TALISKER RESOURCES LTD.

(formerly Eurocontrol Technics Group Inc.)

CONDENSED INTERIM FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2019 and 2018

(In Canadian dollars)

TALISKER RESOURCES LTD.

(formerly Eurocontrol Technics Group Inc.)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

TALISKER RESOURCES LTD.

(formerly Eurocontrol Technics Group Inc.)

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at,	Notes		March 31, 2019		December 31, 2018
ASSETS					
Current assets					
Cash and cash equivalents	5	$	2,827,933	$	946,611
Marketable securities	4		1,272,416		2,526,633
Amounts receivable	7		23,091		24,217
Current portion of long term receivable	15		-		1,300,000
Prepaid expenses			46,942		-
Total current assets			4,170,382		4,797,461
TOTAL ASSETS		$	4,170,382	$	4,797,461
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	8, 13	$	202,786	$	631,626
Total current liabilities			202,786		631,626
Shareholders' equity					
Issued capital	9		15,001,591		15,001,591
Share-based payment reserve	11		214,044		298,895
Accumulated deficit			(11,248,039)		(11,134,651)
Total shareholders' equity			3,967,596		4,165,835
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	4,170,382	$	4,797,461

Nature of operations and going concern (note 1)
Events after the reporting period (note 18)

APPROVED ON BEHALF OF THE BOARD:

Signed *"Thomas Obradovich"*, Director

Signed *"Brent Zaritsky"*, Director

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

TALISKER RESOURCES LTD.

(formerly Eurocontrol Technics Group Inc.)

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

For the three month periods ended March 31,	Notes		2019		2018
Expenses					
Consulting and management	13	$	120,000	$	394,250
Administration			65,811		36,841
Travel and other			119		8,583
Public company costs			18,544		8,801
Total expenses			204,474		448,475
Loss before the undernoted			(204,474)		(448,475)
Other income and expense					
Finance income	4		14,783		10,574
Foreign currency translation gain (loss)			(8,548)		10,927
Interest accretion on long term receivable	15		-		121,185
			6,235		142,686
Loss from continuing operations			(198,239)		(305,789)
Loss from discontinued operations	17		-		(1,445,556)
Net loss		$	(198,239)	$	(1,751,345)
Loss per share - basic and diluted					
From continuing operations		$	(0.00)	$	(0.00)
From discontinued operations		$	(0.00)	$	(0.02)
Net loss		$	(0.00)	$	(0.02)
Weighted average common shares outstanding			93,450,238		91,750,238

Net loss	$	(198,239)	$	(1,751,345)
Other comprehensive income (loss) - items that may subsequently reclassify into income or loss				
Exchange differences on translation of foreign subsidiaries		-		22,180
Comprehensive loss	$	(198,239)	$	(1,729,165)

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

TALISKER RESOURCES LTD.

(formerly Eurocontrol Technics Group Inc.)

Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Issued Capital (Note 9)	Share-based Payment Reserve (Note 11)	Retained earnings (deficit)	Accumulated Other Comprehensive Income	Total
Balance as at December 31, 2017	91,750,238	$ 14,942,091	$ 519,513	$ (2,502,190)	$ 142,337	$ 13,101,751
Expiry of stock options	-	-	(102,998)	102,998	-	-
Exchange gain on translation of foreign subsidiaries	-	-	-	-	22,180	22,180
Net loss for the period	-	-	-	(1,751,345)	-	(1,751,345)
Balance as at March 31, 2018	91,750,238	$ 14,942,091	$ 416,515	$ (4,150,537)	$ 164,517	$ 11,372,586
Share-based expense - options	-	-	19,000	-	-	19,000
Share-based expense - RSU's	-	-	59,500	-	-	59,500
Exercise of RSU's	1,700,000	59,500	(59,500)	-	-	-
Expiry of stock options	-	-	(136,620)	136,620	-	-
Exchange loss on translation of foreign subsidiaries	-	-	-	-	(164,517)	(164,517)
Net loss for the period	-	-	-	(7,120,734)	-	(7,120,734)
Balance as at December 31, 2018	93,450,238	$ 15,001,591	$ 298,895	$ (11,134,651)	$ -	$ 4,165,835
Expiry of stock options	-	-	(84,851)	84,851	-	-
Net loss for the period	-	-	-	(198,239)	-	(198,239)
Balance as at March 31, 2019	93,450,238	$ 15,001,591	$ 214,044	$ (11,248,039)	$ -	$ 3,967,596

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

TALISKER RESOURCES LTD.

(formerly Eurocontrol Technics Group Inc.)

Condensed Interim Statements of Cash Flows

(Expressed in Canadian dollars)

For the three month periods ended March 31,	Notes	2019	2018
Cash provided by (used in):			
Operating activities			
Net loss for the period		$ (198,239)	$ (1,751,345)
Items not involving cash:			
Interest accretion on long term receivable	15	-	(121,185)
Unrealized foreign exchange loss		-	(18,201)
Working capital changes			
Change in amounts receivable		1,126	(37,527)
Funds from long term receivable	15	1,300,000	750,000
Change in prepaid expenses		(46,942)	4,130
Change in accounts payable and accrued liabilities		(428,840)	(2,156)
Net change in working capital of discontinued operations		-	241,030
Cash flows from (used in) operating activities		627,105	(935,254)
Investing activities			
(Purchase) Sales of marketable securities, net		1,254,217	-
Cash flows used by discontinued operations		-	(65,939)
Cash flows from (used in) investing activities		1,254,217	(65,939)
Net increase (decrease) in cash and cash equivalents for the period		1,881,322	(1,001,193)
Effect of exchange rate changes on cash and cash equivalents		-	24,467
Cash and cash equivalents, beginning of the period		946,611	6,185,959
Cash and cash equivalents, end of the period		$ 2,827,933	$ 5,209,233
Supplementary cash flow information			
Interest received		$ 14,783	$ 10,574

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Talisker Resources Ltd. (formerly Eurocontrol Technics Group Inc.) ("Talisker" or the "Company") is a publicly listed company incorporated in British Colombia and continued in the Province of Ontario. The Company's shares are listed on the Canadian Securities Exchange ("CSE") and trade under the symbol "TSK". The head office and registered address of the Company is located at 100 King Street West, Suite 7010, Toronto, Ontario, M5X 1A0.

Disposal of Israel operations:
On September 14, 2018, the Company entered into a share purchase agreement (the "Agreement") with DYG Holdings Ltd. (the "Purchaser"), pursuant to which the Company agreed to sell all of the shares of its Israeli subsidiaries to the Purchaser representing a sale of all of the Company's former operating business (the "Sale Transaction"). The Company entered into the Agreement in order to complete its process of winding up its operations in Israel. Under the terms of the Agreement, the Company agreed to sell all of the issued and outstanding shares of Xenemetrix Ltd., Croptimal Ltd., and Xwinsys Technology Development Ltd. (the "Discontinued Subsidiaries") for nominal consideration and the possibility of receiving post-closing earn-out payments, only if the Purchaser succeeds in re-establishing the business of the Discontinued Subsidiaries and realizing profits during the earn out period ending December 31, 2025. Any such earn-out payments would represent 20% of the net profit of the purchased companies, after various adjustments up to a maximum of $4,000,000. The Agreement contained only basic representations and warranties and the sale was completed substantially on an "as is where is" basis. Due to the uncertainty of the earn-out payments, the fair value of this contingent consideration was assessed as $nil.

On October 31, 2018, the Sale Transaction was approved by shareholders at the Company's special meeting of shareholders and the Sale Transaction was finalized.

In its news release issued on July 31, 2018, the Company first announced its plans to discontinue its Israeli operations and that it had entered into a comprehensive agreement with SICPA Finance ("SICPA Finance"), SICPA SA, and SICPA Global Fluids Integrity SA ("GFI") that terminated the long term supply, maintenance and support agreement between Xenemetrix and GFI and settled the outstanding amount owing to the Company by SICPA Finance (the "SICPA Termination Agreement"). Under the terms of the SICPA Termination Agreement, SICPA Finance agreed to pay the Company a total of $3,400,000 in full satisfaction of all of the remaining net revenue based earn-out obligations owed by it to the Company in connection with its sale of GFI to SICPA, payable in installments of $800,000, $1,300,000 and $1,300,000 on August 2, 2018, October 1, 2018 and January 3, 2019, respectively. The SICPA Termination Agreement was entered into by the Company to help facilitate an orderly transition of its business, eliminate risk and to strengthen its short-term cash position.

Agreement with Sable Resources Ltd.
On January 24, 2019, Eurocontrol entered into an asset purchase agreement (the "Purchase Agreement") to acquire Sable Resources Ltd.'s ("Sable") mineral resource properties located in the Province of British Columbia and certain related assets (the "B.C. Properties") in exchange for paying Sable $500,000 in cash and issuing Sable 30,000,000 post-consolidation shares at the time of closing and granting Sable, on the closing date, a 1.0% net smelter return royalty on each of the B.C. Properties and assuming certain liabilities relating to the B.C. Properties (the "Transaction").

On March 29, 2019, shareholders approved the Transaction resolution and other related items of business and on April 17, 2019, the Company filed Articles of Amendment to change its name to Talisker Resources Ltd. and to consolidate its shares on a 1 for 4 basis. Post consolidation of the Company's shares, but prior to closing, Talisker completed an offering (the "Offering") of 11,730,000 subscription receipts (each, a "Subscription Receipt"), at a price of $0.20 per Subscription Receipt, for gross proceeds of $2,346,000 (the "Private Placement"). Following completion of the Transaction on April 18, 2019, the Subscription Receipts were automatically exchanged for units (each, a "Unit") of Talisker with each "Unit" comprised of one common share of Talisker, and one common share purchase warrant of Talisker (each, a "Warrant").

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Going concern
The condensed interim financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has a net loss in the three month period ended March 31, 2019 of $198,239 and an accumulated deficit of $11,332,890.

The Company's ability to continue as a going concern is dependent upon attaining profitable operations, and, if required, the ability to raise public equity financing to meet expenditure commitments. There is no assurance that these activities will be successful. The combination of these circumstances set out above represents a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. However, the Company is confident that it will have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the annual report and financial statements. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used that would be necessary if the going concern assumptions were not appropriate.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 30, 2019.

2. BASIS OF PRESENTATION

Statement of compliance
These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement
These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2018 annual financial statements.

Adoption New Accounting Standards
The adoption of the following new standards, interpretations and amendments where included in the financial statements for the year beginning January 1, 2019.

IFRS 16 Leases ("IFRS 16"), was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019.

The Company does not have any leases in place, as such, there was no impact on adoption of the standard.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- ***Assets' carrying values and impairment charges*** - In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- ***Collection of amounts receivable and provision for doubtful accounts*** – Management continually assesses the status of collections of its amounts receivable. If an amount is deemed to not be collectable, a provision for doubtful accounts is recorded. The determination of the allowance for doubtful accounts is based on current information available and historical collections. The Company has historically had very low (nominal) to $nil bad debts.

- ***Share-based payments*** – The Company determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- ***Income taxes*** – The Company must make significant estimates in respect of the provision for income taxes and the composition of its deferred income tax assets and deferred income tax liabilities. The Company's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question which may, on resolution in the future, result in adjustments to the amount of deferred income tax assets and deferred income tax liabilities, and those adjustments may be material to the Company's financial position and results of operations.

- ***Functional currency determination*** - The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21. The Effects of Changes in Foreign Exchange Rates and may involve certain judgments to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

(Expressed in Canadian dollars)

4. MARKETABLE SECURITIES

As at March 31, 2019, the balance consists of various short term corporate bonds with a fair market value of $1,272,416 (December 31, 2018 - $2,526,633). As at March 31, 2019, these fair value through profit or loss investments have been measured at their fair value of $1,272,416 (December 31, 2018 - $2,526,633).

During the three month period ended March 31, 2019, the Company recognized interest income related to the bonds of $14,783 (2018 - $nil).

5. CASH AND CASH EQUIVALENTS

The balance at March 31, 2019 consists of cash on deposit with major Canadian in interest bearing accounts totaling $2,817,933 (December 31, 2018 - $936,611) and cashable guaranteed investment certificates with major Canadian banks of $10,000 (December 31, 2018 - $10,000) for total cash and cash equivalents of $2,827,933 (December 31, 2018 - $946,611).

6. SEGMENT INFORMATION

Operating Segments

At March 31, 2019, the Company's operations comprise a single operating segment head office operations in Canada which is transitioning into exploring and evaluating properties in British Columbia.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

7. AMOUNTS RECEIVABLE

As at,	March 31, 2019	December 31, 2018
HST receivable	$ 23,091	$ 24,217
	$ 23,091	$ 24,217

At March 31, 2019, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 16. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2019 and December 31, 2018.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at,	March 31, 2019	December 31, 2018
Accounts payable	$ 68,286	$ 77,126
Accrued liabilities	134,500	554,500
	$ 202,786	$ 631,626

(Expressed in Canadian dollars)

9. ISSUED CAPITAL

Authorized: Unlimited common shares without par value

	March 31, 2019	December 31, 2018
Issued capital	$ 15,001,591	$ 15,001,591
Fully paid common shares (1)	93,450,238	93,450,238

(1) As at March 31, 2019 and December 31, 2018, included in this number are 1,000,000 shares awaiting issuance, the proceeds for which were received in 2008 and are included in share capital.

Common shares issued:

	Number of Shares		Value of shares
Balance as at December 31, 2017	91,750,238	$	14,942,091
Exercise of RSU's	1,700,000		59,500
Balance as at December 31, 2018 and March 31, 2019	93,450,238	$	15,001,591

Diluted weighted average number of shares outstanding

	Three months ended March 31, 2019	Three months ended March 31, 2018
Basic weighted average shares outstanding:	**93,450,238**	91,750,238
Effect of outstanding stock options	**-**	-
Diluted weighted average shares outstanding	**93,450,238**	91,750,238

During the three month periods ended March 31, 2019 and 2018, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

10. WARRANTS RESERVE

There were no warrants outstanding as of March 31, 2019 and December 31, 2018.

11. SHARE-BASED PAYMENT RESERVE

Stock option plan

The Board of Directors of the Company adopted a stock option plan (the “Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

(Expressed in Canadian dollars)

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were outstanding as at March 31, 2019:

Number of options outstanding	Number of exercisable options	Grant date	Expiry date	Exercise price	Fair value at grant date
375,000	375,000	June 30, 2015	June 30, 2020	$ 0.13	31,000
1,450,000	1,450,000	February 19, 2016	February 19, 2021	$ 0.15	164,044
700,000	700,000	August 22, 2018	August 22, 2023	$ 0.06	19,000
2,525,000	2,525,000				$ 214,044

The share options outstanding as at March 31, 2019 had a weighted exercise price of $0.12 (December 31, 2018: $0.13) and a weighted average remaining contractual life of 2.24 years (December 31, 2018: 2.49 years).

All options vested on their date of issue and expire within five years of their issue, or 90 days after the resignation of the director, officer, employee or consultant.

Fair value of share options granted in the year ended December 31, 2018

On August 22, 2018, 700,000 share options were granted to directors and officers of the Company to acquire the Company's shares at an exercise price of $0.06 until August 22, 2023. These share options had an estimated fair value of $19,000 at grant date.

The fair value of share options granted in the year ended December 31, 2018 was calculated using the following assumptions:

		Number of Options Granted
		22-Aug-18
		700,000
Grant date share price	$	0.035
Exercise price	$	0.06
Expected volatility		119%
Expected option life		5 years
Expected dividend yield		0%
Risk-free interest rate		2.18%

The share options were priced using the Black-Scholes option-pricing model as at the date of the grant assuming a five year term to maturity with an expected volatility based on historical prices of the Company, an expected dividend yield, and a risk free interest rate, as noted in the table below. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations.

(Expressed in Canadian dollars)

11. SHARE-BASED PAYMENT RESERVE (continued)

Movements in share options during the year:

The following reconciles the share options outstanding for the three month period ended March 31, 2019 and year ended December 31, 2018:

Balance as at December 31, 2017	7,025,000	$	0.13
Granted	700,000	$	0.06
Expired	(4,175,000)	$	0.10
Forfeited	(275,000)	$	0.15
Balance as at December 31, 2018	3,275,000	$	0.13
Forfeited	(750,000)	$	0.15
Balance as at March 31, 2019	2,525,000	$	0.12

Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of up to 3,000,000 restricted share units (RSUs) including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. Each RSU represents an entitlement to one common share of the Company, upon vesting. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals. Any such performance incentives or long-term performance goals are subject to determination by the Company's Board of Directors and specified in the award agreement.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the share based payment reserve.

Of the 3,000,000 shares authorized for issuance under the Plan, 1,700,000 (December 31, 2018 – nil) shares have been issued as at March 31, 2019.

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSU's	**Weighted average fair value**	
Balance, December 31, 2017	-	$	-
Granted	1,700,000	$	0.035
Exercised	(1,700,000)	$	0.035
Balance, December 31, 2018 and March 31, 2019	-	$	-

(Expressed in Canadian dollars)

11. SHARE-BASED PAYMENT RESERVE (continued)

The following table summarizes information about share-based payment reserve:

Balance as at December 31, 2017	$	519,513
Share-based expense - options		19,000
Share-based expense - RSU's		59,500
Exercise of RSU's		(59,500)
Expiry of stock options		(239,618)
Balance as at December 31, 2018	$	298,895
Expiry of stock options		(84,851)
Balance as at March 31, 2019	$	214,044

12. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at March 31, 2019 and December 31, 2018 were as follows:

	Assets at fair value through profit or loss	Amortized cost	Other financial liabilities	Total
As at March 31, 2019				
Cash and cash equivalents	$ -	$ 2,827,933	$ -	$ 2,827,933
Current portion of long term receivable	-	-	-	-
Marketable securities	1,272,416	-	-	1,272,416
Amounts receivable	-	23,091	-	23,091
Accounts payable and accrued liabilities	-	-	202,786	202,786

	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total
As at December 31, 2018				
Cash and cash equivalents	$ -	$ 946,611.00	$ -	$ 946,611
Current portion of long term receivable	-	1,300,000	-	1,300,000
Marketable securities	2,526,633	-	-	2,526,633
Amounts receivable	-	24,217	-	24,217
Accounts payable and accrued liabilities	-	-	631,626	631,626

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

As at March 31, 2019 and December 31, 2018, cash and cash equivalents were recorded at fair value under level 1 within the fair value hierarchy.

The carrying value of cash and cash equivalents, marketable securities, amounts receivable, current portion of long term receivable, accounts payable and accrued liabilities approximate fair value because of the limited terms of these instruments.

(Expressed in Canadian dollars)

13. RELATED PARTY DISCLOSURES

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the three month periods ended March 31, 2019 and 2018 were as follows:

For the three month period ended March 31,	**Note**	**2019**	**2018**
Bruce Rowlands (former Chairman and CEO)	1	$ -	$ 250,000
Andres Tinajero (Director, CFO)	2	25,000	25,000
Doron Reinis (former COO, former President, Discontinued Subsidiaries)	3	-	104,171
Charlotte May (Corporate Secretary)	4	24,000	24,000
Dennis Logan (former Director)	5	4,500	29,500
Christine Macqueen (former Director)		-	-
Paul Wood (former CEO and Director)	6	50,000	34,500
Kenneth Wawrew (former Director)	7	4,500	24,500
		$ 108,000	**$ 491,671**

Notes:

(i) For the three month period ended March 31, 2019, Bruce Rowlands, former Chairman and CEO, through his Company W. B. Rowlands & Company Ltd., was paid $nil (2018 - $250,000) in professional service fees for CEO services pursuant to an agreement entered into by the Company and W. B. Rowlands & Company Ltd. In addition, $nil (2018 – $200,000) was paid for severance in the three month period ended March 31, 2018.

(ii) For the three month period ended March 31, 2019, Andres Tinajero, through his Company, 2222263 Ontario Inc., was paid $25,000 (2018 - $25,000) in professional service fees for CFO services pursuant to an agreement entered into by the Company and 2222263 Ontario Inc.

(iii) For the three month period ended March 31, 2019, Doron Reinis, through Business Processes Logistic Services Ltd. (“BPLS”), a company that Doron Reinis holds a 50% interest in, was paid $nil (2018 - $104,171) in professional service fees for services as former COO of Eurocontrol and as former President of the Discontinued Subsidiaries. These fees were included under discontinued operations.

(iv) For the three month period ended March 31, 2019, Charlotte May, through her Company CMA Corporate Management, was paid $24,000 (2018 - $24,000) in professional service fees for corporate secretarial services pursuant to an agreement entered into by the Company and CMA Corporate Management.

(v) For the three month period ended March 31, 2019, Dennis Logan, former Director, through his Company 9703373 Canada Inc., was paid $4,500 (2018 - $29,500) in director and special committee fees.

(vi) For the three month period ended March 31, 2019, Paul Wood, through his Company Kappa Advisors Ltd., was paid $50,000 (2018 - $34,500) for CEO services and director fees and special committee fees.

(vii) For the three month period ended March 31, 2019, Kenneth Wawrew, former Director, was paid $4,500 (2018 - $24,500) in director fees and special committee fees.

As at March 31, 2019, an amount of $6,992 (December 31, 2018 - $434,418) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment.

(Expressed in Canadian dollars)

14. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support its operations. The capital of the Company consists of issued capital and share-based payment reserve. 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management in the three month period ended March 31, 2019. The Company is not subject to externally imposed capital requirements.

The Company’s ability to continue to generate revenue and achieve positive cash flow in the future is dependent upon its ability to attract a transaction or other strategic alternative, general economic conditions, and regulatory requirements. There is no assurance that the strategic review will result in a transaction or other strategic alternative and the Board of Directors has not set a timetable for the completion of the review process.

15. LONG TERM RECEIVABLE

As part of the sale of GFI in 2016 to SICPA, the Company was entitled to post-closing earn-out payments equal to 5% of the net revenues earned by GFI from contracts, inclusive of both marker and logistics, entered into by it following the execution of the purchase agreement and during the period ending six years from the closing of the transaction, with a minimum guaranteed payment of $1.5 million per year for the six year minimum earn-out period (total payment of at least $9,000,000).

The Company had estimated cash flows receivable to amount to the minimum earn-out amount of $9,000,000. Due to the difficulty in estimating the contingent portions of the earn-out payments the Company did not recognize any additional amount above the minimum guaranteed portion. The estimated cash flows were discounted using a discount rate of 10%.

During the year ended December 31, 2018, the Company entered into a comprehensive agreement with SICPA, pursuant to which the parties terminated the surviving material agreements entered into between them in connection with the purchase and sale transaction of GFI in which SICPA acquired GFI from the Company in January 2016. Under the terms of the agreement, SICPA has agreed to pay the Company a total of $3,400,000 in full satisfaction of all of the remaining net revenue based earn-out obligations owed by it to the Company, payable in installments of $800,000, $1,300,000 and $1,300,000 on August 2, 2018, October 1, 2018 and January 3, 2019, respectively. Each of the parties have also agreed to terminate the remaining commitments related to the purchase agreement and exclusive supply agreement, and release each other from all claims and liabilities in connection therewith.

The movement in the amount receivable under the earn out agreement during the three month period ended March 31, 2019 and year ended December 31, 2018 is as follows:

	March 31, 2019	December 31, 2018
Opening balance	**$ 1,300,000**	$ 5,597,410
Interest accretion	**-**	314,370
Instalment payments received	**(1,300,000)**	(2,850,000)
Write down on termination of agreement	**-**	(1,761,780)
Total receivable under earn out agreement	**$ -**	$ 1,300,000
Less: Current portion	**-**	1,300,000
Long term portion	**$ -**	$ -

16. FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no material changes in the risks, objectives, policies and procedures from the previous period.

Credit risk:

The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities, and the receivable under the SICPA Termination Agreement (note 15). Management believes that the credit risk concentration with respect to these financial instruments is minimal.

Provisions for outstanding trade receivable balances are set based on forward looking information; when there is a change in the circumstances of a customer that would result in financial difficulties and create doubt over the receipt of funds.

Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at March 31, 2019, the Company had a cash and cash equivalents balance of $2,827,933 (December 31, 2018 - $946,611) as well as marketable securities of $1,272,416 (December 31, 2018 - $2,526,633) to settle current liabilities of $202,786 (December 31, 2018 - $631,626). Working capital for the Company as at March 31, 2019 was $3,967,596 (December 31, 2018 - $4,165,835).

Substantively all of the Company's financial liabilities have contractual maturities of less than 365 days and are subject to normal trade terms.

Market risk:

(a) Foreign currency risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The strategic review may result in a transaction that may expose the Company to transactions denominated in foreign currencies, and as such the Company may be exposed to price risk due to fluctuations in foreign currency exchange rates against the Canadian dollar. The Company does not use derivative instruments to reduce exposure to foreign currency risk

Based on the foreign currency balances at March 31, 2019, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect net income by approximately $1,000 (2018 - $111,000). This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geo-political implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

16. FINANCIAL RISK FACTORS (continued)

The exposure of the Company's financial assets, including marketable securities and liabilities to foreign currency risk as at March 31, 2019 is as follows:

	CDN Dollar	US Dollar	Total (in CDN dollars)
Financial assets			
Cash and cash equivalents	$ 2,738,787	89,146	$ 2,827,933
Marketable securities	1,272,416	-	1,272,416
Amounts receivable	23,091	-	23,091
Current portion of long term receivable	-	-	-
	$ 4,034,294	$ 89,146	$ 4,123,440
Financial liabilities			
Accounts payable and accrued liabilities	$ 202,786	$ -	$ 202,786
	$ 202,786	$ -	$ 202,786

(b) Commodities price risk

The strategic review may result in a transaction that would expose the Company's future operations to commodity price risk due to external economic factors, changes in international investment patterns, and monetary systems and political developments.

(c) Political risk

The strategic review may result in a transaction that may be exposed to political instability.

17. DISCONTINUED OPERATIONS

On September 14, 2018, the Company entered into a share purchase agreement (the "Agreement") with DYG Holdings Ltd. (the "Purchaser"), pursuant to which the Company agreed to sell all of the shares of its Israeli subsidiaries to the Purchaser representing a sale of all of the Company's former operating business (the "Sale Transaction"). The Company entered into the Agreement in order to complete its process of winding up its operations in Israel. Under the terms of the Agreement, the Company agreed to sell all of the issued and outstanding shares of Xenemetrix Ltd., Croptimal Ltd., and Xwinsys Technology Development Ltd. (the "Discontinued Subsidiaries") for nominal consideration and the possibility of receiving post-closing earn-out payments, only if the Purchaser succeeds in re-establishing the business of the Discontinued Subsidiaries and realizing profits during the earn out period ending December 31, 2025. Any such earn-out payments would represent 20% of the net profit of the purchased companies, after various adjustments up to a maximum of $4,000,000. The Agreement contained only basic representations and warranties and the sale was completed substantially on an "as is where is" basis.

On October 31, 2018, the Sale Transaction was approved by shareholders at the Company's special meeting of shareholders and the Sale Transaction was finalized.

The operating results for the three month periods ended March 31, 2019 and 2018 related to the Discontinued Subsidiaries have been presented separately as the loss from discontinued operations in the statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

17. DISCONTINUED OPERATIONS (continued)

As a result of the transaction, the Company recognized a loss on disposal of $432,611 during the year ended December 31, 2018, which was determined as follows:

Cash purchase price	$	1
Net assets disposed of:		
Cash	$	256,528
Amounts receivable		538,043
Prepaid expenses		117,003
Trade and other payables		(478,962)
	$	432,612
Loss on disposition	$	(432,611)

The breakdown of the loss for the three month periods ended March 31, 2019 and 2018 from discontinued operations is as follows:

Three month period ended March 31,		2019		2018
Revenue	$	-	$	348,317
Cost of sales		-		(237,095)
Direct amortization		-		(12,485)
Gross profit		-		98,737
Depreciation		-		(31,092)
Administration		-		(396,481)
Sales and administration		-		(370,942)
Research and development		-		(755,052)
Total expenses		-		(1,553,567)
Loss before the undernoted		-		(1,454,830)
Foreign exchange		-		9,274
Loss from discontinued operations	$	-	$	(1,445,556)

The cash flows used by operating activities for the discontinued operations for the three month period ended March 31, 2019 were $nil (2018 – cash flows used of $1,204,526).

The cash flows used in investing activities for the discontinued operations for the three month period ended March 31, 2019 were $nil (2018 – cash used of $65,939).

The cash flows used in financing activities for the discontinued operations for the three month period ended March 31, 2019 were $nil (2018 – cash used of $nil).

(Expressed in Canadian dollars)

17. DISCONTINUED OPERATIONS (continued)

Details pertaining to various assets listed and liabilities of discontinued operations are contained below:

(a) Intellectual Property

The Company, through its former subsidiary XwinSys, held intellectual property on image processing technology. The intellectual property is licensed until 2020. Intellectual property was amortized over the estimated useful life on a straight-line basis of seven years.

Cost		
Balance as at December 31, 2016	$	349,568
Additions		-
Balance as at December 31, 2017		349,568
Additions		-
Balance as at December 31, 2018	$	349,568
Accumulated amortization		
Balance as at December 31, 2016	$	149,814
Amortization expense		49,938
Balance as at December 31, 2017		199,752
Amortization expense		37,454
Write down		112,362
Balance as at December 31, 2018	$	349,568
Carrying amounts		
Balance as at December 31, 2017	$	149,816
Balance as at December 31, 2018	$	-

As at October 31, 2018, the date of sale, the Company determined the value of the intellectual property to be impaired, as part of its review and decision to sell the Israel operations and as such, recorded a write down of $112,362, for a resulting carrying value of $nil.

(b) Inventories

As at,		December 31, 2018
Materials	$	228,686
Work in process		474,489
Finished goods		-
	$	703,175
Less: write down		(703,175)
	$	-

For the year ended December 31, 2018, the cost of inventories recognized as an expense and included in cost of sales under discontinued operations was $761,790.

As at October 31, 2018, the date of sale, the Company determined the value of the inventory to be impaired, as part of its review and decision to sell the Israel operations and as such, recorded a write down of $703,175, for a resulting carrying value of $nil.

(Expressed in Canadian dollars)

17. DISCONTINUED OPERATIONS (continued)

(c) Equipment

		Office furniture, computers and equipment		Vehicles		Total
Cost						
Balance as at December 31, 2016	$	526,218	$	67,264	$	593,482
Additions		340,820		44,313		385,133
Disposals		-		-		-
Foreign exchange		(45,835)		(5,883)		(51,718)
Balance as at December 31, 2017	$	821,203	$	105,694	$	926,897
Additions		111,695		-		111,695
Disposals		(8,447)		(41,007)		(49,454)
Foreign exchange		36,867		1,149		38,016
Balance as at December 31, 2018	$	961,318	$	65,836	$	1,027,154
.						
impairment						
Balance as at December 31, 2016	$	283,619	$	33,149	$	316,768
Depreciation		73,595		13,084		86,679
Disposals		-		-		-
Foreign exchange		(21,064)		(2,609)		(23,673)
Balance as at December 31, 2017		336,150	$	43,624	$	379,774
Depreciation		92,713		10,075		102,788
Disposals		(2,718)		(7,473)		(10,191)
Foreign exchange		17,783		1,920		19,703
Accumulated depreciation		517,390		17,690		535,080
Balance as at December 31, 2018	$	961,318	$	65,836	$	1,027,154
Carrying amounts						
Balance as at December 31, 2017	$	485,053	$	62,070	$	547,123
Balance as at December 31, 2018	$	-	$	-	$	-

As at October 31, 2018, the date of sale, the Company determined the value of the equipment to be impaired, as part of its review and decision to sell the Israel operations and as such, recorded a write down of $535,080, for a resulting carrying value of $nil.

(Expressed in Canadian dollars)

17. DISCONTINUED OPERATIONS (continued)

Geographical information

The discontinued operations' revenue from external customers by geographical location is detailed below.

For the three month period ended March 31,		2019		2018
North America	$	-	$	128,940
Asia		-		164,259
Europe		-		55,118
	$	-	$	348,317

Xenemetrix accounted for $nil (2018 - $348,317) of the revenue generated for the three month period ended March 31, 2019, representing 100% (2018 – 100%) of revenue and is included under discontinued operations. Xenemetrix revenue was from sales of EDXRF systems.

18. EVENTS AFTER THE REPORTING PERIOD

On January 24, 2019, the Company entered into an asset purchase agreement (the "Purchase Agreement") to acquire Sable Resources Ltd.'s ("Sable") mineral resource properties located in the Province of British Columbia and certain related assets (the "B.C. Properties") in exchange for paying Sable $500,000 in cash and issuing Sable 30,000,000 post-consolidation shares at the time of closing and granting Sable, on the closing date, a 1.0% net smelter return royalty on each of the B.C. Properties and assuming certain liabilities relating to the B.C. Properties (the "Transaction"). Additionally, in connection with the Transaction, Eurocontrol planned to:

1. consolidate its outstanding shares on the basis of one post-consolidation share for each four shares;
2. change its name to "Talisker Resources Ltd."; and
3. apply to the Canadian Securities Exchange (the "CSE") to have its shares listed and posted for trading on the CSE and apply to the TSX Venture Exchange ("TSXV") to have its shares delisted from the TSXV upon completion of the Transaction.

On March 29, 2019, shareholders approved the Transaction resolution and other related items of business and on April 17, 2019, the Company filed Articles of Amendment to change its name to Talisker Resources Ltd. and to consolidate its shares on a 1 for 4 basis. Post consolidation of the Company's shares, but prior to closing, Talisker completed an offering (the "Offering") of 11,730,000 subscription receipts (each, a "Subscription Receipt"), at a price of $0.20 per Subscription Receipt, for gross proceeds of $2,346,000 (the "Private Placement"). Following completion of the Transaction on April 18, 2019, the gross proceeds from the Offering were released to Talisker, and all of the Subscription Receipts were automatically exchanged for units (each, a "Unit") of Talisker. Each "Unit" was comprised of one common share of Talisker, and one common share purchase warrant of Talisker (each, a "Warrant"). Each "Warrant" entitling the holder to acquire a further common share of Talisker at a price of $0.30 for a period of 24 months, subject to accelerated expiry in the event the closing price of the shares of Talisker is greater than $0.50 for ten consecutive trading days.