

**GOLDPLAY EXPLORATION LTD.**  
(formerly Soleil Capital Corp.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended March 31, 2019  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

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

## **NOTICE TO READER**

Pursuant to 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 condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The condensed interim consolidated financial statements of the Company for the quarter ended March 31, 2019 have been prepared by and are the responsibility of the Company's management.

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

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

**GOLDPLAY EXPLORATION LTD.** (formerly Soleil Capital Corp.)  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by management)  
(Expressed in Canadian Dollars)

	March 31, 2019	December 31, 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash (Note 4)	\$ 468,889	\$ 1,284,128
Receivables (Note 5)	16,185	18,696
Prepaid	<u>75,540</u>	<u>70,412</u>
	560,614	1,373,236
<b>Equipment</b> (Note 6)	14,358	15,569
<b>Deferred acquisition costs</b> (Note 7)	-	320,000
<b>Exploration and evaluation assets</b> (Note 8)	879,900	559,900
<b>Value added tax</b> (Note 5)	<u>410,342</u>	<u>362,249</u>
	<u>\$ 1,865,214</u>	<u>\$ 2,630,954</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 10 and 11)	<u>\$ 500,969</u>	<u>\$ 350,223</u>
<b>Shareholders' equity</b>		
Share capital (Note 12)	8,953,345	8,953,345
Share compensation reserve (Note 12)	1,013,880	1,011,772
Deficit	<u>(8,602,980)</u>	<u>(7,684,386)</u>
	<u>1,364,245</u>	<u>2,280,731</u>
	<u>\$ 1,865,214</u>	<u>\$ 2,630,954</u>

**Nature of operations and going concern** (Note 1)

**On behalf of the Board:**

\_\_\_\_\_  
*"Marcio Fonseca"* Director      \_\_\_\_\_  
*"Michael Thomson"* Director

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**GOLDPLAY EXPLORATION LTD.** (formerly Soleil Capital Corp.)  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by management)  
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
<b>EXPENSES</b>		
Amortization (Note 6)	\$ 1,211	\$ 899
Consulting (Note 11)	126,481	64,250
Exploration expenditures (Note 9)	474,687	279,772
Foreign exchange loss	10,921	12,208
Investor relations	193,315	18,977
Office	59,900	46,933
Professional fees (Note 11)	22,533	126,255
Property investigation	-	2,400
Regulatory and transfer agent	17,505	16,405
Share-based compensation (Note 11 & 12)	2,108	393,389
Travel	<u>10,659</u>	<u>15,125</u>
	(919,320)	(976,613)
Recovery on exploration and evaluation assets (Note 8)	-	65,000
Other income	726	1,091
Listing expense (Note 3)	<u>-</u>	<u>(1,289,202)</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (918,594)</b>	<b>\$ (2,199,111)</b>
<b>Loss per common share</b>		
-Basic and diluted	\$ (0.02)	\$ (0.10)
<b>Weighted average number of common shares outstanding</b>		
-Basic and diluted	41,005,572	21,410,361

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

**GOLDPLAY EXPLORATION LTD.** (Formerly Soleil Capital Corp.)  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by management)  
(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (918,594)	\$ (2,199,724)
Items not affecting cash:		
Amortization	1,211	899
Listing expense	-	1,289,202
Share-based compensation	2,108	393,389
Changes in non-cash working capital items:		
(Increase) decrease in receivables	2,511	(7,742)
Increase in prepaids	(5,128)	(82,500)
Increase in value added tax	(38,988)	(44,982)
Increases (Decrease) in accounts payable and accrued liabilities	141,641	(160,939)
Net cash used in operating activities	<u>(815,239)</u>	<u>(812,397)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash acquired from reverse acquisition (Note 3)	-	809,621
Recovery on exploration and evaluation assets	-	35,000
Net cash provided by investing activities	<u>-</u>	<u>844,621</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issuance of shares	-	3,145,150
Share issue costs	-	(146,651)
Proceeds from loan payable	-	50,000
Repayment of loan payable	-	(50,000)
Net cash provided by financing activities	<u>-</u>	<u>2,998,499</u>
<b>Change in cash during the period</b>	<b>(815,239)</b>	<b>3,030,723</b>
<b>Cash, beginning of period</b>	<b>1,284,128</b>	<b>125,421</b>
<b>Cash, end of period</b>	<b>\$ 468,889</b>	<b>\$ 3,156,144</b>

**Supplemental disclosure with respect to cash flows** (Note 13)

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

**GOLPLAY EXPLORATION LTD.** (Soleil Capital Corp.)  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**  
(Expressed in Canadian Dollars)

	Share Capital		Subscriptions received in advance	Share compensation reserve	Deficit	Total
	Number of shares	Amount				
Balance, December 31, 2017	15,833,333	\$ 2,277,153	\$ 50,000	\$ 143,870	\$ (1,944,085)	\$ 526,938
Shares issued for:						
Private placement	10,501,239	3,150,372	(50,000)	-	-	3,100,372
Share issue costs	-	(153,167)	-	-	-	(153,167)
Exercise of options	223,889	44,778	-	-	-	44,778
Shares issued for non-cash:						
Reclassification of reserves on exercise of options	-	25,702	-	(25,702)	-	-
Shares to Soleil shareholders for RTO	6,200,000	1,860,000	-	-	-	1,860,000
Warrants to Soleil shareholders	-	-	-	75,455	-	75,455
Options to Soleil shareholders	-	-	-	104,904	-	104,904
Share-based compensation	-	-	-	393,389	-	393,389
Loss for the period	-	-	-	-	(2,199,724)	(2,199,724)
Balance, March 31, 2018	<u>32,758,461</u>	<u>7,204,838</u>	<u>-</u>	<u>691,916</u>	<u>(4,143,809)</u>	<u>3,752,945</u>
Shares issued for cash:						
Private placement	6,818,000	1,500,000	-	-	-	1,500,000
Share issue costs	-	(92,357)	-	-	-	(92,357)
Exercise of options	179,111	35,822	-	-	-	35,822
Shares issued for non-cash:						
Reclassification of reserves on exercise of options	-	20,562	-	(20,562)	-	-
Property acquisition	1,250,000	312,500	-	-	-	312,500
Finder's fees – warrants issued	-	(28,020)	-	28,020	-	-
Share-based compensation	-	-	-	312,398	-	312,398
Loss for the period	-	-	-	-	(3,540,577)	(3,540,577)
Balance, December 31, 2018	41,005,572	\$ 8,953,345	\$ -	\$ 1,011,772	\$ (7,684,386)	\$ 2,280,731
Share-based compensation	-	-	-	2,108	-	2,108
Loss for the period	-	-	-	-	(918,594)	(918,594)
Balance, March 31, 2019	<u>41,005,572</u>	<u>\$ 8,953,345</u>	<u>\$ -</u>	<u>\$ 1,013,880</u>	<u>\$ (8,602,980)</u>	<u>\$ 1,364,245</u>

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

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Goldplay Exploration Ltd. (the “Company”) (formerly Soleil Capital Corp. (“Soleil”) was incorporated on October 19, 2016 under the laws of British Columbia. The Company’s head office address is Suite 900 – 999 West Hastings Street, Vancouver, BC, V6C 2W2. The Company’s registered and records office is Suite 1100 – 736 Granville Street, Vancouver, B.C. V6Z 1G3. To date, the Company has not earned operating revenue.

On March 1, 2018, Soleil acquired all the issued and outstanding common shares of Goldplay Exploration Ltd. (“Goldplay”) by an Amalgamation Agreement (the “Transaction”) by issuing 15,833,333 common shares of Soleil. Because of the Transaction, Goldplay obtained a majority interest of the issued and outstanding shares of Soleil which constituted a reverse acquisition of Soleil by Goldplay, (the “Reverse Acquisition”) for accounting purposes with Goldplay being identified as the accounting acquirer, and accordingly, the Company is considered a continuation of Goldplay. The net assets of Soleil at the date of the reverse acquisition are deemed to have been acquired by Goldplay (Note 3). These condensed interim consolidated financial statements include the results of operations of Soleil from March 1, 2018. The comparative figures are those of Goldplay prior to the reverse acquisition, except for adjusting retroactively the capital of Goldplay to reflect the capital of the Company.

As at March 31, 2019, the Company has working capital of \$59,645 (December 31, 2018 – 1,023,013) and an accumulated deficit of \$8,602,980 (December 31, 2018 - \$7,684,386). The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of presentation**

The Board of Directors of the Company approved the condensed consolidated interim financial statements on May 28, 2019.

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”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. The condensed interim consolidated financial statements do not include all note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB. In the opinion of management, all adjustments considered necessary for fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2019 are not necessarily indicative of the results that may be expected for the year ending December 31, 2019.

**2. SIGNIFICANT ACCOUNTING POLICIES** (cont'd...)

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as held-for-trading, which are stated at their fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting. These condensed consolidated interim financial statements are prepared in Canadian dollars.

These consolidated financial statements of the Company include the balances of its subsidiaries, Goldplay de Mexico SA DE CV and Minera San Marcial SA de CV, which are wholly owned subsidiaries incorporated in Mexico.

The Company consolidates its subsidiaries on the basis that it controls the subsidiaries through its ability to govern its financial and operating policies. All intercompany transactions and balances are eliminated on consolidation.

**New standards and interpretations not yet adopted**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company:

- **IFRS 16 Leases:** New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The adoption of this new standards is not expected to have a significant impact on the Company's condensed consolidated interim financial statements

**3. REVERSE ACQUISITION**

As described in Note 1, on March 1, 2018, Soleil and Goldplay completed a Transaction which constituted a reverse acquisition.

Because of the Transaction, the shareholders of Goldplay obtained control of the combined entity by obtaining control of the voting power of the combined entity and the resulting power to govern the financial and operating policies of the combined entities. The Transaction constitutes a reverse acquisition of Soleil by Goldplay and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, *Share-based Payments* and IFRS 3, *Business Combinations*. As Soleil did not qualify as a business according to the definition in IFRS 3, this reverse acquisition does not constitute a business combination; rather it is treated as an issuance of shares by Goldplay for the net assets of Soleil and Soleil's listing status, and Goldplay as the continuing entity. Accordingly, no goodwill or intangible assets were recorded with respect to the transaction as it does not constitute a business.

For accounting purposes, Goldplay was treated as the accounting parent company (legal subsidiary) and the Company has been treated as the accounting subsidiary (legal parent) in these condensed interim consolidated financial statements. As Goldplay was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim consolidated financial statements at their historical carrying value. Soleil's results of operations have been included from March 1, 2018.



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MARCH 31, 2019  
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**3. REVERSE ACQUISITION** (cont'd...)

<b>Net assets of Soleil acquired:</b>	<b>\$</b>
Cash	809,621
Trade payable and accrued liabilities	(58,464)
<b>Net assets acquired</b>	<b>751,157</b>
<b>Consideration provided in reverse acquisition of Soleil:</b>	<b>\$</b>
Fair value of 6,200,000 common shares at \$0.30 per share <sup>(1)</sup>	1,860,000
Transaction costs – non-cash <sup>(2)</sup>	180,359
<b>Total consideration paid</b>	<b>2,040,359</b>
Net assets acquired	(751,157)
<b>Listing expense</b>	<b>1,289,202</b>

<sup>(1)</sup> The Transaction was measured at the fair value of the shares that Goldplay would have had to issue to shareholders of Soleil, to give shareholders of Soleil the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Goldplay acquiring Soleil.

<sup>(2)</sup> Non-cash transaction costs include the following:

- The fair value of the 500,000 agents' warrants (Note 12) assumed from Soleil of \$75,455;
- The fair value of the 619,998 stock options (Note 12) assumed from Soleil of \$104,904.

The fair values of the agents' warrant and options assumed from Soleil were estimated, using the Black-Scholes option pricing model with the following weighted average inputs:

	2018
Risk-free interest rate	1.84%
Expected life of warrants	2.23 years
Annualized volatility	100%
Dividend rate	0%

The listing expense charged to profit or loss reflects the difference between the fair value of the consideration paid by Goldplay, and the fair value of the net assets acquired from in accordance with IFRS 2 *Share-based payment*.

**4. CASH**

The Company's cash consists of the following:

	March 31, 2019	December 31, 2018
Cash held with banks in Canadian dollars	\$ 432,816	\$ 1,264,866
Cash held with banks in foreign currencies	36,073	19,262
<b>Total</b>	<b>\$ 468,889</b>	<b>\$ 1,284,128</b>

**GOLDPLAY EXPLORATION LTD.** (Soleil Capital Corp.)  
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MARCH 31, 2019  
(Expressed in Canadian Dollars)

**5. RECEIVABLES**

The Company's receivable primarily arise from refundable sales tax receivables from government taxation authorities in Canada and Mexico.

	March 31, 2019	December 31, 2018
HST receivable	\$ 16,185	\$ 15,769
Other receivables	-	2,927
Current receivable	\$ 16,185	\$ 18,696
VAT receivable	410,342	362,249
<b>Total receivable</b>	<b>\$ 426,527</b>	<b>\$ 380,945</b>

**6. PROPERTY, PLANT AND EQUIPMENT**

	Computer Equipment
<b>Cost:</b>	
Balance at December 31, 2018	\$ 22,957
Additions	-
<b>Balance at March 31, 2019</b>	<b>\$ 22,957</b>
<b>Accumulated Depreciation:</b>	
Balance at December 31, 2018	\$ 7,388
Depreciation	1,211
<b>Balance at March 31, 2019</b>	<b>\$ 8,599</b>
<b>Net Book Value:</b>	
<b>Balance at December 31, 2018</b>	<b>\$ 15,569</b>
<b>Balance at March 31, 2019</b>	<b>\$ 14,358</b>

**7. DEFERRED ACQUISITION COSTS**

The Company entered into an advisory service agreement with a company owned by a former officer of Goldplay relating to the acquisition of three Nevada exploration projects. The Company issued common shares valued at \$480,000 of which \$160,000 was allocated to acquisition cost of the Golconda property during the year ended December 31, 2018. The balance of \$320,000 was allocated to the Boldt and Stone Cabin properties as the acquisitions was completed during the period ended March 31, 2019. The officer was appointed after the closing of the transaction.

**8. EXPLORATION AND EVALUATION ASSETS**

The Company's capitalized acquisition expenditures on its exploration and evaluation assets are as follows:

	El Habal Mexico	San Marcial Mexico	Nevada USA	Total
Balance, December 31, 2017	\$ 35,000		172,400	207,400
Acquisition costs				
Shares issued	-	312,500	-	312,500
Cash	-	75,000	-	75,000
Total acquisition	-	387,500	-	387,500
Recovery during the period	(35,000)		-	(35,000)
Balance, December 31, 2018	\$ -	\$ 387,500	\$ 172,400	\$ 559,900
Acquisition costs				
Shares issued	-	-	320,000	320,000
Balance, March 31, 2019	\$ -	\$ 387,500	\$ 492,400	\$ 879,900

**San Marcial Property, Mexico**

The Company entered into an option agreement to acquire a 100% interest in the San Marcial property located in the Rosario Mining District, Sinaloa, Mexico. The option will be exercisable upon the Company paying an aggregate of \$2,575,000 in cash, issuing an aggregate of 3,500,000 common shares of the Company, incurring an aggregate of \$3,000,000 in exploration expenditures on San Marcial in tranches over a three-year period, granting to the vendor a net smelter returns royalty ("NSR") and the grant of equity participation rights over a one-year period, according to the following:

	Cash	Shares	Exploration Expenditures
Due within 5 business days of receipt of TSXV approval (the "Approval Date")	\$75,000(paid)	1,250,000 (issued)	-
Due by the first anniversary of the Approval Date	-	-	\$500,000
Due by the second anniversary of the Approval Date	-	750,000	\$1,000,000
Due by the third anniversary of the Approval Date	\$2,500,000	1,500,000	\$1,500,000
Total	\$2,575,000	3,500,000	\$3,000,000

The Company must also on or before the third anniversary of the Approval Date complete an updated resource estimate report conforming to the standards of NI 43-101. The updated resource estimate will form the basis for the NSR royalty to be granted and the purchase price related to the buy-back rights.

The NSR granted will be between 0.05% and 1.5% based on a NI 43-101 report.

The Company granted the vendor the right to purchase common shares in any future equity financing that the Company may complete during the one-year period following the Approval Date. This grant of participation rights will provide the vendor the right to purchase that number of common shares being offered by the Company in such financing as is equal to the vendor's then percentage interest in the issued share capital of the Company, for the consideration and on the same terms and conditions as offered to the other potential subscribers under such financing.

**8. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**El Habal Property, Mexico**

The Company acquired all 100% of the rights, title and interest in the El Habal Property by issuing 474,423 common shares of the Company valued at \$35,000. The property is subject to an NSR between 1.0% and 1.5%.

During fiscal 2018 the Company entered into an option agreement and royalty agreement for total sale proceeds of up to US\$2,000,000 + CAN\$100,000. Pursuant to these agreements, the Company received \$100,000 for the option to purchase a 1% NSR on the property and for a 1% royalty on four concessions adjacent to the property resulting in a recovery of \$65,000. Under the terms of the option agreement, the option agreement can be exercised to purchase up to a total 1% NSR royalty on the property by paying the Company US\$1,000,000 per 0.5% NSR, for a total option exercise price of US\$2,000,000 for a 1% NSR.

**Golconda Summit Property, Nevada USA**

The Company entered into a property option agreement to acquire a 100% interest in and to the Golconda Summit ("Golconda") property. The property is subject to a 1% NSR which may be repurchased for a cash payment of US\$1,000,000. For the Company to exercise the option the Company shall do the following;

Make cash payments, of US\$335,000 as follows:

- pay US\$10,000 (paid) on the execution of the Agreement;
- pay US\$15,000 on or before August 11, 2019;
- pay US\$15,000 on or before August 11, 2020;
- pay US\$20,000 on or before August 11, 2021;
- pay US\$25,000 on or August 11, 2022;
- pay US\$50,000 on or before each August 11, 2023, August 11, 2024, August 11, 2025 and August 11, 2026.

The Company may accelerate the exercise of the Option at any time during the term of the option by paying a lump sum cash payment equal to US\$1,000,000 less any annual option payments paid by the Company prior to the date thereof.

**Stone Cabin Property, Nevada USA**

The Company entered into a property option agreement to acquire a 100% interest in and to the Stone Cabin property. The property is subject to a 1% NSR which may be repurchased for a cash payment of US\$1,000,000. For the Company to exercise the option the Company shall do the following:

Make cash payments, of US\$335,000 as follows:

- pay US\$10,000 on the execution of the agreement;
- pay US\$15,000 on or before January 12, 2021;
- pay US\$15,000 on or before January 12, 2022;
- pay US\$20,000 on or before January 12, 2023;
- pay US\$25,000 on or January 12, 2024;
- pay US\$50,000 on or before each January 12, 2025, January 12, 2026, January 12, 2027, January 12, 2028 and January 12, 2029.

**8. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

The Company may accelerate the exercise of the Option at any time during the term of the option by paying a lump sum cash payment equal to US\$1,000,000 less any annual option payments paid by the Company prior to the date thereof.

**Boldt Property, Nevada USA**

The Company entered into a property option agreement to acquire a 100% interest in and to the Boldt property. The property is subject to a 1% NSR which may be repurchased for a cash payment of US\$1,000,000. For the Company to exercise the option the Company shall do the following:

Make cash payments, of US\$335,000 as follows:

- pay US\$10,000 on the execution of the agreement;
- pay US\$15,000 on or before January 12, 2021;
- pay US\$15,000 on or before January 12, 2022;
- pay US\$20,000 on or before January 12, 2023;
- pay US\$25,000 on or January 12, 2024;
- pay US\$50,000 on or before each January 12, 2025, January 12, 2026, January 12, 2027, January 12, 2028 and January 12, 2029.

The Company may accelerate the exercise of the Option at any time during the term of the option by paying a lump sum cash payment equal to US\$1,000,000 less any annual option payments paid by the Company prior to the date thereof.

**9. EXPLORATION EXPENDITURES**

Exploration expenditures for the period ended March 31 are comprised of the following:

	2019	2019	2019
	El Habal	San Marcial	Total
Assay	\$ -	\$ 9,023	\$ 9,023
Concession taxes	37,618	14,372	51,990
Consulting	7,997	38,452	46,449
Field	11,611	162,012	173,623
Geological	3,744	109,189	112,933
Geochemistry	2,972	9,177	12,149
Geophysical	-	38,983	38,983
Report preparation	-	29,537	29,537
<b>Total</b>	<b>\$ 63,942</b>	<b>\$ 410,745</b>	<b>\$ 474,687</b>

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**9. EXPLORATION EXPENDITURES (cont'd...)**

Exploration expenditures for the year ended December 31, 2018 are comprised of the following:

	2018	2018	2018	2018
	El Habal	San Marcial	Golconda	Total
Assay	\$ 20,642	\$ 27,094	\$ -	\$ 47,736
Concession taxes	63,092	14,259	8,955	86,306
Consulting	41,134	160,002	1,528	202,664
Drilling	286,544	-	-	286,544
Environmental	5,838	2,040	-	7,878
Field	178,353	295,670	1,500	475,523
Geological	160,395	189,646	-	350,041
Geochemistry	85,301	82,046	-	167,347
Geophysical	160,058	1,450	-	161,508
Geotechnical	-	-	-	-
Report preparation	-	11,395	-	11,395
Topography	3,971	28,638	-	32,609
<b>Total</b>	<b>\$ 1,005,328</b>	<b>\$ 812,240</b>	<b>\$ 11,983</b>	<b>\$ 1,829,551</b>

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	31-Mar 2019	December 31, 2018
Trade payables	\$ 459,969	\$ 317,223
Accrued liabilities	41,000	33,000
	<b>\$ 500,969</b>	<b>\$ 350,223</b>

**11. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the period ended March 31 were:

	2019	2018
Short-term benefits paid or accrued:		
Consulting fees	\$ 90,650	\$ 61,500
Share-based compensation	-	374,647
Professional fees	-	14,224
<b>Total remuneration</b>	<b>\$ 90,650</b>	<b>\$ 450,371</b>

Included in accounts payable and accrued liabilities as at March 31, 2019 \$154,751 (December 31, 2018 - \$100,023) owed to a director and companies controlled by a director or officer.

The CEO loaned the Company \$ Nil (December 31, 2018 - \$50,000). The loan was unsecured and bears a 10% per annum interest rate. The loan plus interest of \$Nil (December 31, 2018 - \$562) was repaid.

## **12. SHARE CAPITAL AND RESERVES**

Authorized – Unlimited common shares without par value

During the year ended December 31, 2018 the Company completed a subscription receipt financing of 7,501,239 subscription receipts at \$0.30 per subscription receipts, for gross proceeds of \$2,250,372 of which \$50,000 were subscriptions received in advance. The Company also paid a cash finder's fee of \$30,446 and issued 41,066 compensation warrants, valued at \$6,516. Additionally, professional fees of \$116,205 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs. Concurrent with the closing of the Transaction the subscription receipts were converted to the Company shares.

During the year ended December 31, 2018 the Company completed a private placement of 3,000,000 common shares at \$0.30 per common share for gross proceeds of \$900,000.

During the year ended December 31, 2018 the Company had 401,000 stock options exercised for proceeds of \$80,600

During the year ended December 31, 2018 the Company completed a private placement of 6,818,000 units at a price of \$0.22 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half of one common share purchase warrant ("warrant") and each whole warrant is exercisable into one common share, of the Company, for a period of two years at an exercise price of \$0.25 per warrant. The Company paid cash finders fees of \$55,766 and issued 225,608 agent warrants valued at \$21,504. Each agent warrant is exercisable for a period of two years at an exercise price of \$0.25 per agent warrant. Additionally, professional fees of \$13,995 were incurred in connection with this financing, and was recorded as an offset to share capital, as share issue costs.

### **Escrow Shares**

At March 31, 2019, there were 720,000 (December 31, 2018 – 900,000) shares held in escrow with the Company's registrar and transfer agent. On March 26, 2018, 120,000 shares were released from escrow and equal tranches of 180,000 common shares beginning on September 5, 2018 and every six months thereafter.

In connection with the reverse acquisition (Note 3), 7,450,447 shares were subject to an escrow agreement. As at March 31, 2019 4,470,268 common shares remain held in escrow. The common shares are subject to timed releases as follows:

- 10% released upon the date of listing on the TSX-V (listed on March 26, 2018)
- 15% released every six months thereafter until all escrow shares have been released (thirty-six months following the date of listing on the TSX-V).

### **Stock Options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, at its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years, and the exercise price of the stock options is set in accordance with the policies of the TSX-V.

As at March 31, 2019, the Company had stock options outstanding enabling the holder to acquire common shares as follows:

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**12. SHARE CAPITAL AND RESERVES (cont'd...)**

Number of Shares	Exercise Price		Expiry Date	Weighted Average Life Remaining
217,000	\$0.20	(Note 3)	January 29, 2027 <sup>(1)</sup>	7.84
1,580,178	\$0.30		March 1, 2023	3.92
150,000	\$0.30		March 14, 2023	3.95
450,000	\$0.30		May 7, 2023	4.10
1,450,000	\$0.22		December 19, 2023	4.72
250,000	\$0.20		January 10, 2024	4.78
<u>4,097,178</u>				<u>4.49</u>

(1) The Company revalued these 396,110 Soleil stock options upon completion of the reverse acquisition as described in Note 3.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2018	3,847,178	\$ 0.26
Granted	<u>250,000</u>	<u>0.20</u>
As at March 31, 2019	<u>4,097,178</u>	<u>\$ 0.26</u>
Number of options currently exercisable	<u>3,847,178</u>	<u>\$ 0.26</u>

During the period ended March 31, 2018, the Company recognized share-based payments expense of \$2,018 (2018 - \$393,389), in connection with the vesting of stock options granted.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options modified and granted during the period ended March 31, 2019, and 2018:

	2019	2018
Risk-free interest rate	-	1.99%
Expected life of options	-	5.00
Annualized volatility	-	100%
Dividend rate	-	0%

**Warrants**

The following common shares purchase warrants entitle the holder thereof to purchase one common share for each warrant. Warrant transactions are summarized as follows:



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**12. SHARE CAPITAL AND RESERVES (cont'd...)**

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2018	5,287,179	0.24
Expired	<u>(500,000)</u>	<u>0.20</u>
As at March 31, 2018	<u>4,787,179</u>	<u>\$ 0.24</u>

The weighted average remaining contractual life of warrants outstanding at March 31, 2019 was 1.91 (December 31, 2018 – 1.96) years.

Warrants outstanding are as follows:

Number of Shares	Exercise Price	Expiry Date
677,747	\$ 0.22	March 15, 2022
433,758	\$ 0.18	March 1, 2020
41,066	\$ 0.30	March 1, 2020
2,786,917	\$ 0.25	November 30, 2020
622,083	\$ 0.25	December 7, 2020
225,608	\$ 0.25	December 7, 2020
<u>4,787,179</u>		

The weighted average Black-Scholes inputs are as follows;

	March 31, 2019	March 31, 2018
Expected life of warrants	-	1.00
Annualized volatility	-	100%
Dividend rate	-	-
Discount rate	-	1.76%

**13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

There were no significant non-cash transactions during the period ended March 31, 2019;

Significant non-cash transactions during the period ended March 31, 2018;

- allocation of subscriptions received in advance of \$50,000.
- upon completion of the Transaction, the Company issued 6,200,000 common shares with a fair value of \$1,860,000 (Note 3).
- issued 41,066 agent warrants with a fair value of \$6,516 recorded as shares issuance costs.
- deferred financing costs in accounts payable of \$10,890.
- reclassification of reserves in share capital of \$25,702.

**14. SEGMENTED INFORMATION**

The business of the Company is the acquisition and exploration of mineral properties which is considered one business segment.

Geographic information is as follows:

	March 31, 2019	December 31, 2018
Exploration and evaluation assets		
Mexico	\$ 387,500	\$ 387,500
USA	492,400	172,400
Total	\$ 879,900	\$ 559,900

**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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 cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

**Financial risk factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote and has deposited cash in high credit quality financial institutions.

*Liquidity risk*

As of March 31, 2019, the Company had cash balance of \$468,889 to settle current liabilities of \$500,969. The Company is not exposed to liquidity risk.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign

**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

exchange rates, and commodity and equity prices.

*Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

*Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in foreign currency. Amounts exposed to foreign currency risk include cash of MX\$525,460 as of March 31, 2019 (December 31, 2018 -MX\$227,331). A 10% change in foreign exchange rates will affect profit or loss by \$3,623.

*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 profit or loss 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 profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

**16. CAPITAL MANAGEMENT**

The Company defines capital that it manages as shareholders' equity (deficiency), consisting of issued common shares, stock options and warrants.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration 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.

The Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so. Management reviews its capital management

approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.