INTERLAPSE TECHNOLOGIES CORP.
(Formerly Coronado Resources Ltd.)

Consolidated Financial Statements

February 28, 2019
and
February 28, 2018

(Expressed in Canadian dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Interlapse Technologies Corp. (formerly Coronado Resources Ltd.),

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Interlapse Technologies Corp. (formerly Coronado Resources Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at February 28, 2019 and 2018 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the consolidated financial position of the Company as at February 28, 2019 and 2018, and its financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC, Canada
June 28, 2019

INTERLAPSE TECHNOLOGIES CORP.
(Formerly Coronado Resources Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at February 28,		2019		2018
Assets				
Current assets				
Cash and cash equivalents	$	741,360	$	1,479,901
Amounts receivable		80,371		4,082
Loan receivable (Note 4)		100,000		-
Marketable securities (Note 3)		-		56,375
Prepaid expenses		14,667		4,667
Shares receivable		-		54,812
		936,398		1,599,837
Restricted cash		34,585		34,585
	$	970,983	$	1,634,422
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities	$	77,363	$	27,231
		77,363		27,231
Shareholders' equity				
Capital stock (Note 5(b))		20,277,801		20,277,801
Contributed surplus (Note 5(c))		1,657,109		1,657,109
Deficit		(21,041,290)		(20,327,719)
		893,620		1,607,191
	$	970,983	$	1,634,422

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

See accompanying notes.

These financial statements are authorized for issue by the Board of Directors on June 28, 2019.

"Giuseppe (Pino) Perone"
…………………………………………………Director
Giuseppe (Pino) Perone

"Ashley Garnot"
…………………………………………………Director
Ashley Garnot

INTERLAPSE TECHNOLOGIES CORP.

(Formerly Coronado Resources Ltd.)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended February 28,	2019	2018
General and administrative expenses		
Audit and accounting	$ 21,035	$ 17,622
Bank charges	1,119	865
Business development	321,898	40,587
Consulting and director fees	1,250	1,000
Insurance	8,000	8,000
Legal	99,989	6,854
Management fees	35,227	38,593
Office and administration	1,060	346
Office rent (recovery)	-	(1,905)
Shareholder relations	160,447	22,145
Transfer and filing fees	45,237	37,947
Travel	5,656	17,984
	(700,918)	(190,038)
Other items		
Foreign exchange gain (loss)	1,881	(2,796)
Interest and accretion income	18,956	19,645
(Loss) gain on sale of marketable securities	(33,490)	82,510
	(12,653)	99,359
Net loss and comprehensive loss for the year	$ (713,571)	$ (90,679)
Loss per share, basic and diluted	$ (0.11)	$ (0.02)
Weighted average number of common shares outstanding	6,462,822	5,752,686

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.
(Formerly Coronado Resources Ltd.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended February 28,	**2019**	**2018**
Operating activities		
Net loss for the year	$ (713,571)	$ (90,679)
Items not involving cash:		
Interest and accretion	(2,383)	(5,756)
Loss (gain) on sale of marketable securities	33,490	(82,510)
	(682,464)	(178,945)
Changes non-cash working capital:		
Amounts receivable	(76,289)	8,211
Prepaid expenses	(10,000)	-
Accounts payable and accrued liabilities	50,132	(22,936)
	(36,157)	(14,725)
Cash used in operating activities	(718,621)	(193,670)
Financing activity		
Proceeds from share issuance	-	150,000
Cash provided by financing activity	-	150,000
Investing activities		
Loan receivable	(100,000)	-
Purchase of restricted term deposit	-	(23,000)
Proceeds on sale of marketable securities	80,080	83,330
Cash provided by (used in) investing activities	(19,920)	60,330
Net (outflow) inflow of cash and cash equivalents	(738,541)	16,660
Cash and cash equivalents, beginning of year	1,479,901	1,463,241
Cash and cash equivalents, end of year	$ 741,360	$ 1,479,901
Supplemental cash flow information		
Interest received	$ 17,370	$ 13,788
Cash and cash equivalents consist of:		
Cash	$ 181,821	$ 317,283
Short-term deposits	559,539	1,162,618
	$ 741,360	$ 1,479,901

See accompanying notes.

INTERLAPSE TECHNOLOGIES CORP.
(Formerly Coronado Resources Ltd.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares				
	Number	**Amount**	**Contributed surplus**	**Deficit**	**Total**
Balance, February 28, 2017*(1)*	5,662,882	$20,127,801	$1,657,109	$ (20,237,040)	$ 1,547,870
Share issuance	800,000	150,000	-	-	150,000
Net loss for year	-	-	-	(90,679)	(90,679)
Balance, February 28, 2018*(1)*	6,462,822	$20,277,801	$1,657,109	$ (20,327,719)	$ 1,607,191
Net loss for year	-	-	-	(713,571)	(713,571)
Balance, February 28, 2019*(1)*	6,462,822	$20,277,801	$1,657,109	$ (21,041,290)	$ 893,620

(1) On August 20, 2018, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

See accompanying notes.

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Interlapse Technologies Corp. (formerly Coronado Resources Ltd.) (the "Company" or "Interlapse") is incorporated under the *Business Corporations Act* (British Columbia). Interlapse is a technology company that is focused on developing various web-based platforms, solutions and applications. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "INLA" as of May 30, 2019, and there are 8,672,822 common shares issued and outstanding.

On August 28, 2018, the Company entered into a binding share purchase agreement to acquire 100% of the outstanding common shares of Skyrun Technology Corp. ("Skyrun"), a Vancouver-based company developing a virtual currency platform, coincurve.com. Under the terms of the share purchase agreement, the Company will issue up to 660,000 common shares in exchange for 100% of the issued and outstanding shares of Skyrun. The shares of the Company will be released to the principals of Skyrun, Wayne Chen and Rod Hsu, when certain milestones are reached that are linked directly to the development, operations and overall success of the Company.

On February 27, 2019, the Company received conditional approval from the TSX-V for the acquisition of Skyrun and the change of business to a technology issuer.

See also Note 10.

These consolidated financial statements have been 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. At February 28, 2019, the Company had working capital of $859,035 (2018: $1,572,606). At February 28, 2019, the Company also had an accumulated deficit of $21,041,290 (2018: $20,327,719).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

(b) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries.

The Company's subsidiaries are:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Coronado Resources USA LLC	USA	100%	Holding Company
0980862 B.C. Ltd. (formerly Lynx Clean Power Corp.)	Canada	100%	Holding Company
0997680 B.C. Ltd. (formerly Lynx Gold Corp.)	Canada	100%	Holding Company
0997684 B.C. Ltd. (formerly Lynx Petroleum Ltd.)	Canada	100%	Holding Company

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

(d) Basis of presentation

These consolidated financial statements have been prepared in accordance with and comply with IFRS as issued by the International Accounting Standards Board and its interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates. The accounting policies set out below have been applied consistently by the Company and its subsidiaries.

(e) Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements is in conformity with IFRS, which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(f) Asset retirement obligation

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expenses using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either timing or the amount of the original estimate of the undiscounted cash flow. As at February 28, 2019 and 2018, the Company did not have any asset retirement obligations.

(h) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Share-based compensation

The Company's stock option plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to share capital with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital.

(j) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(k) Income taxes

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of

realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities, they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) Financial instruments

Financial assets

Cash (see above) is classified and subsequently measured at fair value through profit and loss.

Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

Reclamation deposits are classified and subsequently measured at amortized cost.

Investments in marketable equity securities are classified, at the Company's election, and are subsequently measured at fair value through profit and loss. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the consolidated statement of financial position date. See Note 3.

Financial liabilities

Accounts payable are non-interest bearing if paid when due and are recognized at the face amount, except when fair value is materially different. Accounts payable are subsequently measured at amortized cost.

(m) Adoption of new and revised accounting standards

IFRS 9, Financial Instruments (effective on or after January 1, 2018)

The Company has adopted the new IFRS pronouncements as at March 1, 2018 in accordance with the transitional provisions of the standard and as described below. The adoption of these new pronouncements has not resulted in any adjustments to previously reported figures as outlined below.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company elected not to adopt the hedging requirements of IFRS 9, but may adopt them in a future period. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss (FVTPL), those measured at fair value through other comprehensive income (FVOCI) and those measured at amortized cost. Investments in equity instruments are required to be measured by default at FVTPL. However, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statements, unless this creates an accounting mismatch.

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

The new hedge accounting model in IFRS 9 aligns hedge accounting with risk management activities undertaken by an entity.

Classification and Measurement Changes

The Company has assessed the classification and measurement of its financial assets and financial liabilities under IFRS 9 and has summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IA S 39)	**New (IFRS 9)**
Financial Assets:		
Cash	Fair value through profit and loss	Fair value through profit and loss
Amounts receivable	Amortized cost	Amortized cost
Reclamation deposit	Amortized cost	Amortized cost
Marketable securities	Fair value through profit and loss	Fair value through profit and loss
Financial Liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee (“IFRIC”) but not yet effective as at February 28, 2019. The Company intends to adopt these standards and interpretations when they become effective. The Company does not expect these standards to have an impact on its financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

The following standards or amendments are effective for annual periods beginning on or after January 1, 2019:

i. IFRS 16, Leases (effective on or after January 1, 2019)

Under IFRS 16, the Company is required to review all of its contracts to determine if they contain leases or lease-type arrangements. Virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the consolidated financial statements. As a result, the Company will be required to recognize leased assets (“right-of-use” assets) and the related lease liability on the consolidated statement of financial position when applicable.

3. MARKETABLE SECURITIES

As at February 28,	**2019**		2018	
	Number of Shares Held	**Market Value**	Number of Shares Held	Market Value
Marketable securities available for sale	**-**	**$ -**	275,000	$ 56,375

During the year ended February 28, 2019, the Company sold marketable securities for total net proceeds of $80,080 (February 28, 2018 – $83,330).

4. LOAN RECEIVABLE

During the year ended February 28, 2019, the Company issued a loan to Skyrun through which the Company lent the principal sum of $100,000 with annual interest at the Bank of Canada business prime rate plus 2%.

5. CAPITAL STOCK

(a) **Authorized**

Unlimited number of common shares without par value.

(Expressed in Canadian Dollars)

5. CAPITAL STOCK (Continued)

(b) Issued and outstanding

During the year ended February 28, 2019:

No common shares were issued. On August 20, 2018, the Company's outstanding share capital was forward split on the basis of two (2) new common shares for each one (1) old common share.

During the year ended February 28, 2018:

On January 18, 2018, the Company issued 800,000 units ("Units"), at a price of $0.1875 per Unit, for proceeds of $150,000 in a non-brokered private placement. Each Unit consists of one common share and one common share purchase warrant allowing the holder to purchase an additional common share of the Company at a price of $0.50 per common share for a period of one year from the date of closing.

(c) Incentive share options

The Company has a stock option plan (the "Plan") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The term of any stock option granted under the Plan may not exceed five years and the exercise price may not be less than the discounted market price on the grant date. Unless otherwise specified by the Board of Directors at the time of granting an option, and subject to other term limits on option grants set out in the Plan, all options granted under the plan shall vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one quarter of the options vesting in any three-month period.

The purpose of the Plan is to provide directors, officers, key employees and certain other persons who provided services to the Company and its subsidiaries with an increased incentive to contribute to the future success and prosperity of the Company.

No options were granted during the year ended February 28, 2019.

(d) Share Purchase Warrants

Details of the status of the Company's share purchase warrants are as follows:

	2019		2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	800,000	$ 0.25	-	$ -
Granted	-	-	800,000	0.25
Expired	(800,000)	0.25	-	-
Outstanding, end of year	-	$ -	800,000	$ 0.25

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel were as follows:

		2019		2018
Director fees	$	1,250	$	1,000
Management fees		-		14,000
	$	1,250	$	15,000

During the year ended February 28, 2019, the Company was charged $35,227 (2018 - $24,593) for management fees by a Canadian related company with similar key management personnel. At February 28, 2019, $16,730 (2018 - $6,057) is owing to the Canadian related company with similar key management personnel and is included in accounts payable and accrued liabilities. All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended February 28, 2019, the Company paid $nil (2018 - $15,000) to a related party for business development purposes.

7. FINANCIAL INSTRUMENTS RISK

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties do not fulfill their contractual obligations.

Cash and cash equivalents consist of cash bank balances and short-term deposits. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of accounts receivable and cash and cash equivalents represents the maximum credit exposure. The Company does not have an allowance for doubtful accounts. As at February 28, 2019, there were no significant amounts past due or impaired.

Market Risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Company's cash flows, net income and comprehensive income. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

7. FINANCIAL INSTRUMENTS RISK *(Continued)*

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchases and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity, the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary. Considering these circumstances and the Company's cash balance liquidity risk is assessed as low.

Foreign Exchange Risk

The Company currently does not have significant exposure to other currencies and this is not expected to change in the foreseeable future as the capital commitments that are expected to be carried out in United States dollars will be limited.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments, so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases.

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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:

Fair Value of Financial Instruments

- 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.

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS RISK *(Continued)*

The fair value classification of the Company's financial instruments are as follows:

As at February 28,		2019		2018	
	Fair Value Level	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost
		$	$	$	$
Financial assets:					
Cash and cash equivalents	1	741,360	-	1,479,901	-
Amounts receivable		-	74,875		
Loan receivable		-	100,000		
Marketable securities	1	-	-	56,375	-
Restricted cash		-	34,585	-	34,585
Shares receivable		-	-	-	54,812
		741,360	209,460	1,536,276	89,397
Financial liability:					
Accounts payable and accrued liabilities		-	77,363	-	27,231
		-	77,363	-	27,231

The Company's cash and cash equivalents are classified as level 1. During the years ended February 28, 2019 and 2018, there were no transfers between level 1, level 2 and level 3.

8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support future development of the business and maintaining investor, creditor and market confidence.

The Company defines its capital as shareholders' equity and working capital. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In the event that adjustments to the capital structure are required, the company may consider issuing additional equity, raising debt or revising its capital investment programs.

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 requirements or restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated. The Company may require equity issues to cover administrative and operating cost.

(Expressed in Canadian Dollars)

9. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

For the years ended February 28,	2019	2018
	$	$
Net loss for the year before tax	(713,571)	(90,679)
Expected income tax (recovery) expense	(192,283)	(22,548)
Net adjustment for deductible and non-deductible amounts	5,803	(7,169)
Unrecognized benefit of current non-capital loss	186,480	29,717
Total income tax (recovery) expense	-	-

The Company's unrecognized temporary differences and unused tax losses consists of the following:

As at February 28,	2019	2018
	$	$
Exploration and evaluation carrying amounts	329,201	329,286
Non-capital loss carry-forwards	12,157,747	11,269,203
Unrecognized deductible temporary differences	12,486,948	11,598,489

As at February 28, 2019, the Company has Canadian non-capital losses carry forward of approximately $6,101,000. These losses are available to be utilized as deductions against future year's Canadian taxable income operations. If not utilized, they will expire as follows:

2026	$	158,000
2027		293,000
2028		381,000
2029		291,000
2030		517,000
2031		250,000
2032		523,000
2033		338,000
2034		873,000
2035		707,000
2036		600,000
2037		291,000
2038		152,000
2039		722,000
	$	6,101,000

The Company has US non-capital loss carry-forwards for tax purposes (expiring between 2026 and 2039) of approximately $6,100,000 (2018 - $5,900,000) available to be utilized as deductions against future year's US taxable income.

10. SUBSEQUENT EVENTS

On March 11, 2019, the Company issued a loan to Skyrun through which the Company lent the principal sum of $80,000 with annual interest at the Bank of Canada business prime rate plus 2%.

On May 28, 2019, the TSX-V provided final approval for the Skyrun acquisition and change of business to a technology issuer. To reflect the transformation into the technology sector, the Company changed its name to “Interlapse Technologies Corp.” The Company also completed a non-brokered private placement of 2,210,000 common shares at $0.50 per share for gross proceeds of $1,105,000. The common shares issued under this private placement are subject to resale restrictions for a period of four months from the closing date.

On May 28, 2019, the Company granted 705,000 share options at a price of $0.70 per share for five years to directors, executive officers, employees and consultants.