

SPEARMINT RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

July 31, 2018

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended July 31, 2018 and 2017 have not been reviewed by the Company's external auditor.

SPEARMINT RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

<u>ASSETS</u>	July 31, <u>2018</u>	January 31, <u>2018</u>
Current assets		
Cash - Note 4	\$ 478,233	\$ 842,236
Receivables - Note 5	3,573	5,425
Prepaid expenses	45,528	69,358
Total current assets	527,334	917,019
Non-current assets		
Security deposits – Note 6	11,098	11,098
Exploration and evaluation assets – Note 6	926,564	617,936
Total assets	\$ 1,464,996	\$ 1,546,053
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities - Notes 7 and 11	\$ 414,008	\$ 590,981
Flow-through share premium liability – Note 8	51,036	57,508
Total current liabilities	465,044	648,489
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Note 9	3,778,138	3,767,060
Share subscriptions receivable – Note 9	-	(319,500)
Reserves – Note 9	516,649	232,679
Accumulated deficit	(3,294,835)	(2,782,675)
Total shareholders' equity	999,952	897,564
Total liabilities and shareholders' equity	\$ 1,464,996	\$ 1,546,053

Nature and Continuation of Operations – Note 1
Subsequent Events – Note 14

APPROVED BY THE DIRECTORS:

<u>“James Nelson”</u> James Nelson	Director	<u>“Dennis Aalderink”</u> Dennis Aalderink	Director
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The accompanying notes form an integral part of these condensed consolidated interim financial statements.

SPEARMINT RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS & COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three months ended July 31,		Six months ended July 31,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Operating expenses				
Consulting fees	\$ 9,000	\$ 55,850	\$ 19,475	\$ 190,850
Office and miscellaneous	5,847	5,431	20,804	12,942
Professional fees – Note 11	24,986	9,173	40,647	19,518
Share-based payments – Notes 9 and 11	-	2,173	291,319	16,196
Shareholder information	1,722	2,814	7,124	5,939
Transfer agent and filing fees	8,831	4,788	30,910	21,517
Corporate branding	9,413	-	108,711	35,700
	<u>(59,799)</u>	<u>(80,229)</u>	<u>(518,990)</u>	<u>(302,662)</u>
Interest income	358	-	358	-
Other income on settlement of flow-through share premium – Note 8	6,472	-	6,472	-
	<u>6,830</u>	<u>-</u>	<u>6,830</u>	<u>-</u>
Net comprehensive loss for the period	<u>\$ (52,969)</u>	<u>\$ (80,229)</u>	<u>\$ (512,160)</u>	<u>\$ (302,662)</u>
Loss per share - basic and diluted - Note 10	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding - basic and diluted - Note 10	<u>129,795,847</u>	<u>98,462,002</u>	<u>129,773,748</u>	<u>98,436,035</u>

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

SPEARMINT RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Six months ended July 31,	
	<u>2018</u>	<u>2017</u>
Operating Activities		
Loss for the period	\$ (512,160)	\$ (302,662)
Adjustments for non-cash item:		
Share-based payments	291,319	16,196
Other income on settlement of flow-through share premium	(6,472)	-
Changes in non-cash working capital items:		
Receivables	1,852	3,327
Prepaid expenses	51,830	(1,915)
Accounts payable and accrued liabilities	(153,813)	211,154
Cash used in operating activities	<u>(327,444)</u>	<u>(73,900)</u>
Investing Activities		
Exploration and evaluation assets	(336,628)	(11,356)
Cash used in investing activities	<u>(336,628)</u>	<u>(11,356)</u>
Financing Activities		
Proceeds from loan issuances	-	20,000
Proceeds from issuance of share capital	329,500	47,000
Share issue costs	(29,431)	-
Cash provided by financing activities	<u>300,069</u>	<u>67,000</u>
Decrease in cash during the period	(364,003)	(18,256)
Cash, beginning of the period	842,236	24,747
Cash, end of the period	<u>\$ 478,233</u>	<u>\$ 6,491</u>

Supplemental Disclosure with Respect to Cash Flows (Note 13)

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

SPEARMINT RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	No. of shares	Amounts	Shares subscriptions receivable	Reserves	Accumulated deficit	Total
Balance, January 31, 2017	96,112,002	\$ 2,142,742	\$ -	\$ 189,564	\$ (1,865,137)	\$ 467,169
Share purchase warrants exercised	2,350,000	47,000	-	-	-	47,000
Stock options issued	-	-	-	16,196	-	16,196
Loss for the period	-	-	-	-	(302,662)	(302,662)
Balance, July 31, 2017	98,462,002	2,189,742	-	205,760	(2,167,799)	227,703
Share purchase warrants exercised	7,100,000	355,000	-	-	-	355,000
Stock options exercised	5,200,000	260,000	-	-	-	260,000
Transfer of reserves on options exercised	-	124,285	-	(124,285)	-	-
Shares issued for private placement	18,833,845	999,200	(319,500)	-	-	679,700
Share issue costs	-	(41,326)	-	-	-	(41,326)
Broker warrants issued for private placement	-	(62,333)	-	62,333	-	-
Stock options issued	-	-	-	88,871	-	88,871
Flow-through share premium liability	-	(57,508)	-	-	-	(57,508)
Loss for the period	-	-	-	-	(614,876)	(614,876)
Balance, January 31, 2018	129,595,847	3,767,060	(319,500)	232,679	(2,782,675)	897,564
Shares issued for private placement	-	-	319,500	-	-	319,500
Share issue costs	-	(6,271)	-	-	-	(6,271)
Stock options exercised	200,000	10,000	-	-	-	10,000
Transfer of reserves on options exercised	-	7,349	-	(7,349)	-	-
Stock options issued	-	-	-	291,319	-	291,319
Loss for the period	-	-	-	-	(512,160)	(512,160)
Balance, July 31, 2018	129,795,847	\$ 3,778,138	\$ -	\$ 516,649	\$ (3,294,835)	\$ 999,952

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

SPEARMINT RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
July 31, 2018

1. NATURE AND CONTINUANCE OF OPERATIONS

Spearmint Resources Inc. (the “Company”) was incorporated under the Business Corporations Act of British Columbia, Canada on September 23, 2009. The Company is an exploration stage public company and is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “SRJ.V”. The Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At July 31, 2018, the Company had exploration and evaluation assets located in Canada and the United States.

The Company’s head office and principal business address is located at 1470 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6. The Company’s registered and records office is located at 900-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At July 31, 2018, the Company had not yet achieved profitable operations, had a working capital of \$62,290 and has an accumulated deficit of \$3,294,835 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company’s ability to continue as a going concern. The Company will require additional financing in order to conduct its future work programs on exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed consolidated interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS34”) as issued by the International Accounting Standards Board (“IASB”). Therefore, these condensed interim consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company’s most recently issued audited financial statements for the year ended January 31, 2018, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgements and estimates were presented in Note 2 and Note 3 of these audited financial statements, and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

2. BASIS OF PREPARATION (continued)

a) Statement of Compliance (continued)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on September 6, 2018.

b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases.

All inter-company transactions, income and expenses have been eliminated upon consolidation.

c) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

During the six months ended July 31, 2018, three Canadian subsidiaries amalgamated into the Company.

The principal subsidiaries of the Company as of July 31, 2018 are as follows:

Name of subsidiary	Place of Incorporation	Ownership Interest July 31, 2018	Ownership Interest January 31, 2018
Indefinitely Lithium Holdings Corp.	Canada	N/A	100%
1074942 B.C. Ltd.	Canada	N/A	100%
1136693 B.C. Ltd.	Canada	N/A	100%
Mathers Lithium Corp.	U.S.A.	100%	100%

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 – Financial Instruments (“IFRS 9”)

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity’s business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments.

The amended standard was adopted on February 1, 2018 and it did not have a significant impact on the Company’s condensed consolidated interim financial statements.

4. CASH AND CASH EQUIVALENTS

The Company’s cash and cash equivalents are denominated in Canadian Dollars and include the following components:

	July 31, <u>2018</u>	January 31, <u>2018</u>
Cash at bank	\$ 228,233	\$ 842,236
Short-term deposits	250,000	-
	<u>\$ 478,233</u>	<u>\$ 842,236</u>

5. RECEIVABLES

The Company’s receivables comprise of goods and services tax (“GST”) receivable due from Canadian government taxation authorities and other receivables.

	July 31, <u>2018</u>	January 31, <u>2018</u>
GST recoverable	\$ 3,214	\$ 3,771
Other receivables	359	1,654
Total receivables	<u>\$ 3,573</u>	<u>\$ 5,425</u>

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Company’s receivables are all considered current and are not past due or impaired. The Company does not possess any collateral related to these assets.

SPEARMINT RESOURCES INC.
Notes to the Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)
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6. EXPLORATION AND EVALUATION ASSETS

	BC EL N. Nickel- Copper Prospects	BC NEBA Copper- Gold Prospect	BC Gold Mountain Property	BC Gold Triangle Prospects	BC Buddy Property	BC Why West Magnesium Prospect	QC Whabouchi Lakes Lithium Property	QC Whabouchi Lakes West Lithium Property	QC Preissac Lithium Property	QC Chibougama Vanadium Prospects	Nevada Elon and McGee Lithium Properties	Total
Balance, January 31, 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068	\$ 1,193	\$ 303,805	\$ -	\$ 544,536	\$ 850,602
Acquisition costs	2,892	2,162	1,382	2,900	3,108	2,632	-	-	-	4,550	38,939	58,565
Deferred exploration expenditures												
Assays	-	-	-	-	-	-	-	-	-	-	2,524	2,524
Claim maintenance fees	-	-	-	-	-	-	-	-	-	-	12,311	12,311
Write-down of exploration and evaluation assets	-	-	-	-	-	-	(1,068)	(1,193)	(303,805)	-	-	(306,066)
Balance, January 31, 2018	2,892	2,162	1,382	2,900	3,108	2,632	-	-	-	4,550	598,310	617,936
Acquisition costs	-	-	-	-	-	4,689	-	-	-	-	-	4,689
Deferred exploration expenditures												
Assay	-	-	-	-	-	-	-	-	-	-	8,361	8,361
Claim maintenance fees	-	-	2,526	-	-	-	-	-	-	-	-	2,526
Drilling	-	-	-	-	-	-	-	-	-	-	252,913	252,913
Geological expenses	-	-	-	-	-	-	-	-	-	-	35,147	35,147
Geological report	-	-	-	-	-	-	-	-	-	-	4,992	4,992
Balance, July 31, 2018	\$ 2,892	\$ 2,162	\$ 3,908	\$ 2,900	\$ 3,108	\$ 7,321	\$ -	\$ -	\$ -	\$ 4,550	\$ 899,723	\$ 926,564

6. EXPLORATION AND EVALUATION ASSETS (continued)

BC EL North and EL North 2 Nickel-Copper Prospects - Staking

In September 2017, the Company acquired a 100% interest in certain mineral claims (the "EL North and EL North 2 Nickel-Copper Prospects") located in the Golden Triangle of British Columbia for staking costs of \$2,892.

BC NEBA Copper-Gold Prospect - Staking

In September 2017, the Company acquired a 100% interest in certain mineral claims (the "BC NEBA Copper-Gold Prospect") located in the Golden Triangle of British Columbia for staking costs of \$2,162.

BC Gold Mountain Property - Staking

In April 2017, the Company acquired a 100% interest in certain mineral claims (the "BC Gold Mountain Claims") near the town of Wells, British Columbia for staking costs of \$1,382.

As at July 31, 2018, the Company had incurred a total of \$2,526 in claim maintenance fees on this property.

BC Gold Triangle Prospects - Staking

In July 2017, the Company acquired a 100% interest in certain mineral claims (the "Gold Triangle Prospects") located in the Golden Triangle Gold District in British Columbia for staking costs of \$2,900.

BC Why West Magnesium Project and the Buddy Claims - Purchase Agreement

On October 5, 2017, the Company entered into a share purchase agreement with two arm's length vendors (the "Why West Vendors") to purchase 100% of the issued and outstanding common shares of 1136693 B.C. Ltd. (the "Shares"), which, through the Why West Vendors, held a 100% interest in the Why West Magnesium Project and the Buddy Claims in British Columbia. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company was required to issue 7,000,000 common shares to the Why West Vendors.

On January 12, 2018, the Company amended the share purchase agreement dated October 5, 2017 with the Why West Vendors and settled the consideration for the Shares through payment of various staking, legal and other costs associated with the transaction. The Company paid \$2,632 and \$3,108 in acquisition costs for the Why West Magnesium Project and the Buddy Claims, respectively.

In April 2018, the Company acquired a 100% interest in certain mineral claims in British Columbia to increase the holdings in its Why West Magnesium Project for staking costs of \$4,689.

6. EXPLORATION AND EVALUATION ASSETS (continued)

QC Chibougamau Vanadium Prospects - Staking

In June 2017, the Company acquired a 100% interest in certain mineral claims (the “Chibougamau Vanadium Prospects”), all located in the direct vicinity of Lac Chibougamau, Quebec for staking costs of \$4,550.

Nevada Elon and McGee Properties - Purchase Agreement

On July 12, 2016, the Company entered into a share purchase agreement (the “Agreement”) with five arm’s length vendors (the “Vendors”) to purchase 100% of the issued and outstanding common shares of 1074942 B.C. Ltd., which through its wholly-owned subsidiary Mathers Lithium Corp. (a Nevada corporation) holds a 100% interest in certain lithium mineral claims (the “Elon claims” and the “McGee claims”) in Nevada. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company issued 12,700,000 common shares at a value of \$444,500 to the Vendors pursuant to the Agreement. The Company issued 912,000 common shares at a value of \$31,920 as a finder’s fee, and paid \$20,000 for land acquisition and \$3,903 in filing fees in connection with this transaction. The above acquisition costs were allocated to the Elon Property and the McGee Property proportionately, being \$175,113 and \$325,210, respectively.

On June 14, 2017, the Company assumed an additional US\$30,000 payment owed to the vendors for the McGee claims as follows: US\$10,000 by September 1, 2017 (paid) and US\$20,000 by December 31, 2017 (paid). The vendors retain a NSR of 3.75% on the McGee claims.

During the year ended January 31, 2018, the Company provided a security deposit of \$11,098 in relation to its McGee Properties.

As at July 31, 2018, the Company had incurred a total of \$5,657 in claim maintenance fees on the Elon Property and \$354,804 in exploration costs on the McGee Property, respectively.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities recognized in the statements of financial position consist of the following:

	July 31, <u>2018</u>	January 31, <u>2018</u>
Trade payables	\$ 414,008	\$ 547,321
Accrued liabilities	-	43,660
	<hr/>	<hr/>
Total payables	<u>\$ 414,008</u>	<u>\$ 590,981</u>

All amounts are short-term. The carrying value of trade payables and accrued liabilities is considered a reasonable approximation of fair value.

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance at January 31, 2017	\$ -
Liability incurred on flow-through shares issued	57,508
Balance at January 31, 2018	57,508
Liability derecognized due to exploration expenditures renounced to shareholders	(6,472)
Balance at July 31, 2018	\$ 51,036

In January 2018, the Company issued 3,833,845 flow-through units (the "FT Units") at \$0.065 per unit for gross proceeds of \$249,200. Each FT Unit consisted of one flow-through common share and one share purchase warrant. The premium received on the flow-through shares issued was determined to be \$57,508 and was recorded as a share capital reduction. An equivalent premium liability was also recorded.

During the six months ended July 31, 2018, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$6,472 and recognized it as other income.

9. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares, without par value

Issued and outstanding as at July 31, 2018 – 129,795,847 (January 31, 2018: 129,595,847)

Private placement

Six months ended July 31, 2018

In December 2017, the Company announced a private placement of up to 3,846,154 FT Units at \$0.065 per unit for gross proceeds of up to \$250,000 and of up to 15,000,000 non flow-through units (the "NFT Units") at \$0.05 per unit for gross proceeds of up to \$750,000. Each FT unit consists of one flow-through common share and one non flow-through share purchase warrant which entitles the holder to purchase one non flow-through common share at a price of \$0.10 for a period of two years from the date of closing of the private placement. Each NFT unit consists of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at a price of \$0.08 for a period of three years from the date of closing of the private placement. As of January 31, 2018, the Company had issued 3,833,845 FT Units and 15,000,000 NFT Units, received a total of \$523,000 in NFT and \$156,700 in FT share subscription, paid filing fees of \$750 and finders' fees of \$40,576, and issued 733,908 broker warrants in connection with this private placement. Each broker warrant is exercisable at \$0.10 per share until January 29, 2020. The broker warrants were valued at \$62,333 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 181.2%, risk-free interest rate 2.07% and an expected life of two years. In February 2018, the Company received the remaining proceeds of \$227,000 and \$92,500 relating to the NFT and FT share subscription, respectively, and incurred filing fees of \$6,271 in connection with this private placement.

9. SHARE CAPITAL AND RESERVES (continued)

Private placement (continued)

Six months ended July 31, 2017

The Company did not close any private placement during the six months ended July 31, 2017.

Share purchase warrants

The following is a summary of changes in share purchase warrants from January 31, 2017 to July 31, 2018:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2017	11,850,000	\$0.04
Issued	19,567,753	\$0.08
Exercised	(9,450,000)	\$0.04
Balance, January 31, 2018 and July 31, 2018	<u>21,967,753</u>	<u>\$0.08</u>

As of July 31, 2018, the Company had 21,967,753 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
4,567,753	\$0.10	January 29, 2020
15,000,000	\$0.08	January 29, 2021
<u>2,400,000</u>	\$0.05	September 21, 2021
<u>21,967,753</u>		

Share-based payments

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of ten years from the date of grant.

The following is a summary of changes in share purchase options from January 31, 2017 to July 31, 2018:

9. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2017	5,275,000	\$0.05
Granted	4,250,000	\$0.05
Exercised	(5,200,000)	\$0.05
Expired	(250,000)	\$0.05
Balance, January 31, 2018	4,075,000	\$0.05
Granted	5,000,000	\$0.11
Exercised	(200,000)	\$0.05
Balance, July 31, 2018	<u>8,875,000</u>	<u>\$0.08</u>

As of July 31, 2018, 8,875,000 share purchase options were outstanding and exercisable entitling the holders thereof the right to purchase one common share of the Company for each option held as follows:

Number	Exercise Price	Expiry Date
1,050,000	\$0.05	October 3, 2018
725,000	\$0.05	October 8, 2018
5,000,000	\$0.11	February 16, 2019
50,000	\$0.05	June 4, 2019
1,400,000	\$0.05	May 24, 2021
400,000	\$0.05	May 30, 2021
250,000	\$0.05	March 13, 2022
<u>8,875,000</u>		

During the six months ended July 31, 2018, 200,000 stock options were exercised at a price of \$0.05 per share for total proceeds of \$10,000 (six months ended July 31, 2017: Nil stock options were exercised). The previously recognized share-based payment expense relating to these stock options were reclassified from share-based payment reserve to share capital in the amount of \$7,349 (six months ended July 31, 2017: \$Nil).

During the six months ended July 31, 2018, the Company granted 5,000,000 stock options with an exercise price of \$0.11 per share and an expiry date of February 16, 2019 (six months ended July 31, 2017: 750,000 stock options were granted with an exercise price of \$0.05 per share and expiry dates ranging from November 30, 2017 to March 13, 2022). The weighted average fair value of the options issued in the six months ended July 31, 2018 was estimated at \$0.06 (six months ended July 31, 2017: \$0.02) per option at the grant date using the Black-Scholes option pricing model with the following assumptions:

9. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

	Six months ended July 31,	
	<u>2018</u>	<u>2017</u>
Weighted average expected dividend yield	0.00%	0.00%
Weighted average expected volatility*	167.69%	181.41%
Weighted average risk-free interest rate	1.82%	1.10%
Weighted average expected term	1 year	3.5 years

* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

Total expenses arising from share-based payment transactions recognized during the six months ended July 31, 2018 was \$291,319 (six months ended July 31, 2017: \$16,196).

10. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

	Six months ended July 31,	
	<u>2018</u>	<u>2017</u>
Net loss	\$ 512,160	\$ 302,662
Weighted average number of common shares for the purpose of basic and diluted loss per share	129,773,748	98,436,035

The basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 9) were anti-dilutive for the six months ended July 31, 2018 and 2017.

The loss per share for the six months ended July 31, 2018 was \$0.00 (six months ended July 31, 2017: \$ \$0.00).

11. RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

	Six months ended July 31,	
	2018	2017
Professional fees	\$ 15,000	\$ 4,500
Share-based payments*	-	7,012
	<u>\$ 15,000</u>	<u>\$ 11,512</u>

*Share-based payments are the fair value of options granted to key management personnel as at the grant date.

Related party balances

At July 31, 2018, accounts payable and accrued liabilities includes \$10,480 (January 31, 2018: \$10,879) payable to three directors and a former director of the Company, and one public company with common directors for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

During the six months ended July 31, 2018, the Company reimbursed a public company with a common director and an officer in the amount of \$Nil (six months ended July 31, 2017: \$3,433) for the services provided by the Chief Financial Officer.

12. SEGMENTAL REPORTING

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets are distributed by geographic locations as below:

	July 31, <u>2018</u>	January 31, <u>2018</u>
Canada	\$ 26,841	\$ 19,626
U.S.A.	899,723	598,310
	<u>\$ 926,564</u>	<u>\$ 617,936</u>

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows.

There were no non-cash transaction for the six months ended July 31, 2018.

During the six months ended July 31, 2017:

- i. The Company accrued exploration and evaluation assets of \$5,628 in accounts payable and accrued liabilities.

14. SUBSEQUENT EVENTS

Subsequent to July 31, 2018, the following occurred:

- i. The Company granted 2,000,000 incentive stock options to directors, officers and consultants at an exercise price of \$0.05 per share for a period of one year.
- ii. The Company acquired a 100% interest in certain mineral claims (the "Henry Gold-Copper Prospects") in British Columbia for staking costs of \$3,481.