Black Bull Resources Inc.

Condensed Interim Financial Statements (Unaudited)

March 31, 2019

BLACK BULL RESOURCES INC.

STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)		Mar 31 2019		Sept 30 2018
ASSETS				
Current				
Cash and cash equivalents	$	23,547	$	28,195
Funds Held Iin Trust		655,595		
Receivables		(2,602)		1,870
Prepaid expenses		3,472		8,487
Investments		500,000		8,487
Other Assets		296,927		295,511
		1,476,939		342,550
Property, plant and equipment		363		463
Mineral claims		1		1
Deferred costs		1		1
	$	1,477,305	$	343,015
LIABILITIES				
Current				
Payables and accrued liabilities	$	78,987	$	122,164
Demand Loan		394,484		351,024
Deposit		53,778		53,778
Asset retirement obligation		264,494		262,097
		791,744		789,063
SHAREHOLDERS' EQUITY				
Capital stock (Note 3)		24,883,518		23,588,518
Contributed surplus (Note 3)		2,070,133		2,070,133
Deficit		(26,268,090)		(26,113,186)
		685,561		(454,535)
	$	1,477,305	$	334,528

Continuation of business (Note 1) and reference Subsequent Events (Note 16)

These financial statements were approved for issue by the Board of Directors on May 29, 2018 and are signed on its behalf by:

David Crombie Director

Dave Wood Director

See accompanying notes to the financial statements

BLACK BULL RESOURCES INC.

STATEMENTS OF LOSS
AND COMPREHENSIVE LOSS PERIOD ENDED MARCH 31
Unaudited

	2019		2018	
	3 months	**6 months**	**3 months**	**6 months**
COSTS AND EXPENSES				
Operations and overhead	6,012	11,041	9,501	16,605
Amortization	49	99	-	99
Sales and marketing	125	265	200	215
General and administration	126,584	142,671	46,141	44,016
	132,770	154,076	55,842	60,935
LOSS BEFORE OTHER ITEMS	(132,770)	(154,076)	(55,842)	(60,935)
OTHER ITEMS				
Accretion	(1,199)	(2,397)	(1,199)	(2,398)
Interest income	734	1,569	708	1,434
NET (LOSS) AND COMPREHENSIVE (LOSS) FOR THE PERIOD	(133,235)	(154,904)	(56,333)	(61,899)
DEFICIT AT BEGINNING OF PERIOD	(26,134,855)	(26,113,186)	(26,019,348)	(25,998,436)
DEFICIT AT END OF PERIOD	$ (26,268,090)	(26,268,090)	$ (26,075,681)	(26,060,335)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of shares	11,534,287	11,534,287	3,283,906	3,283,906

BLACK BULL RESOURCES INC.

STATEMENTS OF CASH FLOWS
PERIOD ENDED MARCH 31
(unaudited)

	2019			2018		
		3 months	6 months		3 months	6 months
OPERATING ACTIVITIES						
Net loss for the period		(133,235)	(154,904)		(40,987)	(61,899)
Non-cash items included in net loss						
Amortization		49	99		49	99
Accretion on asset retirement obligation		1,199	2,397		1,199	2,398
		(131,988)	(152,408)		(39,739)	(59,402)
Change in non-cash working capital						
Receivables		5,243	4,472		9,417	3,406
Prepaid expenses		2,054	5,015		(2,128)	3,672
Payables and accrued liabilities		(46,291)	(43,500)		(20,784)	(16,412)
		(170,982)	(186,421)		(53,234)	(68,736)
INVESTING ACTIVITIES						
Reclamation deposits		(708)	(1,417)		(708)	(1,417)
Investment		(500,000)	(500,000)			
		(671,691)	(687,838)		(53,943)	(70,153)
FINANCING ACTIVITIES						
Demand Loan		28,460	43,460		57,595	57,595
Share Issue		798,200	798,200		57,595	57,595
Preferred Shares		496,800	496,800		57,595	57,595
		1,323,460	1,338,460		57,595	57,595
Change in cash and cash equivalents during the period		651,769	650,622		3,653	(12,558)
Cash and cash equivalents at beginning of the period		27,373	28,521		20,221	36,432
Cash and cash equivalents at end of period	$	679,142	679,142	$	23,874	23,874
Supplemental cash flow information:						
Interest received		(708)	(1,417)		(708)	(1,417)
Cash and cash equivalents are comprised of:						
Cash	$	1,137	1,137	$	1,464	1,464
Trust Account		655,595	655,595			
Guaranteed investment certificates		22,410	22,410		22,410	22,410
	$	679,142	679,142	$	23,874	23,874

BLACK BULL RESOURCES INC.

STATEMENTS OF CHANGES IN EQUITY

PERIOD ENDED MARCH 31 2018 AND MARCH 31, 2019

	Common Shares		Preferred Shares		Share based payment reserve	Deficit	Total Equity
	Without par Value	$	#	$	$	$	$
Balance September 30, 2017	**3,552,287**	**23,588,518**			**2,070,133**	**(25,998,436)**	**(339,785)**
Net (loss)						(61,899)	(61,899)
Balance March 31, 2018	**3,552,287**	**23,588,518**			**2,070,133**	**(26,060,335)**	**(401,684)**
Balance September 30, 2018	**3,552,287**	**23,588,518**			**2,070,133**	**(26,113,186)**	**(454,535)**
Investment - Shares	7,982,000	798,200					798,200
Investment - Preferred Shares			49,680	496,800			496,800
Net (loss)						(154,904)	(154,904)
Balance March 31, 2019	**11,534,287**	**24,386,718**	**49,680**	**496,800**	**2,070,133**	**(26,268,090)**	**685,561**

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

For period ended March 31, 2019 (Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND CONTINUATION OF BUSINESS

The Company with the registered and head office at 6278 Yukon Street, Halifax, Nova Scotia, was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008 the Company continued under the Canada Business Corporations Act.

The Company is in the business of mining, processing, and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

On September 19, 2017 and amended on May 26, 2018, the Company entered into an asset purchase agreement with a group of investment and business professionals (the "Vendors") to affect an arm's length "Change of Business" transaction (as defined in Policy 5.2 of the TSX Venture Exchange). Under the amended terms of the transaction, the Company will acquire certain shareholdings from the Vendors in exchange for the issuance of 38,000,000 Common Shares of the Company as well as the creation and issuance to the Vendors of 100,000 Series A Preferred Shares of the Company.

The transaction, which is subject to regulatory and final closing conditions, will see the Company transition from a resource issuer to an investment issuer within the meaning of such terms in the policies of the TSX Venture Exchange. As a condition of closing, the Company and Vendors are required to jointly complete a private placement financing for gross proceeds of not less than $3,000,000. The closing is also subject to a number of other conditions, including but not limited to: requisite regulatory corporate, and third-party approvals, including TSX Venture Exchange approval; all required board approvals by the Company; the receipt of a fairness opinion to the satisfaction of the Board of Directors of the Company; and completion of due diligence investigations to the satisfaction of each of the Company and the Vendors.

In accordance with TSX Venture Exchange policy, sponsorship of a "Change of Business" transaction is required unless exempt therefrom in accordance with the TSX Venture Exchange's policies or a waiver is provided. The Company intends to apply for exemption from the sponsorship requirements pursuant to Section 3.4(a)(ii) of Policy 2.2 of the TSX Venture Exchange. If the exemption is not granted, the Company would be required to engage a sponsor or will seek a waiver from the sponsorship requirement.

GOING CONCERN

While the financial statements have been prepared based on accounting principles applicable to a going concern, several adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company continues to incur significant operating losses. The Company has no revenue-generating operating activities and has a significant accumulated deficit. If the trend continues, the current working capital is not sufficient to sustain the Company for the next 12 months. Such material uncertainties cast substantial doubt as to the ability of the Company to satisfy its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon maintaining control of its mineral resources until such time as the market improves. However, there can be no assurances that the steps management is taking will be successful. Management's opinion is that the Company must conserve cash resources while the Company seeks strategic options.

The Company's ability to continue as a going concern is dependent on the continued financial support of a director, either directly or indirectly through a Company under his control. As at the reporting period date, the Company has received $394,484 (September 30, 2018 - $351,024) of financing via demand loans from these related parties.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements for the period ended March 31, 2019 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"). Specifically, they have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. The unaudited condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the audited financial statements for the year ended September 30, 2018, which has been prepared in accordance with IFRS.

Basis of Measurement

These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these unaudited condensed interim financial statements are described in Note 2 of the audited financial statements for the year ended September 30, 2018. There have been no changes to the Company's accounting policies since September 30, 2018 other than outlined below.

New and revised standards and interpretations

The Company has adopted the new and revised standards and interpretations issued by the IASB listed below effective October 1, 2018. These changes were made in accordance with the transitional provisions outlined in the respective standards and interpretations and had no material impact on the financial statements.

Amendments to IFRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions.

IFRS 9 Financial Instruments

Effective October 1, 2018, the Company adopted IFRS 9, which replaced IAS39. The Company applied the new standard retrospectively and, in accordance with the transitional provisions, comparative figures have not been restated. The adoption of IFRS 9 did not have a material impact on the Company's Financial Statements. The nature and effects of the key changes to the Company's accounting policies resulting from the adoption of IFRS 9 are summarized below.

Classification of Financial Assets and Financial Liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit and loss ("FVTPL"). The previous IAS 39 categories of held to maturity, loans and receivables and available for sale are eliminated. IFRS 9 bases the classification of financial assets on the contractual cash flow characteristics and the Company's business model for managing the financial asset. Additionally, embedded derivatives are not separated if the host contract is a financial asset within the scope of IFRS 9. Instead, the entire hybrid contract is assessed for classification and measurement. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The differences between the two standards did not impact the Company at the time of transition.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments measured at FVOCI. Under IFRS 9, credit losses will be recognized earlier than under IAS 39.

Transition

On October 1, 2018, the Company:

- Identified the business model used to manage its financial assets and classified its financial instruments into the appropriate IFRS 9 category; and
- Applied the ECL model to financial assets classified as measured at amortized cost.

The classification and measurement of financial instruments under IFRS 9 did not have a material impact on the Company's opening retained earnings as at October 1, 2018. In addition, the application of the ECL model to financial assets classified as measured at amortized cost did not result in a material adjustment on transition. The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at October 1, 2018 for each class of the Company's financial assets and financial liabilities. The Company has no contract assets or debt investments measured at FVOCI.

Financial Instrument	IAS 39		IFRS 9	
Asset	Classification	Measurement	Classification	Measurement
Cash and cash equivalents	FVTPL	Fair value	Amortized cost	Amortized cost
Receivables	Loans and receivables	Amortized cost	Amortized cost	Amortized cost
Liabilities				
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost	Amortized cost
Demand loan	Other financial liabilities	Amortized cost	Amortized cost	Amortized cost

IFRS 15 Revenue from Contracts with Customers

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. The adoption of this new standard had no material impact on the Company's financial statements.

Future accounting pronouncements

The following accounting standards and amendments are effective for future periods.

<u>IFRS 16 Leases</u>

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company is still assessing the impact of this new standard.

This standard is effective for reporting periods beginning on or after January 1, 2019.

4. DEPOSIT

The Company has entered into an arm's length Share Exchange Agreement (the "Share Exchange Agreement") dated April 23, 2014, for the acquisition (the "Transaction") by the Company of all of the issued and outstanding shares of AUS Industrial Minerals Limited ("AUS"), a privately held company incorporated under the laws of British Columbia and wholly owned by AUS Streams.

On November 6, 2015, AUS Streams sold AUS Industrial Minerals Limited to DWF Capital Limited ("DWF"), a private equity group in Australia. DWF has re-named AUS Industrial Minerals Limited, to Renewable Energy Minerals Limited ("REM"). As a result, the proposed take-over transaction was with REM, a private company that is wholly owned by DWF.

Pursuant to the Share Exchange Agreement, AUS has advanced a non-refundable deposit in the amount of US$50,000 (CDN $53,778) in favour of the Company. In exchange, the Company has agreed to issue 333,333 common shares, of the Company at a deemed issue price $0.15 on the closing date, subject to the prior approval of the TSX- V.

These funds have been used to fund the legal requirements of the Agreement. To date, the Company has dispersed the total amount of $53,778 on transaction-related expenditures, which have been expensed in the period incurred.

During the year ended September 30, 2017, the Transaction was terminated by the Company. The Company and REM have not reached an agreement as to settlement of the deposit hence the balance remains to be recognized as a liability on the statement of financial position as at March 31, 2019.

5. RECEIVABLES

		Mar 31, 2019		Sept 30, 2018
Harmonized Sales Tax (HST)	$	-2,844	$	1,870

6. PROPERTY, PLANT AND EQUIPMENT

						Sep 30, 2018
				Accumulated		Net Book
		Cost		Amortization		Value
Computer equipment	$	43,132	$	42,672	$	460
Equipment - Water Treatment		107,871		107,871		-
Building - Water Treatment		105,821		105,821		-
Leasehold improvements		17,115		17,115		-
Site improvements		216,210		216,209		1
	$	490,149	$	489,688	$	461

						Mar 31, 2019
				Accumulated		**Net Book**
		Cost		**Amortization**		**Value**
Computer equipment	**$**	**43,132**	**$**	**42,771**	**$**	**361**
Equipment - Water Treatment		**107,871**		**107,871**		**-**
Building - Water Treatment		**105,821**		**105,821**		**-**
Leasehold improvements		**17,115**		**17,115**		**-**
Site improvements		**216,210**		**216,209**		**1**
	$	**490,151**	**$**	**433,093**	**$**	**362**

7. MINERAL CLAIMS

		Mar 31, 2019		Sep 30, 2018
Cost, beginning and end of period	$	972,183	$	972,183
Accumulated depletion, beginning and end of period		(14,381)		(14,381)
Accumulated impairment, beginning and end of period		(957,801)		(957,801)
Accumulated depletion and impairments, beginning and end of period		(972,182)		(972,182)
Carrying value, end of period	$	1	$	1

On July 13, 2018, the Company entered into an option agreement with Infrastructure Commodities Limited ("ICML"), a related party by virtue of a common officer and director. Under the terms of the agreement, the Company granted ICML the sole and exclusive right and option to explore and mine the Company's White Rock property located in Yarmouth County, Nova Scotia. In consideration of the grant of the option, ICML will pay to the Company 50% of the net after tax profits from the sale of quartz, kaolin and mica products mined at the property.

The agreement was subject to several conditions to closing. ICML has not complied with the terms of the agreement and the option has lapsed. Subsequent to year-end, the Company entered into a new option agreement with ICML (see Note 16).

8. EXPLORATION AND EVALUATION ASSETS

	March 31, 2019	September 30, 2018
Cost, beginning and end of period	**$ 2,994,903**	$ 2,994,903
Accumulated depletion, beginning and end of period	**(48,659)**	(48,659)
Accumulated impairment, beginning and end of period	**(2,946,243)**	(2,946,243)
Accumulated depletion and impairments, beginning and end of period	**(2,994,902)**	(2,994,902)
Carrying value, end of period	**$ 1**	**$** 1

9. OTHER ASSETS

Other assets consist of funds held under the National Resources Reclamation Fund by the Province of Nova Scotia.

In addition, an irrevocable standby letter of credit of $17,400 (September 30, 2018 - $17,400) has been issued to the Province of Nova Scotia (Note 15).

10. PAYABLES AND ACCRUED LIABILITIES

	Dec 31, 2018	Sept 30, 2018
Trade payables	**$62,780**	$122,164

11. ASSET RETIREMENT OBLIGATION

The Company's total asset retirement obligation is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred.

Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan every three years.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant. The total undiscounted amount of the estimated cash flows required to settle its asset retirement obligations are approximately $263,296 (September 30, 2018 - $262,097) which are expected to be settled over the next year. A risk-free interest rate of nil% (due to the nature of the liability being current) and an inflation rate of 2% were used to calculate the liability.

Changes to the liabilities were as follows:

		Mar 31, 2019		Sep 30, 2018
Balance, beginning of period	**$**	**262,097**	$	257,303
Accretion		**2,367**		4,794
Balance, end of period	**$**	**264,494**	$	262,097

12. SHAREHOLDERS' EQUITY

a) Authorized

Unlimited common shares without par value
Unlimited preferred shares without par value

b) Issued, common shares

	March 31, 2019		September 30, 2018	
	#	$	#	$
Balance, beginning of period	**3,552,287**	**23,588,518**	3,552,287	23,588,518
Balance, end of period	**11,534,287**	**24,386,718**	3,552,287	23,588,518

c) Issued, preferred shares

	March 31, 2019		September 30, 2018	
	#	$	#	$
Balance, beginning of period	-	-	-	-
Balance, end of period	**49,680**	**$496,800**	-	-

d) Contributed Surplus

	Stock Options Fair Value	Warrants Fair Value	Total
Balance, Sept 30, 2018	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**
Balance, Dec 31, 2018	**$ 1,236,797**	**$ 833,336**	**$ 2,070,133**

The contributed surplus of $2,070,133 (September 30, 2018 - $2,070,133) consists of the fair value attributed to options and warrants granted and recognized to date.

e) Stock options

The Company has adopted, and its shareholders have approved, a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for a period of up to five years. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority.

The Company did not have any options outstanding or exercisable as at March 31, 2019 and September 30, 2018.

13. DEMAND LOANS

During the six month period ended March 31, 2019, a director or a corporation under his control, Zenith Appraisal & Land Consulting Ltd. (the “Holders”) advanced funds under a promissory note in the amount of $43,460 (year ended September 30, 2018 - $108,595 advanced under four promissory notes). The loans are covered under a general security agreement, non-interest bearing and due on demand by the Holders or shall be converted to common shares of Black Bull Resources Inc. at a share price to be determined at the time of settlement.

14. RELATED PARTY BALANCES AND TRANSACTIONS

The following amounts are due to related parties:

Demand Loans		
	Mar 31, 2019	Sep 30, 2018
David Wood and Zenith Appraisal & Land Consulting Ltd.	**$ 394,484**	$ 351,024

The following amounts are included in payables and accrued liabilities:

	March 31, 2019	September 30, 2018
Due to directors and senior officers	**$nil**	$775

For the periods ending March 31, 2019 and December 31, 2017, the following is a summary of related party expenditures not disclosed elsewhere in these financial statements.

Six- month period ending		
	Mar 31, 2019	Mar 31, 2018
Consulting fees charged directly or indirectly by the CFO	**$ 6,850**	$ 5,987

Stock-based compensation expense for the directors and senior officers was $ nil (2017- $nil) for the period ending March 31, 2019.

15. RESTRICTED CASH

The Company has provided an assignment of cash as security on the irrevocable standby letter of credit to the Province of Nova Scotia (Note 9) and for corporate credit card liabilities. As at March 31, 2019, $17,400 (September 30, 2018 - $17,400) was held in a guaranteed investment certificate as security.

16. SUBSEQUENT EVENTS

1) On February 4, 2019, the Company entered into an option agreement with Infrastructure Commodities Limited ("ICML"), a related party by virtue of a common officer and director. Under the terms of the agreement, the Company granted ICML the sole and exclusive right and option to explore and mine the Company's White Rock property located in Yarmouth County, Nova Scotia. In consideration of the grant of the option, ICML will pay to the Company 50% of the net after tax profits from the sale of quartz, kaolin and mica products mined at the property.

   The agreement is subject to several conditions to closing as follows:

- Within 1 month of the option grant date, and no later than Feb 28, 2019, ICML must prepare a paper describing the anticipated exploitation prospects to facilitate the preparation of a bankable report;

- Within 3 months of the option grant date, and not later than May 28, 2019, ICML must:

a) Research and prepare a review of the applicable quartz market for use in preparing a plan for exploiting the quartz prospects on the property;

b) Prepare a report on options to pre-treat feedstock prior to delivery to high value clients;

c) Preview potential offtake partners in the USA, Canada, EU and Asia for higher-end market opportunities;

d) Preview potential exploitation partners; and

e) Preview prospects for beneficiation technology located in Nova Scotia.

- Within 4 months of the option grant date, and not later than June 28, 2019, ICML must:

a) Outline the prospective project value and return to investors in a pre-bankable report; and

b) Prepare an outline of a budget for completion of due diligence and a bankable report on the exploitation of the quartz, kaolin and mica assets on the property.

- Within 5 months of the option grant date, and not later than July 28, 2019, ICML must be prepared to review project possibilities with the Company for the way forward for exploitation of the property for quartz, kaolin and mica production and sale of aforesaid.

2) In January 2019, a related party advanced funds under a promissory note in the amount of $18,460. The loan is non-interest bearing, due on demand or shall be converted to shares of Black Bull Resources Inc. at a price to be determined.

3) In March 2019, the Company completed the issuance of 7,982,000 Common Shares and 49,680 Series A Preferred Shares for gross proceeds of $1,295,000. In April 2019, the Company completed the issuance of 130,499 Series A Preferred Shares for gross proceeds of 1,304,990.

4) The Company has used a portion of the Private Placement proceeds to make investments of $500,000 in Previcare and $250,000 in Foamtech.

17. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Interest rate risk: The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. The Company has no interest-bearing debt. The Company believes its interest rate risk is not significant.

Credit risk: The Company is exposed to credit risk from receivables, which is the risk that they will not be received in full when due. Loss allowances are provided for potential losses that have been incurred at the reporting period date (estimated by management based on previous experience and its assessment of the current economic environment). These loss allowances are $nil as at March 31, 2019 (September 30, 2018 - $nil). The carrying amount of receivables on the balance sheet represents the Company's maximum credit exposure at the balance sheet date.

Capital management: The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of debt and equity. The capital structure of the Company consists of shareholders' equity (deficit) comprising of capital stock, contributed surplus and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. The Company's capital management objectives are unchanged from the prior period. The Company has no externally imposed capital requirements.

Total managed capital was as follows:

		Sept 30 2018	S	Sept 30 2017
Capital Stock	S	**23,588,518**		23,588,518
Contributed Surplus		**2,070,133**		2,070,133
Deficit		**(26,125,143)**		(25,998,436)
	$	**(466,492)**	$	(339,785)

CORPORATE INFORMATION

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GENERAL INFORMATION

Trading Symbol: BBS
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