Condensed Interim Consolidated Financial Statements

Nine Month Period Ended

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these interim financial statements.

Volt Energy Corp.

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

	September 30, 2018 ($)	December 31, 2017 ($)
ASSETS		
Current assets		
Cash	74,035	249,314
Prepaid expenses	13,908	1,966
Gst receivable	21,531	1,454
Assets held for spin-off (Note 11)	-	126,144
	109,474	378,878
Reclamation deposits	-	33,058
Exploration and evaluation assets (Note 4)	726,126	723,356
Assets held for spin-off (Note 11)	-	333,279
	835,600	1,468,571
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	39,091	43,727
Liabilities held for spin-off (Note 11)	-	34,975
	39,091	78,702
Liabilities held for spin-off (Note 11)	-	118,810
	39,091	197,512
Shareholders' equity		
Share capital (Note 7)	3,878,891	3,914,384
Reserves (Note 7)	360,306	360,306
Deficit	(3,442,688)	(3,003,631)
	796,509	1,271,059
	835,600	1,468,571

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Stephen Polakoff"

Stephen Polakoff - Director

"J. Lewis Dillman"

J. Lewis Dillman - Director

Volt Energy Corp.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

(Unaudited)

	Three Month Period Ended September 30, 2018	Three Month Period Ended September 30, 2017	Nine Month Period Ended September 30, 2018	Nine Month Period Ended September 30, 2017
	($)	**($)**	**($)**	**($)**
EXPENSES				
General and administrative	1,143	-	12,776	-
Director fees	13,000	-	36,000	-
Professional and consulting fees (Note 6)	453,414	-	514,503	-
Rent	-	-	400	-
Transfer and filing fees	3,901	-	15,840	-
	471,458	-	579,519	-
OTHER ITEMS				
Gain on spin-off Roughrider Capital Corp.	-	-	258,536	-
Interest income	-	-	565	-
	-	-	259,101	-
Net income (loss) from continuing operations	(471,458)	-	(320,418)	-
Net loss from discontinued operations (Note 11)	-	47,742	(118,639)	(135,828)
Net income (loss) and comprehensive income (loss) for the period	(471,458)	47,742	(439,057)	(135,828)
Basic and diluted income (loss) per share:				
Continuing operations	(0.04)	-	(0.04)	-
Discontinued operations	(0.04)	0.01	(0.01)	(0.02)
Weighted average common shares outstanding:				
Basic	10,581,545	7,597,850	8,603,344	6,579,305
Diluted	10,581,545	7,597,850	8,603,344	6,579,305

Volt Energy Corp.

Condensed Interim Consolidated Statement of Changes in Shareholders`Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital		Reserves				
	Number of Shares	Amount	Option	Warrant	Total	Deficit	Total
		($)	($)	($)	($)	($)	($)
Balance at December 31, 2016	4,569,566	2,819,649	333,776	26,530	360,306	(2,778,777)	401,178
Share issuance - private placement	1,500,000	300,000	-	-	-	-	300,000
Share issuance - debt settlement	240,783	72,235	-	-	-	-	72,235
Share issuance - property acquisitions	1,287,500	722,500	-	-	-	-	722,500
Net loss for the period	-	-	-	-	-	(135,828)	(135,828)
Balance at September 30, 2017	7,597,849	3,914,384	333,776	26,530	360,306	(2,914,605)	1,360,085
Net loss for the period	-	-	-	-	-	(89,026)	(89,026)
Balance at December 31, 2017	7,597,849	3,914,384	333,776	26,530	360,306	(3,003,631)	1,271,059
Share issuance - private placement	4,500,000	506,250	-	-	-	-	506,250
Share issuance costs	-	(3,281)	-	-	-	-	(3,281)
Dividend of Roughrider Capital Corp. shares	-	(538,462)	-	-	-	-	(538,462)
Net loss for the period	-	-	-	-	-	(439,057)	(439,057)
Balance at September 30, 2018	12,097,849	3,878,891	333,776	26,530	360,306	(3,442,688)	796,509

Volt Energy Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Month Period Ended September 30, 2018	Nine Month Period Ended September 30, 2017
	($)	**($)**
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net loss for the period	(439,057)	-
Items not affecting cash		
Gain on spin-off of Roughrider Capital Corp.	(258,536)	-
Changes in non-cash working capital items:		
Receivables	(20,077)	-
Prepaids	(11,942)	-
Accounts payable and accrued liabilities	(4,636)	-
	(734,248)	-
Discontinued operations (Note 12)	100,130	(31,979)
	(634,118)	(31,979)
INVESTING ACTIVITIES		
Cash disposed of from spin-out of Roughrider	(74,418)	-
Exploration and evaluation expenditures	(2,770)	(692)
Refund of reclamation deposit	33,058	-
	(44,130)	(692)
FINANCING ACTIVITIES		
Common shares issued for cash	506,250	300,000
Share issuance costs	(3,281)	-
	502,969	300,000
Change in cash during the period	(175,279)	267,329
Cash - beginning of period	249,314	130,222
Cash - end of period	74,035	397,551

Supplemental Cash Flow Information (Note 10)

1. NATURE OF OPERATIONS AND GOING CONCERN

Volt Energy Corp. ("Volt" or the "Company") was incorporated on November 20, 2000 under the laws of the province of Alberta, Canada and was continued into the province of British Columbia in 2010. The Company changed its name from Abenteuer Resource Corp. to Volt Energy Corp. on April 27, 2017. The Company's offices are located at 1090 Hamilton Street, Vancouver, BC, Canada, V6B 2R9. The Company is engaged in the exploration and production of oil reserves as well as the exploration of energy metals, such as cobalt and lithium, in Canada. The Company's shares are traded on the TSX Venture Exchange ("TSXV") under the symbol "VOLT".

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company had cash of $74,035, working capital of $70,383 and a cumulative deficit of $3,442,688 as at September 30, 2018. During the nine month period ended September 30, 2018, the Company transferred all of its oil properties to its wholly-owned subsidiary, Roughrider Capital Corp. ("Roughrider"), and then completed a plan of arrangement wherein it distributed all of the shares of Roughrider to the shareholders of the Company. As a result, the Company's focus moving forward will be its energy metal assets that are in the exploration phase of development.

The above conditions cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon the acquisition and development of its exploration assets, and ultimately its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to maintain cash flows and continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's consolidated financial statements and such adjustments could be material.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2017, prepared in accordance with IFRS as issued by the IASB

These condensed interim consolidated financial statements were approved by the Board of Directors of the Company on November 16, 2018.

2. BASIS OF PREPARATION

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial liabilities that are measured at fair value.

On March 13, 2018, the Company completed a consolidation of its common shares at a ratio of one new share for every four old shares. Consequently, all share and per share amounts in these condensed interim consolidated financial statements have been restated to reflect the share consolidation.

Functional and Presentation Currency

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the accounts of Roughrider Capital Corp., which was a wholly-owned subsidiary of the Company up until the completion of a plan of arrangement on March 13, 2018. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases.

All entities, over which the Company has control, specifically when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, are fully consolidated.

Intercompany balances and transactions, and unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Use of Estimates and Judgements

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

2. BASIS OF PREPARATION (continued)

Depletion and Depreciation
The amounts recorded for depletion and depreciation of oil properties and the amounts used in impairment testing are based on independent estimates of proved and probable reserves, well production rates, realized and forecast oil and natural gas prices, future development costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty. Accordingly, the impact on the consolidated financial statements for future periods may be material.

Decommissioning provisions
Restoration costs will be incurred by the Company at the end of the operating life of the Company's oil properties. The Company estimates abandonment and reclamation costs based on a combination of publicly available industry benchmarks and internal site specific information. For producing wells and facilities, the expected timing of settlement is estimated based on the period to abandonment for each field, as per an independent report. The ultimate restoration liability is uncertain and can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques, experience at other production sites, or changes in the risk-free discount rate. The expected timing and amount of expenditure can also change in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Income taxes
The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Significant judgements that management has made at the end of the reporting period are as follows:

Carrying value and the recoverability of exploration and evaluation assets
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at December 31, 2017, with the exception of the newly adopted standards noted below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

During the nine month period ended September 30, 2018, the Company adopted the following accounting standards:

IFRS 9, Financial instruments

This new standard replaces International Accounting Standards ("IAS") 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces a new impairment model for financial assets and new rules for hedge accounting.

IFRS 9 requires financial assets to be classified into one of three measurement categories on initial recognition: FVTPL, fair value through OCI and amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset. The new standard retains most of the existing requirements for financial liabilities.

IFRS 9 introduces a new impairment model for financial assets. This new model may result in the earlier recognition of credit losses as it requires the Company to account for expected credit losses from the time the financial instruments are first recognized.

IFRS 15, Revenue from Contracts with Customers

This new standard is based on the principle that revenue should be recognized to depict the transfer of goods or services to customers at an amount that the entity expects it will be entitled to in exchange for those goods.

IFRS 15 introduces a new five step model for the recognition of revenue based on when control of a good or service transfers to a customer. The notion of control replaces the existing notion of risks and rewards and could result in changes in the timing of revenue recognition for certain contracts

The adoption of these standards did not have a material impact on the Company's financial statements.

4. EXPLORATION AND EVALUATION ASSETS

<u>Temiskaming and Fabre, Quebec</u>
On April 6, 2017, the Company acquired a 100% interest in the Temiskaming and Fabre Cobalt - Silver property located in Quebec's Fabre township in exchange for 2,650,000 common shares of the Company, which were valued at $397,500. The shares were subject to a voluntary pooling arrangement whereby 50% were released on August 6, 2017 and the remaining 50% were released on January 6, 2018.

The Company incurred $2,770 (2017 - $692) in geological consulting and claim renewal fees during the nine month period ended September 30, 2018.

<u>Lac Saint Simon, Quebec</u>
On June 1, 2017, the Company acquired a 100% interest in the Lac Saint Simon lithium property located in west-central Quebec in exchange for 2,500,000 common shares of the Company which were valued at $325,000.

During the nine month period ended September 30, 2018, the Company reviewed the carrying value of its exploration and evaluation assets and determined there were no impairment indicators present.

(Expressed in Canadian dollars)

5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	September 30, 2018	December 31, 2017
	($)	($)
Trade payables	11,091	12,134
Related party payables	8,000	3,343
Accrued liabilities	20,000	28,250
	39,091	43,727

6. RELATED PARTY TRANSACTIONS

The following summarizes the Company's related party transactions during the nine month periods ended September 30, 2018 and 2017. Key management personnel included the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), directors and companies controlled by them:

	September 30, 2018	September 30, 2017
	($)	($)
Director and consulting fees paid or accrued to directors and officers of the Company	174,586	62,000
Mineral royalties paid or accrued to an officer of the Company	398	1,259
	174,984	63,259

As at September 30, 2018, a total of $8,000 (December 31, 2017 - $3,343) was included in accounts payable and accrued liabilities owing to the directors of the Company for director fees, reimbursable expenses and mineral royalties. These liabilities are non-interest bearing and payable on demand.

7. SHARE CAPITAL

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preference shares without par value.

Issued share capital

There are no preferred shares issued or outstanding.

Nine month period ended September 30, 2018

On August 1, 2018, the Company issued 4,500,000 common shares at $0.1125 per share pursuant to a non-brokered private placement for gross proceeds of $506,250. The Company paid $3,281 in share issuance costs in connection with the placement.

7. SHARE CAPITAL (continued)

Year ended December 31, 2017

a) the Company issued 1,500,000 common shares at $0.20 per share pursuant to a non-brokered private placement for gross proceeds of $300,000.

b) the Company issued 240,783 common shares as consideration for the settlement of $72,235 in related party debt.

c) the Company issued 662,500 common shares with a value of $397,500 to acquire the Temiskaming Fabre property.

d) the Company issued 625,000 common shares with a value of $325,000 to acquire the Lac Saint Simon property.

Stock options

The Company has adopted a fixed incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange 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 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company.

There was no stock option activity during the nine month period ended September 30, 2018 and the year ended December 31, 2017.

As at September 30, 2018, there are 155,000 (December 31, 2017 – 155,000) incentive stock options outstanding and exercisable at a price of $0.40 per share until April 7, 2019.

8. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its short-term investments as they are exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company’s net loss.

8. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable, due from Roughrider Capital Corp. and other receivables. This risk for these receivables is considered minimal. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

Historically, the Company's main source of funding has been through revenue earned from its operating well interests and the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. The Company's exposure to commodity price risk is minimal at present since the Company has not yet identified a mineral resource.

(Expressed in Canadian dollars)

8. FINANCIAL RISK MANAGEMENT (continued)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the nine month period ended September 30, 2018.

Classification of financial instruments

Financial assets included in the statement of financial position are cash and accounts receivable and other receivables. Financial liabilities included in the statement of financial position are accounts payable and accrued liabilities. The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short term to maturity, and the effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

9. SEGMENTED INFORMATION

The Company operates in one segment being the acquisition, production, exploration and development of mineral resources properties in Canada.

10. SUPPLEMENTAL CASH FLOW INFORMATION

	September 30, 2018	September 30, 2017
	($)	**($)**
Non-cash investing and financing activities:		
Common shares issued to settle accounts payable owing to related parties	-	72,235
Common shares issued to acquire exploration and evaluation assets	-	722,500
The Company distributed 15,195,698 common shares of Roughrider Capital Corp. to the shareholders of VOLT	538,462	-
Interest paid during the period	-	-
Income taxes paid during the period	-	-

(Expressed in Canadian dollars)

11. SPIN-OFF OF ROUGHRIDER CAPITAL CORP.

On March 13, 2018, the Company completed a plan of arrangement under the Business Corporations Act (British Columbia) (the "Spin-Off") with Volt's securityholders. Pursuant to the Spin-Off, the Company distributed all of the common shares of Roughrider to the shareholders of the Company. The Roughrider shares were determined to have a fair market value of $538,462 at the date of distribution. As a result, the Company reported a gain on spin-off of Roughrider Capital Corp. of $258,536 on the condensed interim consolidated statement of income (loss) and comprehensive income (loss).

The assets and liabilities that were transferred to Roughrider on February 1, 2018 were classified as discontinued operations and classified on the statement of financial position as assets / liabilities held for spin-off. A breakdown of these assets and liabilities as at December 31, 2017 is as follows:

	December 31, 2017
	($)
Current assets	
Cash	75,000
Prepaid expenses	2,104
Accounts receivable	49,040
Long-term assets	
Oil properties	333,279
Current liabilities	
Accounts payable	(34,975)
Long-term liabilities	
Decommissioning provisions	(118,810)
Net assets	305,638

The net loss from the oil and gas assets that were transferred to Roughrider have been reclassified to discontinued operations for the nine month periods ended September 30, 2018 and 2017 as follows:

	September 30, 2018	September 30, 2017
	($)	($)
Revenues		
Oil sales	57,260	238,275
Royalties and freehold mineral tax	(10,738)	(38,452)
Expenses		
General and administrative	(138,174)	(193,211)
Operating expenses	(26,680)	(140,839)
Other Items		
Finance expense	(426)	(1,730)
Interest income	119	129
Net loss from discontinued operations	(118,639)	(135,828)