

SPEARMINT RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

October 31, 2018

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended October 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>	October 31, <u>2018</u>	January 31, <u>2018</u>
Current assets		
Cash - Note 4	\$ 366,625	\$ 842,236
Receivables - Note 5	5,425	5,425
Prepaid expenses	458	69,358
Total current assets	372,508	917,019
Non-current assets		
Security deposits – Note 6	11,098	11,098
Exploration and evaluation assets – Note 6	1,565,706	617,936
Total assets	\$ 1,949,312	\$ 1,546,053
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities - Notes 7 and 11	\$ 51,599	\$ 590,981
Flow-through share premium liability – Note 8	40,885	57,508
Total current liabilities	92,484	648,489
Non-current liabilities		
Long-term accounts payables – Note 7	374,990	-
	467,474	648,489
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Note 9	4,318,138	3,767,060
Share subscriptions receivable – Note 9	-	(319,500)
Reserves – Note 9	644,478	232,679
Accumulated deficit	(3,480,778)	(2,782,675)
Total shareholders' equity	1,481,838	897,564
Total liabilities and shareholders' equity	\$ 1,949,312	\$ 1,546,053

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

APPROVED BY THE DIRECTORS:

“James Nelson” Director
James Nelson

“Dennis Aalderink” Director
Dennis Aalderink

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 October 31,		Nine months ended October 31,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Operating expenses				
Consulting fees	\$ 9,000	\$ 30,400	\$ 28,475	\$ 221,250
Corporate branding	6,810	4,125	115,521	39,825
Investor relations	3,000	-	3,000	-
Office and miscellaneous	7,856	5,743	28,660	18,685
Professional fees – Note 11	15,396	6,631	56,043	26,149
Share-based payments – Notes 9 and 11	127,829	88,871	419,148	105,067
Shareholder information	10,246	9,708	17,370	15,647
Transfer agent and filing fees	16,585	12,921	47,495	34,438
	<u>(196,722)</u>	<u>(158,399)</u>	<u>(715,712)</u>	<u>(461,061)</u>
Interest income	628	-	986	-
Other income on settlement of flow- through share premium – Note 8	10,151	-	16,623	-
	<u>10,779</u>	<u>-</u>	<u>17,609</u>	<u>-</u>
Net comprehensive loss for the period	<u>\$ (185,943)</u>	<u>\$ (158,399)</u>	<u>\$ (698,103)</u>	<u>\$ (461,061)</u>
Loss per share - basic and diluted - Note 10	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.00)</u>
Weighted average number of shares outstanding - basic and diluted - Note 10	<u>133,904,543</u>	<u>98,462,002</u>	<u>131,165,810</u>	<u>98,444,786</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)

	Nine months ended October 31,	
	<u>2018</u>	<u>2017</u>
Operating Activities		
Loss for the period	\$ (698,103)	\$ (461,061)
Adjustments for non-cash item:		
Share-based payments	419,148	105,067
Other income on settlement of flow-through share premium	(16,623)	-
Changes in non-cash working capital items:		
Receivables	-	3,227
Prepaid expenses	68,900	(29,490)
Accounts payable and accrued liabilities	(145,553)	284,120
Cash used in operating activities	<u>(372,231)</u>	<u>(98,137)</u>
Investing Activities		
Exploration and evaluation assets	<u>(403,449)</u>	<u>(41,492)</u>
Cash used in investing activities	<u>(403,449)</u>	<u>(41,492)</u>
Financing Activities		
Proceeds from loan issuances	-	70,000
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>117,000</u>
Decrease in cash during the period	(475,611)	(22,629)
Cash, beginning of the period	<u>842,236</u>	<u>24,747</u>
Cash, end of the period	<u>\$ 366,625</u>	<u>\$ 2,118</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	-	-	-	105,067	-	105,067
Loss for the period	-	-	-	-	(461,061)	(461,061)
Balance, October 31, 2017	98,462,002	2,189,742	-	294,631	(2,326,198)	158,175
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	-	-
Flow-through share premium liability	-	(57,508)	-	-	-	(57,508)
Loss for the period	-	-	-	-	(456,477)	(456,477)
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	-	-	-	419,148	-	419,148
For exploration and evaluation assets	18,000,000	540,000	-	-	-	540,000
Loss for the period	-	-	-	-	(698,103)	(698,103)
Balance, October 31, 2018	147,795,847	\$ 4,318,138	\$ -	\$ 644,478	\$ (3,480,778)	\$ 1,481,838

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)
October 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 Canadian Securities Exchange (the “CSE”) under the symbol “SPMT”. The Company’s principal business activities include acquiring and exploring exploration and evaluation assets. At October 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 October 31, 2018, the Company had not yet achieved profitable operations, had a working capital of \$280,024 and has an accumulated deficit of \$3,480,778 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 December 21, 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 nine months ended October 31, 2018, three Canadian subsidiaries amalgamated into the Company.

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

Name of subsidiary	Place of Incorporation	Ownership Interest October 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%
1177905 B.C. Ltd.	Canada	100%	N/A
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:

	October 31, <u>2018</u>	January 31, <u>2018</u>
Cash at bank	\$ 186,625	\$ 842,236
Short-term deposits	180,000	-
	<u>\$ 366,625</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.

	October 31, <u>2018</u>	January 31, <u>2018</u>
GST recoverable	\$ 4,659	\$ 3,771
Other receivables	766	1,654
Total receivables	<u>\$ 5,425</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)
October 31, 2018 – Page 4

6. EXPLORATION AND EVALUATION ASSETS

	BC EL N. Nickel- Copper Prospects	BC Nickle N. Property	BC NEBA Copper Gold Prospects	BC Safari Copper Gold Property	BC Hammernose Gold Property	BC Henry Gold Copper Prospects	BC Gold Mountain Property	BC Gold Triangle Prospects	BC Buddy Property	BC Why West Magnesium Prospect	QC Lithium Properties	QC Chibougamau Vanadium Prospects	Nevada Elon and McGee Lithium Properties	Total
Balance, January 31, 2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,066	\$ -	\$ 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	-	-	-	-	-	-	-	-	-	-	(306,066)	-	-	(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														
Staking costs	-	-	651	6,381	3,640	3,481	-	-	-	4,689	-	-	-	18,842
Share issuance	-	180,000	180,000	-	-	-	-	180,000	-	-	-	-	-	540,000
Deferred exploration expenditures														
Assay	-	-	-	-	-	-	-	-	-	-	-	-	8,361	8,361
Claim maintenance fees	-	-	-	-	-	-	2,914	-	-	-	-	-	12,682	15,596
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	252,913	252,913
Geological consulting	-	-	-	-	-	-	-	-	-	-	-	-	35,147	35,147
Geological report	2,500	-	2,500	-	-	-	-	8,000	-	-	-	-	4,992	17,992
Survey	13,198	-	7,888	-	-	-	-	12,583	-	-	-	-	-	33,669
Travel & misc	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Advance for exploration	-	-	-	-	-	-	-	-	-	-	-	24,750	-	24,750
Balance, October 31, 2018	\$ 18,590	\$ 180,000	\$ 193,701	\$ 6,381	\$ 3,640	\$ 3,481	\$ 4,296	\$ 203,483	\$ 3,108	\$ 7,321	\$ -	\$ 29,300	\$ 912,405	\$ 1,565,706

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.

As at October 31, 2018, the Company had incurred a total of \$15,698 in exploration costs on this property.

BC NEBA Copper-Gold Prospects - Staking and Purchase Agreement

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.

In August 2018, the Company acquired a 100% interest in certain mineral claims located in the Golden Triangle Gold District in British Columbia for staking costs of \$651.

On October 5, 2018, the Company entered into a share purchase agreement (the "SPA") with two arm's length vendors (the "Vendors") to purchase 100% of the issued and outstanding shares of 1177905 B.C. Ltd., which holds a 100% interest in certain mineral claims in B.C. (the "NEBA Copper-Gold Prospects", the "Nickel N. Property", and the "Gold Triangle Prospects"). The acquisition has been accounted for as an asset acquisition. In consideration, the Company issued 18,000,000 shares (issued at a value of \$540,000) to the Vendors pursuant to the SPA. 1177905 B.C. Ltd. became a wholly-owned subsidiary of the Company. The acquisition costs had been split evenly between these properties.

As at October 31, 2018, the Company had incurred a total of \$10,888 in exploration costs on this property.

BC Nickel N. Property - Purchase Agreement

Under the SPA, the Company indirectly acquired a 100% interest in certain mineral claims in British Columbia.

BC Safari Copper-Gold Property - Staking

In October 2018, the Company acquired a 100% interest in certain mineral claims located in the northern Quesnel Trough in north-central British Columbia for staking costs of \$6,381.

BC Hammernose Gold Property - Staking

In October 2018, the Company acquired a 100% interest in certain mineral claims in the Spences Bridge gold belt located in southern British Columbia for staking costs of \$3,640.

6. EXPLORATION AND EVALUATION ASSETS (continued)

BC Henry Gold-Copper Prospect - Staking

In August 2018, the Company acquired a 100% interest in certain mineral claims located in the Golden Triangle Gold District in British Columbia for staking costs of \$3,481.

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 October 31, 2018, the Company had incurred a total of \$2,914 in claim maintenance fees on this property.

BC Gold Triangle Prospects - Staking and Purchase Agreement

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.

Under the SPA, the Company indirectly acquired a 100% interest in certain mineral claims in British Columbia.

As at October 31, 2018, the Company had incurred a total of \$20,583 in exploration costs on this property.

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 October 31, 2018, the Company had incurred a total of \$8,788 in claim maintenance fees on the Elon Property and \$364,355 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:

	October 31, 2018	January 31, 2018
Trade payables	\$ 426,589	\$ 547,321
Accrued liabilities	-	43,660
Total payables	<u>\$ 426,589</u>	<u>\$ 590,981</u>
Current trade payables and accrued liabilities	51,599	590,981
Non-current trade payables	374,990	-
Total payables	<u>\$ 426,589</u>	<u>\$ 590,981</u>

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	(16,623)
Balance at October 31, 2018	\$ 40,885

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 nine months ended October 31, 2018, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$16,623 and recognized it as other income.

9. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares, without par value

Issued and outstanding as at October 31, 2018 – 147,795,847 (January 31, 2018: 129,595,847)

Private placement

Nine months ended October 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)

Nine months ended October 31, 2017

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

Share purchase warrants

The following is a summary of changes in share purchase warrants from January 31, 2017 to October 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 October 31, 2018	<u>21,967,753</u>	<u>\$0.08</u>

As of October 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 exercise price of each option granted under the plan may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount, subject to a minimum exercise price of \$0.05. Options may be granted for a maximum term of five years and vesting periods are determined by the Board of Directors. Pursuant to the regulations of the CSE, stock options may be granted outside of the stock option plan.

The following is a summary of changes in share purchase options from January 31, 2017 to October 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	10,000,000	\$0.08
Exercised	(200,000)	\$0.05
Expired	(1,775,000)	\$0.05
Balance, October 31, 2018	12,100,000	\$0.07

As of October 31, 2018, 12,100,000 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
5,000,000	\$0.11	February 16, 2019
50,000	\$0.05	June 4, 2019
2,000,000	\$0.05	August 10, 2019
1,800,000	\$0.05	October 11, 2019
1,200,000	\$0.05	October 15, 2019
1,400,000	\$0.05	May 24, 2021
400,000	\$0.05	May 30, 2021
250,000	\$0.05	March 13, 2022
12,100,000		

During the nine months ended October 31, 2018, 200,000 stock options were exercised at a price of \$0.05 per share for total proceeds of \$10,000 (nine months ended October 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 (nine months ended October 31, 2017: \$Nil).

During the nine months ended October 31, 2018, the Company granted 10,000,000 stock options with exercise price ranging from \$0.05 to \$0.11 per share and expiry dates ranging from February 16, 2019 to October 15, 2019 (nine months ended October 31, 2017: 4,250,000 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 nine months ended October 31, 2018 was estimated at \$0.04 (nine months ended October 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)

	Nine months ended October 31,	
	<u>2018</u>	<u>2017</u>
Weighted average expected dividend yield	0.00%	0.00%
Weighted average expected volatility*	169.03%	192.42%
Weighted average risk-free interest rate	2%	1.45%
Weighted average expected term	1 year	1.4 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 nine months ended October 31, 2018 was \$419,148 (nine months ended October 31, 2017: \$105,067).

10. LOSS PER SHARE

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

	Nine months ended October 31,	
	<u>2018</u>	<u>2017</u>
Net loss	\$ 698,103	\$ 461,061
Weighted average number of common shares for the purpose of basic and diluted loss per share	131,165,810	98,444,786

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 nine months ended October 31, 2018 and 2017.

The loss per share for the nine months ended October 31, 2018 was \$0.01 (nine months ended October 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:

	Nine months ended October 31,	
	2018	2017
Professional fees	\$ 22,500	\$ 4,500
Share-based payments*	89,118	7,012
	<u>\$ 111,618</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 October 31, 2018, accounts payable and accrued liabilities includes \$15,761 (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 nine months ended October 31, 2018, the Company reimbursed a public company with a common director and an officer in the amount of \$Nil (nine months ended October 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:

	October 31, <u>2018</u>	January 31, <u>2018</u>
Canada	\$ 653,301	\$ 19,626
U.S.A.	912,405	598,310
	<u>\$ 1,565,706</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.

During the nine months ended October 31, 2018:

- i. The Company accrued exploration and evaluation assets of \$9,949 in accounts payable and accrued liabilities.

During the nine months ended October 31, 2017:

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

14. SUBSEQUENT EVENTS

Subsequent to October 31, 2018, the Company acquired a 100% interest in certain mineral claims to increase the acreage in the Chibougamau Vanadium district in Quebec for staking costs of \$2,435.