obligations	**33,030**	20,981
Accrued interest	**4,859**	-
Interest expense	**344,340**	188,120
Unrealized foreign exchange	**113,799**	25,488
Loss in fair value adjustment of financial liability	**299,975**	-
Loss in fair value adjustment of derivative financial liability	**30,336**	-
Changes in non-cash operating working capital:		
Receivables	**598,423**	320,217
Prepaid expenses and deposits	**(571,938)**	(43,048)
Inventory	**1,061,584**	(126,893)
Accounts payable and accrued liabilities	**(842,614)**	(223,631)
Deferred revenue	**2,843**	356,967
Net cash provided by (used in) operating activities	**837,857**	(1,023,211)
Financing activities:		
Proceeds on issuance of common shares through private placement, net of issuance costs	**-**	3,453,091
Proceeds from issuance of shares (exercise of options)	**243,396**	-
Repayment of mineral notes	**(50,000)**	-
Interest paid	**(143,088)**	-
Net cash provided by (used in) financing activities	**50,308**	3,453,091
Investing activities:		
Purchase of property, plant and equipment (net of disposition)	**(511,354)**	(619,201)
Cash acquired in acquisition of Anthem United Inc.	**1,034,961**	-
Net cash provided by (used in) investing activities	**523,607**	(619,201)
Increase (decrease) in cash and cash equivalents	**1,411,772**	1,810,679
Effect of exchange rates on cash held in foreign currencies	**(7,916)**	(37,245)
Cash and cash equivalents, beginning of the year	**266,836**	38,017
Cash and cash equivalents, end of the period	**1,670,692**	1,811,451

Supplemental disclosure with respect to cash flows (note 23)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Inca One Gold Corp. (formerly Inca One Resources Corp.) (the "Company") was incorporated under the laws of Canada on November 9, 2005 and was continued under the British Columbia Business Corporations Act on November 26, 2010. On September 17, 2014, the Company changed its name from Inca One Resources Corp. to Inca One Gold Corp. The Company's shares are traded on the TSX Venture Exchange (the "TSX-V") under the symbol "IO", on the Frankfurt Stock Exchange under the symbol "SU9.F", and the Santiago Stock Exchange Venture under the symbol "IOCL". The head office and principal address of the Company are located at Suite 850 - 1140 West Pender Street, Vancouver, Canada, V6E 4G1 and its registered office is located at 10th Floor, 595 Howe Street, Vancouver, Canada, V6C 2T5.

Inca One is engaged in the business of developing gold-bearing mineral processing operations in Peru, to service government permitted small scale miners. In recent years the Peruvian government instituted a formalization process for informal miners as part of its efforts to regulate their activities. The Company, through its Peruvian subsidiaries Chala One SAC ("Chala One") and EMC Green Group SA ("EMC") owns two Peruvian mineral processing plants with 450 tonnes per day ("TPD") of processing capacity. The Company's business plan is to source high grade gold mill feed from legally recognized Peruvian artisanal and small scale miners, purchase and process the material, and export gold concentrate or doré.

The Company continues to actively evaluate potential mineral projects, including additional mineral processing operations.

These Condensed Interim Consolidated Financial Statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the three months ended January 31, 2019, the Company incurred in a net income of $29,793. As of that date the Company had a deficit of $26,053,456 and working capital of $3,695,305. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to fund operating and administration costs and debt and debt service costs over the year with the proceeds from gold doré sales at the Company's gold ore processing facilities in Peru and where required, from debt and equity financing and proceeds from option and warrant exercises.

The Company's ability to continue as a going concern is dependent upon its ability to generate net income and positive cash flows from its Peruvian ore processing operations and its ability to raise equity capital or debt sufficient to meet current and future obligations.

These Condensed Interim Consolidated Financial Statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These Condensed Interim Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting principles adopted are consistent with those of the previous financial year.

These Condensed Interim Consolidated Financial Statements have been prepared using the significant accounting policies and measurement bases summarized below and were approved by the board of directors for issue on March 14, 2019.

(b) Basis of Consolidation

The Condensed Interim Consolidated Financial Statements are presented in US dollars unless otherwise noted and include the accounts of the Company and its wholly owned subsidiaries, Inca One Metals Peru S.A. ("IO Metals"), Dynasty One S.A. ("Dynasty One"), Corizona One S.A.C. ("Corizona One"), Chala One S.A.C. ("Chala One") and Anthem United Inc. ("Anthem") which was acquired on August 21, 2018 (note 4).

Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation. For partially owned subsidiaries, the interest attributable to non-controlling parties is reflected in non-controlling interest.

(c) Use of Estimates and Judgments

The Company's use of estimates and judgments were presented in note 2 of the audited annual consolidated financial statements for the year ended April 30, 2018.

(d) Foreign Currency Translation

(i) Functional currency and presentation currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

Effective May 1, 2018 and in conjunction with the acquisition of Anthem, the Company changed its presentation currency from Canadian dollars to United States dollars which is the currency that most strongly influences the primary operating and capital decisions of the Company.

These condensed interim consolidated financial statements have been prepared in US dollars as if this currency had been the presentation currency since May 1, 2016 and all comparable prior-

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

period financial statements have been restated to US dollars in accordance with IAS 21 "effect of Changes in Foreign Exchange Rates". For the purposes of presentation of the comparative financial statements; all assets and liabilities have been converted to US dollars at the rate prevailing at the end of the reporting period. Fixed assets and equity transactions are converted at the date of the transaction or at the average exchange rate for the period depending on the nature of the underlying transaction.

The functional currency of the Canadian company is the Canadian dollar and the functional currency of Dynasty One, Chala One, Corizona One, IO Metals and Anthem is the US dollar.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are included in profit or loss.

(iii) Consolidated entities

The results and financial position of consolidated entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Monetary assets and liabilities are translated at the closing rate at the reporting date;
- Non-monetary assets and equity are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rate at the date when the fair value was determined: and
- Income and expenses for each income statement are translated at exchange rates at the dates of the transactions and where appropriate, approximated by the average exchange rates for the period.

(e) Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination and the non-controlling interest over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination and the non-controlling interest, the excess is recognized immediately in net earnings (loss).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Non-controlling Interest

Non-controlling interests are recorded at their proportionate share of the fair value of identifiable net assets acquired on initial recognition. Subsequent to the acquisition date, adjustments are made to the carrying amount of the non-controlling interests for the non-controlling interests' share of changes to the subsidiary's equity. In the event a non-controlling interest is represented by a non-participating entity, then the non-controlling interest is not recognized until the entity has the right to receive its share of the subsidiary's net assets.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interest in the subsidiary and the difference to the carrying amount of the non-controlling interests and the Company's share of proceeds received and/or consideration paid is recognized in equity and attributed to the shareholders of the Company.

NOTE 3 – RECENT ACCOUNTING PRONOUNCEMENTS

The Company has not applied the following new standards and amendments to standards that have been issued but are not yet effective:

IFRS 16 - Leases - IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (the lessee and the lessor). Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases that is currently required by IAS 17 Leases and, instead, introduces a single lessee accounting model. From the perspective of the lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently. Management does not expect any material impact as result of the application of this new standard. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

NOTE 4 – ACQUISITION OF ANTHEM UNITED INC.

On August 21, 2018 the Company completed the acquisition of the 100% ownership of Anthem United Inc. ("Anthem"), which owns a 90.14% interest in the 350 tonnes per day ("TPD") Koricancha ore processing facility in Peru ("Kori One"), from Equinox Gold Corp. ("Equinox") for cash and shares totaling approximately CAD$16.6 million, less any general sales tax credit (IGV tax credit) collected to the benefit of Inca One.

Under the terms of the Purchase Agreement, the Company acquired a 90.14% ownership of Kori One (the "Transaction") from Equinox and certain minority shareholders and terminated the 3.5% gold stream payable by Kori One for total consideration as follows:

- CAD$6 million payable by the issuance of 110,050,225 common shares of Inca One ("Inca One Shares") on completion of the Purchase Agreement at a deemed price of CAD$0.055 per common share, of which 51,269,708 Inca One Shares were issued to Equinox, 51,269,708 Inca One Shares were issued to SA Targeted Investing Corp. ("SATIC") in consideration for the termination of the gold stream and the remaining Inca One Shares were issued to certain minority shareholders who held an interest in Kori One.
- CAD$2.5 million payment to Equinox on the first anniversary of the completion of the Purchase Agreement to be paid in cash or Inca One Shares at the discretion of Inca One, based on the preceding 20-day volume weighted average price of Inca One Shares, subject to Equinox's ownership of Inca One Shares not exceeding 19.99% of the outstanding Inca One Shares (the "Equinox Ownership Limit").
- CAD$2.5 million payment to Equinox on the second anniversary of the completion of the Purchase Agreement to be paid in cash or Inca One Shares at the discretion of Inca One, based on the preceding 20-day volume weighted average price of Inca One Shares, subject to the Equinox Ownership Limit.
- CAD$1.5 million payment to Equinox in cash on the second anniversary of the completion of the Purchase Agreement.
- CAD$2.5 million payment to Equinox on the third anniversary of the completion of the Purchase Agreement to be paid in cash or Inca One Shares at the discretion of Inca One, based on the preceding 20-day volume weighted average price of Inca One Shares, subject to the Equinox Ownership Limit.
- Payment in cash to Equinox on or before the third anniversary of the completion of the Purchase Agreement for the difference between the amount of working capital at closing and $3 million and certain payments related to outstanding value-added taxes receivable by Kori One, subject to receipt. The Company estimates the amount of working capital on closing of approximately $4.3 million and therefore approximately $1.3 million estimated payable on the third anniversary.

(Unaudited - Expressed in US Dollars)

NOTE 4 – ACQUISITION OF ANTHEM UNITED INC. (continued)

A preliminary allocation of the purchase price at August 21, 2018, based on management's estimates of the relative fair value of assets acquired and liabilities assumed and subject to final adjustments, is as follows:

Total purchase price:	$
Fair value of shares issued at acquisition	4,221,012
Fair value of promissory notes (note 12)	5,564,602
Fair value of working capital adjustment	907,153
Non-controlling interest	1,095,398
Total purchase price to allocate	11,788,165
Estimated fair value of assets acquired and liabilities assumed:	
Cash	1,034,961
Amounts receivable	191,548
VAT receivable	1,934,392
Prepaid income tax	433,245
Prepaid expenses	44,786
Inventory	1,989,689
Property, plant and equipment	7,198,136
Intangible assets (Goodwill)	20,789
Accounts payable and accrued liabilities	(549,640)
Asset retirement and reclamation obligations	(509,741)
Total net identifiable assets	11,788,165

The fair value of the Company's common shares issued for the acquisition of Anthem was determined using the closing market price of the Company's shares at August 21, 2018 and fair value of the promissory notes and working capital calculated on a cash flow basis using an 11% discount rate and a foreign exchange rate of 1 CAD = 0.7671.

The Company commenced consolidating Anthem's financial position and results of operations effective August 21, 2018. The Company recognized income of $159,997 related to Anthem for the period from August 21, 2018 to January 31, 2019.

As at January 31, 2019, the aggregate transactions costs related to the acquisition of Anthem were approximately $219,457.

The information disclosed in this note is preliminary and may change upon the final calculation of fair value of the purchase price and the net identifiable assets. Fair values have not been finalized as of the date of these financial statements due to the short time between the Transaction and the date of these financial statements and the limited resources of the Company.

(Unaudited - Expressed in US Dollars)

NOTE 5 – RESTRUCTURING

On March 29, 2018 the Company reached an agreement with certain debt holders to restructure a total of CAD$2,683,887 of its debt for a combination of shares, warrants and a new debt. Under the terms of the agreements CAD$1,083,887 was converted into 18,020,484 shares of the Company, and for the remaining balance of CAD$1,600,000, the Company issued a new Secured Debenture (note 13). As consideration for this restructuring, the Company issued 1,066,667 shares and 1,066,667 warrants with an exercise price of CAD$0.10 (note 16 (e)).

On May 7, 2018, the Company received final approval from TSX for this Debt Restructuring.

NOTE 6 – RECEIVABLES

	January 31, 2019	April 30, 2018
	$	$
GST recoverable (Canada)	**16,959**	11,206
VAT recoverable (Peru)	**1,842,823**	884,047
Other receivable	**196,265**	19,087
	2,056,047	914,340

NOTE 7 – PREPAID EXPENSES AND DEPOSITS

	January 31, 2019	April 30, 2018
	$	$
Deposits with mineral suppliers	**479,453**	129,210
Other deposits and advances	**252,788**	47,315
Prepaid taxes	**753,681**	221,293
Prepaid expenses	**111,969**	51,187
Prepaid marketing services	**59,059**	157,976
	1,656,950	606,981

NOTE 8 – INVENTORY

	January 31, 2019	April 30, 2018
	$	$
Ore stockpiles and gold in process	**2,199,901**	1,503,557
Finished goods – gold	**1,038,563**	855,383
Materials and supplies	**163,344**	114,763
	3,401,808	2,473,703

(Unaudited - Expressed in US Dollars)

NOTE 9 – LONG TERM RECEIVABLE

As result of the Acquisition of Anthem, the Company acquired the right to claim refunds of prior years' general sales taxes ("Historical IGV") in Peru and totaling approximately $4.2 million related to the construction of Kori One. The Company has agreed to pay Equinox 50% of any amounts collected less costs to collect, the remainder of which is for the benefit of the Company. The collectability of this Historical IGV is uncertain and therefore has been reflected in the net identifiable assets (note 4) at its estimated fair value.

As at January 31, 2019, the Company estimated the fair value of 50% of the expected cash flows related to the Historical IGV using a discount rate of 11%, at $371,945 and for which has been classified as long term receivable. The Company is in the process of evaluating the collectability of this Historical IGV.

NOTE 10 – PROPERTY, PLANT AND EQUIPMENT

	Plant	Computers	Furniture and Equipment	Total
	$	**$**	**$**	**$**
Costs:				
Balance, April 30, 2017	**5,956,864**	**61,013**	**53,886**	**6,071,763**
Additions	862,469	4,636	4,200	871,325
Balance, April 30, 2018	**6,819,353**	**65,649**	**58,086**	**6,943,088**
Additions	503,871	6,695	788	511,354
Fixed assets added as result of Anthem acquisition	7,076,343	88,281	33,477	7,198,100
Balance, January 31, 2019	**14,399,567**	**160,625**	**92,351**	**14,652,542**
Accumulated Depreciation:				
Balance, April 30, 2017	**943,879**	**20,886**	**27,687**	**992,452**
Depreciation	731,828	7,176	5,396	744,400
Balance, April 30, 2018	**1,675,707**	**28,062**	**33,083**	**1,736,852**
Depreciation	796,128	27,972	18,278	842,378
Balance, January 31, 2019	**2,471,835**	**56,034**	**51,361**	**2,579,230**
Net Book Value:				
April 30, 2018	5,143,646	37,587	25,003	5,206,236
January 31, 2019	**11,927,733**	**104,589**	**40,990**	**12,073,312**

(Unaudited - Expressed in US Dollars)

NOTE 11 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2019	April 30, 2018
	$	$
Trade accounts payable and accruals	**2,167,424**	1,850,281
Management, consulting and professional fees payable	**32,944**	210,353
Accrued interest	**38,078**	60,416
	2,238,446	2,121,050

NOTE 12 – PROMISSORY NOTES

	January 31, 2019	April 30, 2018
	$	$
Current Liabilities		
Promissory Notes	**1,784,318**	-
Total Current Promissory Notes	**1,784,318**	-
Non-current Liabilities		
Promissory Notes	**4,941,690**	-
Total Non-current Promissory Notes	**4,941,690**	-

As result of the purchase agreement with Equinox Gold Corp. (note 4) the company has issued a nonbearing interest secured promissory note for CAD$ 9,000,000 which has the following conditions:

- CAD$ 2,500,000 payable on August 21, 2019, to be paid in cash or in Inca One shares at the discretion of Inca One, based on the preceding 20-day volume weighted average price of Inca One shares subject to Equinox's ownership of Inca One Shares not exceeding 19.99% of the outstanding Inca One Shares (the "Equinox Ownership Limit"). As at January 31, 2019, the fair value of this payment has been estimated in $ 1,784,318 considering a discount rate of 11% and is classified as a current liability.
- CAD$ 2,500,000 payable on August 21, 2020, to be paid in cash or in Inca One shares at the discretion of Inca One, based on the preceding 20-day volume weighted average price of Inca One shares subject to Equinox Ownership Limit. As at January 31, 2019, the fair value of this payment has been estimated in $ 1,599,254 considering a discount rate of 11% and is classified as a non-current liability
- CAD$ 1,500,000 payable on August 21, 2020, to be paid in cash. As at January 31, 2019, the fair value of this payment has been estimated in $ 959,552 considering a discount rate of 11% and is classified as a non-current liability
- CAD$ 2,500,000 payable on August 21, 2021, to be paid in cash or in Inca One shares at the discretion of Inca One, based on the preceding 20-day volume weighted average price of Inca One shares subject to Equinox Ownership Limit. As at January 31, 2019, the fair value of this payment has been estimated in $ 1,433.384 considering a discount rate of 11% and is classified as a non-current liability.

(Unaudited - Expressed in US Dollars)

NOTE 12 – PROMISSORY NOTES (continued)

Additionally, the Transaction has a provision to pay in cash to Equinox, on or before the third anniversary of the completion of the Transaction, the difference between the amount of working capital at August 21, 2018 and $3,000,000. The Company's preliminary estimate of working capital is $4,259,926 and therefore the estimated amount payable would be approximately $1,259,926 payable on August 21, 2021. As at January 31, 2019, the fair value of this payment has been estimated at $ 949,500 considering a discount rate of 11% and is classified as a non-current liability

NOTE 13 – SECURED DEBENTURES

	January 31, 2019	April 30, 2018
	$	$
Current Liabilities		
Secured Debenture (1)	**-**	300,000
Total Current Secured Debentures	**-**	300,000
Non-current Liabilities		
Secured Debenture (1)	**300,000**	-
CAD Secured Debenture (CAD$ 1,600,000) (2)	**1,167,361**	1,183,889
Total Non-current Secured Debentures	**1,467,361**	1,183,889

As at January 31, 2019, the Company issued the following secured debentures:

1) On September 1, 2016, the Company issued a $300,000 debenture with an initial maturity date September 1, 2018, which (on August 21, 2018) was subsequently extended for an additional 24 months period and is payable on August 31, 2020. The debenture bears an interest at a rate of 11% per annum, and has general security over the assets of the Company (the "USD Secured Debenture") second in priority to the CAD Secured Debenture. Principal is due on maturity, and the Company is required to make six equal quarterly interest payments beginning May 31, 2019. Accrued interest of $13,833 has been included in accounts payable at January 31, 2019.

2) As a result of the Restructuring and Debt Settlement (note 5) of March 28, 2018, the Company issued a CAD$1,600,000 (CAD$1,519,640 net of cost of CAD$80,360) debenture with maturity day on September 1, 2021, bears interest at a rate of 11% per annum, and has priority security over the assets of the Company (the "CAD Secured Debenture"). Principal is due on maturity, and the Company is required to make quarterly interest payments beginning September 1, 2018. Accrued interest of CAD$29,896 has been included in accounts payable at January 31, 2019.

(Unaudited - Expressed in US Dollars)

NOTE 14 – MINERAL NOTES

On December 14, 2015, the Company issued $50,000 in secured notes, which beared interest at a rate of 12% per annum payable quarterly in arrears. The notes had a 60 months term to maturity at which time the principal balance plus all accrued and unpaid interest would be repaid to the subscriber. The Company retained the right (upon 90 days prior written notice to the affected holder) to redeem the notes in full.

On December 21, 2018 the Company redeemed in full the notes and paid the respective accrued interest.

NOTE 15 – ASSET RETIREMENT PROVISION

The Company's operations are governed by laws and regulations covering the protection of the environment. The Company will implement progressive measures for rehabilitation work to be carried out during the operation, closing and follow-up work upon closing of the gold processing plants; consequently, the Company accounted for its asset retirement obligations for the plants using best estimates of future costs, based on information available at the reporting date. These estimates are subject to change following modifications to laws and regulations or as new information becomes available.

	January 31, 2019	April 30, 2018
	$	$
Beginning of year	**581,356**	444,145
Accretion	**33,030**	32,524
Provision added as result of Anthem acquisition	**516,927**	-
Change in estimate	**-**	104,687
	1,131,313	581,356

As at January 31, 2019, the estimated undiscounted cash flow required to settle the asset retirement obligation for both the "Chala Plant" and "Kori One Plant" and their related tailings ponds is $684,807 and 699,247 respectively and are projected to be disbursed over 2026 and 2035 respectively. A 4.94% discount rate and a 3.06% inflation rate were used to evaluate these provisions.

NOTE 16 – SHARE CAPITAL AND EQUITY RESERVES

(a) Authorized

Unlimited number of voting common shares without par value.

(b) Issued Share Capital

On August 16, 2016, the Company consolidated its share capital on a one-for-seven basis. For the purpose of these financial statements the capital and per share amounts have been restated to present the post consolidated share capital. At January 31, 2019, there were 262,910,112 shares issued and outstanding (April 30, 2018 – 146,426,552).

(Unaudited - Expressed in US Dollars)

NOTE 16 – SHARE CAPITAL AND EQUITY RESERVES (continued)

(c) Share Issuances

On August 21,2018 the Company issued 110,050,225 shares as consideration for the acquisition of Anthem United Inc. (note 4).

During the nine months ended January 31, 2019, 6,433,335 common shares were issued for proceeds of $43,522 on the exercise of 833,334 stock option at $0.06 per share and $236,213 on the exercise of 5,600,001 stock option at $0.05 per share.

(d) Share-based Options

The Company adopted an incentive share-based option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and consultants of the Company, non-transferable share-based options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Share-based options will be exercisable for a period of up to 10 years from the date of grant.

The following table is a reconciliation of the movement in share-based options for the period and is presented on a post consolidated basis (note 16(b)):

	Share-based Options #	Weighted Average Exercise Price CAD$
Balance, April 30, 2017	3,312,500	0.45
Granted	8,600,000	0.09
Expired/Cancelled	(1,610,572)	0.44
Balance, April 30, 2018	10,301,928	0.15
Granted	17,933,334	0.05
Exercised	(6,433,335)	0.05
Expired/Cancelled	(1,689,070)	1.75
Balance, January 31, 2019	**20,112,857**	**0.08**

The following table summarizes the share-based options outstanding, presented on a post consolidated basis (note 16(b)), as at January 31, 2019:

(Unaudited - Expressed in US Dollars)

NOTE 16 – SHARE CAPITAL AND EQUITY RESERVES (continued)

Share-based Options #	Exercise Price CAD$	Expiry Date	Vesting Provisions
4,000,000	0.100	August 25, 2019	Vested
600,000	0.060	October 24, 2019	Vested
600,000	0.050	October 24, 2019	Vested
600,000	0.050	December 20, 2019	Vested
4,100,000	0.075	March 14, 2020	Unvested
600,000	0.060	April 24, 2020	Vested
7,100,000	0.050	December 20, 2020	Unvested
12,857	3.010	July 11, 2021	Vested
500,000	0.100	August 25, 2022	Vested
2,000,000	0.050	November 14, 2022	Unvested
20,112,857			

As at January 31, 2019, the weighted average remaining contractual life of the share-based options was 1.58 years (January 2018 – 1.39 years).

During the three and nine months ended January 31, 2019, the Company recognized share-based payments of $55,886 and $ 123,975 respectively (2018 - $25,731 and $42,729 respectively) for share-based options granted and vested during the period.

Pursuant to the Company's share-based option plan, the Company granted the following share based options:

On June 14, 2018, 833,334 incentive share based options were granted to a consultant of the Company. The share-based options have an exercise price of CAD$0.06 per share, immediate vesting and are exercisable until June 14, 2020.

On October 24, 2018, 2,400,000 incentive share-based options were granted to a consultant of the Company of which:

- 1,200,000 have an exercise price of $0.05 per share immediate vesting and are exercisable 600,000 until April 24, 2019 and 600,000 until October 24, 2019 AND
- 1,200,000 have an exercise price of $0.06 per share immediate vesting and are exercisable 600,000 until October 24, 2019 and 600,000 until April 24, 2020

On November 14, 2018, 2,000,000 incentive share-based options were granted to employees of the Company. The share-based options have an exercise price of CAD$0.05 per share and are subject to a vesting period of 25% vesting immediately, 25% in one year, 25% in two years and 25% in three years. The options are exercisable until November 14, 2022.

On December 20, 2018, 5,600,000 incentive share-based options were granted to officers and employees of the Company. The share-based options have an exercise price of CAD$0.05 per share, immediate vesting and are exercisable until December 20, 2019.

(Unaudited - Expressed in US Dollars)

NOTE 16 – SHARE CAPITAL AND EQUITY RESERVES (Continued)

On December 20, 2018, 7,100,000 incentive share-based options were granted to officers, directors and employees of the Company. The share-based options have an exercise price of CAD$0.05 per share, with vesting provisions 50% in six months and 50% in twelve months and are exercisable until December 20, 2020.

The fair value of share-based options granted during the three and nine months ended January 31, 2019 was estimated using the Black-Scholes options pricing model with the following weighted average assumptions:

	Granted on:				
	Jun. 14, 2018	**Oct. 24, 2018**	**Oct. 24, 2018**	**Nov. 14, 2018**	**Dec. 20 2018**
Risk-free interest rate	0.73%	1.08%	1.08%	1.08%	1.08
Expected dividends	CAD$nil	CAD$nil	CAD$nil	CAD$nil	CAD$nil
Expected volatility	54.17%	57.69%	57.69%	57.68%	50.87%
Expected life in years (a)	0.82	0.75	1.25	Avg 2.50	Avg 1.16

(a) Expected life of the options takes in consideration the forfeiture rate.

The weighted average fair value of shar-based options granted during the three and nine months ended January 31, 2019 was CAD$0.01 (2018 - $nil) per option.

Subsequent to January 31, 2019, on February 13, 2019, 2,800,000 incentive share-based options were granted to officers, directors and employees with an exercise price of CAD$0.05 of which 300,000 are exercisable until February 5, 2020 with no vesting provisions and 2,500,000 are exercisable until February 5, 2021 with vesting provisions 50% in six months and 50% after one year.

(e) Warrants

The status of the share purchase warrants outstanding, presented on a post consolidated basis (note 16(b)), is as follows:

	Warrants #	Weighted Average Exercise Price CAD$
Balance, April 30, 2017	38,482,690	0.44
Issued	58,078,167	0.11
Expired/Cancelled	(739,048)	0.99
Balance, April 30, 2018	95,821,809	0.19
Issued	-	-
Expired/Cancelled	(6,484,000)	0.15
Balance, January 31, 2019	**89,337,809**	**0.24**

(Unaudited - Expressed in US Dollars)

NOTE 16 – SHARE CAPITAL AND EQUITY RESERVES (Continued)

The following table summarizes the share purchase warrants outstanding, presented on a post consolidated basis (note 16(b)), as at January 31, 2019:

Warrants	Exercise Price	Expiry Date
#	CAD$	
4,527,500	0.15	February 15, 2019
13,358,303	0.40	August 30, 2019
315,600	0.40	August 30, 2019
9,180,820	0.40	September 1, 2019
420,000	0.45	September 1, 2019
795,320	0.85	September 1, 2019
12,365,900	0.40	October 5, 2019
650,680	0.40	October 5, 2019
657,019	1.26	December 22, 2020
46,000,000	0.10	January 31, 2021
1,066,667	0.10	September 1, 2021
89,337,809		

As at January 31, 2019, the weighted average remaining contractual life of the warrants was 1.30 years (January 2018 – 2.55 years).

NOTE 17 – RELATED PARTY TRANSACTIONS

(a) Related Party Transactions

Professional fees were paid to a company controlled by the former CFO. Consulting and management fees are and were paid to companies controlled by the CEO, former CFO and VP Operations & New Projects. Finance costs on interest bearing debt instruments were paid or accrued to companies controlled by the CEO, or and to a company controlled by a director. Office rent was paid or accrued to a company controlled by the former CFO.

The Company incurred charges to directors and officers or to companies associated with these individuals during the three and nine months ended January 31, 2019 and 2018 as follows:

(Unaudited - Expressed in US Dollars)

NOTE 17 – RELATED PARTY TRANSACTIONS (continued)

	Three months ended January 31,		Nine months ended January 31,	
	2019	2018	**2019**	2018
			$	$
Accounting and professional fees	**-**	-	**-**	20,058
Management, salaries and consulting fees	**75,203**	94,715	**228,589**	259,012
Director fees	**7,299**	8,729	**22,199**	20,930
Share-based payments	**41,076**	15,051	**88,560**	36,082
Rent	**-**	-	**-**	14,237
	123,578	118,495	**339,348**	350,319

(b) Compensation of Key Management Personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and includes the Directors, CEO, CFO, former CFO, and VP Operations & New Projects. Compensation in respect of services provided by key management consists of consulting and management fees paid to companies controlled by the CEO, former CFO and VP Operations & New Projects, accounting fees paid to companies controlled by a director or company controlled by the former CFO, and by the issue of options. The compensation for key management personnel paid as management, accounting and former CFO fees was for the three and nine months ended January 31, 2019 and 2018 as follows:

	Three months ended January 31,		Nine months ended January 31,	
	2019	2018	**2019**	2018
			$	$
Management fees	**75,203**	77,924	**137,153**	186,044
Salaries	**30,110**	47,050	**91,436**	72,968
Share-based payments	**41,076**	15,051	**88,560**	36,082
	146,389	140,025	**317,149**	295,094

(c) Related Party Balances

All related party balances payable, including for business expenses reimbursements, interim advances to the Company, annual bonuses as approved by the board of directors, and for services rendered as at January 31, 2019 are non-interest bearing and payable on demand, and are comprised of $3,843 (April 30, 2018 - $121,206) payable to the CEO and a company controlled by the CEO, $24,351 (April 30, 2018 - $24,392) payable to the VP Operations & New Projects or a company controlled by the VP Operations & New Projects, $4,749 (April 30, 2018 - $85,006) payable to the CFO and $3,280 receivable, net of $20,251 payable (April 30, 2018 – $20,251 receivable , net of 38,178 payable) to the Directors or companies controlled by the Directors.

(Unaudited - Expressed in US Dollars)

NOTE 18 – COMMITMENTS

In addition to the commitments in connection with the Company's financings (note 13 and note 12), the Company has:

- a three-year rent agreement for its corporate office in Lima, Peru, with a monthly payment of $3,574 and termination date on July 31, 2021, and

- a five-year rent agreement for its corporate office in Vancouver, Canada with a monthly payment of CAD$3,726 and termination date on July 31, 2023.

During the three and nine months ended January 31, 2019 the Company had commitments through a financial liability to sell approximately 742 ounces of gold doré to a third party, which would be settled at a future date in either cash or through the delivery of gold. At January 31, 2019, the fair value of amount owing under these contracts at the gold spot rate were $981,852 (April 30, 2018 - $974,394) and is included in derivative financial liability.

As at January 31, 2019 the Company had commitments to sell approximately 466 ounces of gold doré to third parties, which was settled subsequent to January 31, 2019 through the delivery of gold. At January 31, 2019 the fair value of these commitments is $564,428. Additionally, the Company received advances of $500,000 to be offset against future sales of gold doré. Both amounts, totaling $1,067,428 (April 30, 2018 - $1,064,585) have been included as current deferred revenues.

A summary of undiscounted liabilities and future operating commitments at January 31, 2019 are as follows:

	Total	Within One Year	One to Five Years
Maturity analysis of financial liabilities	**$**	$	$
Accounts payable and accrued liabilities	**2,238,446**	2,238,446	-
Secured debentures	**1,467,361**	-	1,467,361
Promissory notes	**6,726,008**	1,784,318	4,941,690
	10,431,815	4,022,764	6,409,051
Commitments			
Office lease rental	**260,310**	76,908	183,402
Gold sale deferred revenue	**1,067,428**	1,067,428	-
Derivative financial liability	**981,852**	-	981,852
Asset retirement and reclamation obligations	**1,131,313**	-	1,131,313
	3,440,903	1,144,336	2,296,567
	13,872,718	5,167,100	8,705,618

(Unaudited - Expressed in US Dollars)

NOTE 18 – COMMITMENTS (continued)

Contingent Debenture

In September 2016 the Company completed a comprehensive capital restructuring which involved: (i) negotiating with debt holders to reduce long and short term debt, (ii) a private placement to provide sufficient working capital to ramp-up operations at the Chala Plant; and (iii) consolidating the Company's shares. As result of this restructuring, the Company issued a $779,309 contingent debenture certificate (the "Contingent Debenture"), which only becomes payable on the date that the Company achieves two production milestones including (i) achieving 300 tonnes per day mineral processing capacity in Peru, and (ii) achieving three months of 200 tonnes per day average daily production. Upon re-instatement, the Contingent Debenture will have a 12% annual interest rate paid quarterly in arrears, twelve month term to maturity, certain early redemption features, and a general security agreement will be issued. If the performance milestones are not achieved before August 31, 2026, the Contingent Debenture will be cancelled.

As at January 31, 2019 the value of the contingent debenture was $nil. However, the first milestone of 300 tonnes per day mineral processing capacity in Peru was achieved as result of the acquisition of Anthem.

NOTE 19 – SEGMENTED INFORMATION

All of the Company's operating and capital assets are located in Peru except for $316,093 (April 30, 2018 $511,849) of cash and other current assets which are held in Canada.

Segmented information is provided on the basis of geographic segments consistent with the Company's core long-term and operating assets as follows:

	Three months ended, January 31,		Nine months ended, January 31,	
Peru segment	**2019**	2018	**2019**	2018
	$	$	**$**	$
Revenue	**11,574,969**	2,947,100	**26,159,912**	9,688,950
Cost of goods	**10,410,518**	3,113,563	**24,331,262**	9,933,395
Gross margin (deficit)	**1,164,451**	(166,463)	**1,828,650**	(244,445)
Income (loss) for the period	**672,236**	(432,604)	**303,642**	(799,383)

Peru	**January 31, 2019**	April 30, 2018
	$	$
Assets:		
VAT receivable	**2,231,727**	884,047
Long term VAT receivable	**371,945**	-
Inventory	**3,401,808**	2,473,703
Property, plant and equipment	**12,073,312**	5,143,646
Total long-term and operating assets	**18,078,792**	8,501,396

NOTE 19 – SEGMENTED INFORMATION (continued)

During the three and nine months ended January 31, 2019, the Company received 100% of its metal revenues from two major customers, noting that the Company has business relationships with other customers, and is not dependent on them.

NOTE 20 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Value of Financial Instruments

As at January 31, 2019, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, promissory notes payable, derivative financial liabilities, secured debentures and mineral notes. Cash and other receivables are designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, promissory notes payable, secured debentures and mineral notes are designated as other financial liabilities, which are measured at amortized cost. Derivative financial liabilities are measured at fair value.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of 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 for the asset or liability that are not based on observable market data.

As at January 31, 2019, the Company believes that the carrying values of cash, receivables, accounts payable and accrued liabilities, promissory notes payable, deferred revenue, secured debentures and mineral notes approximate their fair values because of their nature and relatively short maturity dates or durations or their interest rates approximate market interest rates. The gold delivery contracts, being a derivative financial liability have been assessed on the fair value hierarchy described above and are classified as Level 2.

(b) Financial Instruments Risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

(i) Credit risk

Credit risk exposure primarily arises with respect to the Company's cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of receivables.

NOTE 20 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at January 31, 2019, the Company had cash of $1,670,692 (April 30, 2018 - $266,836) and current working capital of $3,695,305 (April 30, 2018 - $ 776,225) with total liabilities of $13,612,408 (April 30, 2018 - $6,273,899).

A summary of the Company's future operating commitments is presented in note 18.

(iii) Market risk

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company invests cash in guaranteed investment certificates at fixed or floating interest rates in order to maintain liquidity while achieving a satisfactory return for shareholders. A change of 100 basis points in the interest rates would not be material to the financial statements. At January 31, 2019, the Company had no variable rate debt.

b. Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates associated with the fluctuations in its Canadian dollar and the Peruvian New Sol ("Sol") bank accounts as well as the translation of foreign held assets and liabilities at current exchange rates.

The Company's net exposure to the Canadian dollar and Sol on financial instruments, in US dollar equivalents, is as follows:

(Unaudited - Expressed in US Dollars)

NOTE 20 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	January 31, 2019	April 30, 2018
	$	$
CAD dollar:		
Cash	**14,678**	30,678
Receivables	**16,959**	11,206
Accounts payable and accrued liabilities	**(357,769)**	(335,522)
Secured debentures	**(1,167,361)**	(1,183,889)
Derivative financial liability	**(981,852)**	(974,394)
Net assets (liabilities)	**(2,475,345)**	(2,451,921)
Sol:		
Cash	**597,492**	27,389
Receivables	**1,765,576**	884,047
Accounts payable and accrued liabilities	**(559,581)**	(563,964)
Net assets (liabilities)	**1,803,487**	347,472

Assuming all other variables constant, an increase or a decrease of 10% of the Canadian dollar against the US dollar, as of January 31, 2019 would have changed the Company's net loss by approximately $246,139. Assuming all other variables constant, an increase or a decrease of 10% of the Peruvian sol against the US dollar, as of January 31, 2019 would have changed the Company's net loss by approximately $179,954.

The Company had no hedging agreements in place with respect to foreign exchange rates.

c. Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company's price risk relates primarily to: the spot price of gold for its deferred revenue financial liability balance and future gold price expectations as it relates to sales revenues. The Company continuously monitors precious metal trading prices as they are included in projections prepared to determine its future strategy.

NOTE 21 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, issue debt instruments or return capital to its shareholders.

(Unaudited - Expressed in US Dollars)

NOTE 21 – CAPITAL MANAGEMENT (continued)

The Company considers its current capital structure to consist of secured debentures of $1,467,361 (April 30, 2018 - $1,483,889), promissory notes of $ 6,726,008 (April 30, 2018 - $nil) and shareholders' equity of $6,532,339 (April 30, 2018 - $3,194,197). The Company's ability to generate sufficient funds to service its debts and to provide funding for future operations are dependent on restructuring its secured debentures and raising additional funds to achieve projected future proceeds from mineral processing operations. Notwithstanding these proceeds the Company expects to continue to be dependent on its capital resources which are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets and by its ability to compete for investor support of its projects. The Company is not subject to externally imposed capital requirements.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the further operation of its Peruvian ore processing operations the Company prepares expenditure budgets which are updated as necessary and are reviewed and approved by the Company's Board of Directors.

NOTE 22 – INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Three months ended January 31,		Nine months ended January 31,	
		2019	2018	**2019**	2018
Cost of sales:				**$**	$
Ore		**7,913,889**	2,336,735	**18,497,638**	7,223,456
Salaries, benefits and other employee expenses		**527,133**	224,914	**1,190,836**	661,562
Production supplies		**597,791**	247,655	**1,419,055**	724,770
Transportation		**91,096**	73,011	**234,338**	179,449
Other production costs		**902,467**	92,959	**2,162,688**	737,382
Depreciation of property plant and equipment		**378,142**	138,289	**826,707**	406,776
Total cost of sales		**10,410,518**	3,113,563	**24,331,262**	9,933,395

(Unaudited - Expressed in US Dollars)

NOTE 22 – INFORMATION INCLUDED IN THE CONSOLIDATED STATEMENTS OF OPERATIONS (continued)

		Three months ended January 31,		Nine months ended January 31,	
	Note	**2019**	2018	**2019**	2018
Corporate and administrative expenses:					
Consulting fees		**21,099**	6,539	**44,727**	32,582
Management fees and salaries	14	**322,607**	228,256	**821,311**	695,269
Depreciation	8	**3,652**	31,576	**26,299**	88,556
Directors fees		**7,299**	8,729	**22,199**	20,930
Investor relations and regulatory fees		**114,124**	110,907	**273,075**	275,828
Office, rent, utilities, insurance and other	14	**135,442**	82,840	**393,346**	262,156
Professional fees		**99,474**	47,887	**260,536**	171,049
Share-based payments	14	**55,886**	25,731	**123,975**	42,729
Terminated transaction costs		**12,600**	-	**12,600**	-
Travel and accommodation		**29,758**	14,934	**72,230**	38,620
Total corporate and administrative expenses		**801,941**	557,399	**2,050,298**	1,627,719
Finance and other income (expense):					
Accretion expense		**(23,937)**	(8,577)	**(45,906)**	(21,392)
Gain (loss) in disposition of fixed assets		**(5,713)**	-	**(5,713)**	-
Other impairments		**(11,294)**	-	**(11,294)**	-
Finance costs		**(120,163)**	(157,882)	**(341,713)**	(494,286)
Foreign exchange gain (loss)		**34,355**	19,744	**(113,015)**	25,235
Fair value gain (loss) on derivative financial liability		**(80,962)**	(9,257)	**(30,336)**	32,783
Loss in fair value adjustments of financial liability		**(121,610)**	-	**(299,975)**	-
Total finance and other income (expense)		**(329,324)**	(155,972)	**(847,952)**	(457,660)

NOTE 23 – SUPPLEMENTAL CASH FLOW INFORMATION

Interest and income taxes paid in cash during the nine months ended January 31, 2019, were $143,088 (2018 - $32,975) and $25,140 (2018 - $17,509), respectively. Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.