

SPEARMINT RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

July 31, 2020

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the periods ended July 31, 2020 and 2019 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>2020</u>	January 31, <u>2020</u>
Current assets		
Cash	\$ 771,688	\$ 151,553
Receivables – Note 3	28,374	1,868
Total current assets	800,062	153,421
Non-current assets		
Security deposits – Note 4	11,729	11,729
Exploration and evaluation assets – Note 4	1,383,643	1,547,408
Total assets	\$ 2,195,434	\$ 1,712,558
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities – Notes 5 and 9	\$ 553,605	\$ 500,812
Flow-through share premium liability – Note 6	17,786	-
Total current liabilities	571,391	500,812
<u>SHAREHOLDERS' EQUITY</u>		
Share capital – Note 7	5,098,633	4,490,214
Reserves – Note 7	993,900	851,814
Accumulated deficit	(4,468,490)	(4,130,282)
Total shareholders' equity	1,624,043	1,211,746
Total liabilities and shareholders' equity	\$ 2,195,434	\$ 1,712,558

Nature and Continuance of Operations – Note 1

Subsequent Events – Notes 4 & 12

APPROVED BY THE DIRECTORS:

“James Nelson”
James Nelson

Director

“Dennis Aalderink”
Dennis Aalderink

Director

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>2020</u>	<u>2019</u>	<u>2020</u>	<u>201</u>
Operating expenses				
Consulting fees	\$ 9,000	\$ 9,000	\$ 18,000	\$ 18,000
Corporate branding	18,750	-	18,750	-
Investor relations	-	-	-	7,500
Office and miscellaneous	7,896	7,563	21,394	21,141
Professional fees – Note 9	8,727	8,225	16,625	16,349
Share-based payments – Notes 7 and 9	71,114	-	71,114	-
Shareholder information	8,353	3,798	10,038	5,425
Transfer agent and filing fees	7,404	6,274	12,163	10,376
	<u>(131,244)</u>	<u>(34,860)</u>	<u>(168,084)</u>	<u>(78,791)</u>
Interest income	-	106	-	412
Loss on sale of exploration and evaluation assets – Note 4	(170,124)	-	(170,124)	-
Other income on settlement of flow-through share premium – Note 6	-	16,308	-	16,990
Write-down of exploration and evaluation assets – Note 4	-	(212,204)	-	(227,683)
	<u>(170,124)</u>	<u>(195,790)</u>	<u>(170,124)</u>	<u>(210,281)</u>
Net comprehensive loss for the period	<u>\$ (301,368)</u>	<u>\$ (230,650)</u>	<u>\$ (338,208)</u>	<u>\$ (289,072)</u>
Loss per share - basic and diluted - Note 8	<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 8	<u>162,790,053</u>	<u>147,795,847</u>	<u>162,545,665</u>	<u>147,795,847</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,	
	2020	2019
Operating Activities		
Loss for the period	\$ (338,208)	\$ (289,072)
Adjustments for non-cash items:		
Other income on settlement of flow-through share premium liability	-	(16,990)
Realized loss on sale of exploration and evaluation assets	170,124	-
Share-based payments	71,114	-
Write-down of exploration and evaluation assets	-	227,683
Changes in non-cash working capital items:		
Receivables	(1,506)	1,406
Prepaid expenses	-	135
Accounts payable and accrued liabilities	52,793	4,394
Cash used in operating activities	(45,683)	(72,444)
Investing Activities		
Exploration and evaluation assets	(31,359)	(40,878)
Cash used in investing activities	(31,359)	(40,878)
Financing Activities		
Proceeds from issuance of share capital	733,090	-
Share issue costs	(35,913)	-
Cash provided by financing activities	697,177	-
Change in cash during the period	620,135	(113,322)
Cash, beginning of the period	151,553	230,989
Cash, end of the period	\$ 771,688	\$ 117,667

Supplemental Disclosure with Respect to Cash Flows (Note 11)

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	Reserves	Accumulated deficit	Total
Balance, January 31, 2019	147,795,847	\$ 4,318,138	\$ 646,771	\$ (3,551,251)	\$ 1,413,658
Loss for the period	-	-	-	(289,072)	(289,072)
Balance, July 31, 2019	147,795,847	4,318,138	646,771	(3,840,323)	1,124,586
Shares issued for private placement	14,500,000	174,000	-	-	174,000
Share issue costs	-	(1,924)	-	-	(1,924)
Stock options issued	-	-	205,043	-	205,043
Loss for the period	-	-	-	(289,959)	(289,959)
Balance, January 31, 2020	162,295,847	4,490,214	851,814	(4,130,282)	1,211,746
Shares issued for private placement	22,733,474	699,790	-	-	699,790
Share issue costs	-	(35,913)	-	-	(35,913)
Broker warrants issued for private placement	-	(70,972)	70,972	-	-
Share purchase warrants exercised	666,000	33,300	-	-	33,300
Stock options issued	-	-	71,114	-	71,114
Flow-through share premium liability	-	(17,786)	-	-	(17,786)
Loss for the period	-	-	-	(338,208)	(338,208)
Balance, July 31, 2020	185,695,321	\$ 5,098,633	\$ 993,900	\$ (4,468,490)	\$ 1,624,043

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, 2020

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 July 31, 2020, 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, 2020, the Company had not yet achieved profitable operations, incurred a net loss of \$338,208 during the six months ended July 31, 2020 and has an accumulated deficit of \$4,468,490 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 the exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. 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, 2020, 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

2. BASIS OF PREPARATION (continued)

a) Statement of Compliance (continued)

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 statement..

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on September 23, 2020.

b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances, 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 condensed consolidated interim 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.

The principal subsidiaries of the Company as of July 31, 2020 are as follows:

Name of subsidiary	Place of Incorporation	Ownership Interest July 31, 2020	Ownership Interest January 31, 2020
1177905 B.C. Ltd.	Canada	100%	100%
Mathers Lithium Corp.	U.S.A.	100%	100%

3. RECEIVABLES

The Company's receivables comprise of goods and services tax ("GST") receivable due from Canadian government taxation authorities.

	July 31, <u>2020</u>	January 31, <u>2020</u>
GST recoverable	\$ 3,374	\$ 1,868
Other receivables	25,000	-
Total receivables	<u>\$ 28,374</u>	<u>\$ 1,868</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)
July 31, 2020 – Page 4

4. 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	ON River Valley E. Platinum Palladium Prospect	QC Chibougamau Vanadium Prospects	QC Perron E. Gold Prospect	Nevada Elon and McGee Lithium Properties	Total
Balance, January 31, 2019	\$ 20,256	\$ 180,000	\$ 203,148	\$ 6,381	\$ 3,640	\$ 3,481	\$ 5,963	\$ 203,483	\$ -	\$ 94,617	\$ -	\$ 921,245	\$1,642,214
Acquisition costs													
Staking costs	746	-	-	-	546	-	-	3,527	4,850	457	1,372	-	11,498
Defered exploration expenditures													
Assay	-	-	-	631	542	-	-	-	-	-	-	-	1,173
Claim maintenance fees	-	-	-	-	-	-	-	-	-	3,850	-	13,749	17,599
Field supplies & equipment	-	-	-	-	105	-	-	-	-	-	-	-	105
Geological consulting	-	-	-	640	-	-	-	-	-	10,311	-	-	10,951
Geological report	-	-	-	5,009	1,250	-	-	-	-	2,855	-	-	9,114
Sampling	-	-	24,576	16,890	5,000	-	-	32,160	-	-	-	-	78,626
Travel	-	-	-	1,200	3,037	-	-	-	-	40	-	-	4,277
Write-down of E&E assets	(17,455)	(180,000)	(651)	-	-	(3,481)	(5,963)	(5,120)	-	(15,479)	-	-	(228,149)
Balance, January 31, 2020	\$ 3,547	\$ -	\$ 227,073	\$ 30,751	\$ 14,120	\$ -	\$ -	\$ 234,050	\$ 4,850	\$ 96,651	\$ 1,372	\$ 934,994	\$1,547,408

SPEARMINT RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars)

July 31, 2020 – Page 5

4. EXPLORATION AND EVALUATION ASSETS

	BC EL N. Nickel- Copper Prospects	BC NEBA Copper Gold Prospects	BC Safari Copper Gold Property	BC Hammerose Gold Property	BC Gold Triangle Prospects	On Carscallen W Gold Project	ON Case Lake South Cesium Prospect	ON Escape Lake North PGM Prospect	ON River Valley E. Platinum Palladium Prospect	QC Chibougamau Vanadium Prospects	QC Perron E.Gold Prospect	Nevada Elon and McGee Lithium Properti es	Total
Balance, January 31, 2020	\$ 3,547	\$ 227,073	\$ 30,751	\$ 14,120	\$ 234,050	\$ -	\$ -	\$ -	\$ 4,850	\$ 96,651	\$ 1,372	\$ 934,994	\$1,547,408
Acquisition costs													
Staking costs	-	-	-	1,966	-	2,450	4,700	3,950	-	-	4,543	-	17,609
Proceeds from sale	-	(25,000)	-	-	-	-	-	-	-	-	-	-	(25,000)
Deferred exploration expenditures													
Advance for exploration	-	-	-	13,750	-	-	-	-	-	-	-	-	13,750
Loss on sale of exploration and evaluation assets	-	(170,124)	-	-	-	-	-	-	-	-	-	-	(170,124)
Balance, July 31, 2020	\$ 3,547	\$ 31,949	\$ 30,751	\$ 29,836	\$ 234,050	\$ 2,450	\$ 4,700	\$ 3,950	\$ 4,850	\$ 96,651	\$ 5,915	\$ 934,994	\$1,383,643

4. EXPLORATION AND EVALUATION ASSETS (continued)

BC EL North 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. During the year ended January 31, 2020, the Company decided to drop these claims. Accordingly, previous acquisition costs of \$2,892 and exploration costs of \$14,563 were written off.

In March and September 2019, the Company acquired a 100% interest in certain mineral claims (the “EL North 3 Nickel-Copper Prospects” and the “EL North 1 Nickel-Copper Prospects”) located in the Golden Triangle of British Columbia for staking costs of \$280 and \$466, respectively.

As at July 31, 2020, the Company had incurred a total of \$2,801 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 "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. During the year ended January 31, 2020, the Company decided to drop these claims. Accordingly, previous staking costs of \$651 were written off.

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 "Nickle 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.

Subsequent to July 31, 2020, the Company entered into a letter agreement with Enduro Metals Corporation, an arm’s length party, to sell certain mineral claims of its NEBA Prospects to Enduro Metals for \$25,000. The Company recognized a realized loss of \$170,124 as of July 31, 2020.

As at July 31, 2020, the Company had incurred a total of \$30,249 in exploration costs on the remaining claims of this property.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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.

As at July 31, 2020, the Company had incurred a total of \$24,370 in exploration costs on this property.

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.

In July 2019, the Company acquired a 100% interest in certain mineral claims to increase the size of the Hammernose Gold Property for staking costs of \$546.

In July 2020, the Company acquired a 100% interest in certain mineral claims to increase the size of the Hammernose Gold Property for staking costs of \$1,966.

As at July 31, 2020, the Company had incurred a total of \$9,934 and prepaid \$13,750 in exploration costs 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.

In July 2019, the Company acquired a 100% interest in certain mineral claims (the “Prickle Claims”) located in the Golden Triangle of British Columbia for staking costs of \$3,527.

During the year ended January 31, 2020, the Company decided to drop certain mineral claims. Accordingly, previous acquisition costs of \$632 and exploration costs of \$4,488 associated with these claims were written off.

As at July 31, 2020, the Company had incurred a total of \$48,255 in exploration costs on this property.

ON Carscallen West Gold Project - Staking

In May 2020, the Company acquired a 100% interest in certain mineral claims (the “Carscallen West Gold Project”) located in the Abitibi Greenstone belt in Ontario for staking costs of \$2,450

4. EXPLORATION AND EVALUATION ASSETS (continued)

ON Case Lake South Cesium Prospect - Staking

In April and May 2020, the Company acquired a 100% interest in certain mineral claims (the “Case Lake South Cesium Prospect”) located in the Larder Lake Mining Division in Northeast Ontario for staking costs of \$4,700.

ON Escape Lake North PGM Project - Staking

In May 2020, the Company acquired a 100% interest in certain mineral claims (the “Escape Lake North PGM Project”) located near north of Thunder Bay, Ontario, for staking costs of \$3,950.

ON River Valley East Platinum-Palladium Prospect - Staking

In January 2020, the Company acquired a 100% interest in certain mineral claims (the “River Valley E. Platinum-Palladium Prospect”), all located in northern Ontario for staking costs of \$4,850.

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.

In December 2018 and January 2019, the Company acquired a 100% interest in certain mineral claims to increase the holdings in its Chibougamau Vanadium Prospects for aggregate staking costs of \$3,031.

In February 2019, 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 \$457.

During the year ended January 31, 2020, the Company decided not to continue with certain mineral claims and allowed them to lapse when they became due. Accordingly, prior acquisition costs of \$769 and exploration costs of \$14,710 associated with these claims had been written off during the period.

As at July 31, 2020, the Company had incurred a total of \$89,382 in exploration costs on this property.

QC Perron-East Gold Prospects - Staking

In September 2019, the Company acquired a 100% interest in certain mineral claims (the “Perron-East Gold Prospects”), all located in the Abitibi greenstone belt of northwestern Quebec for staking costs of \$1,372.

In February and June 2020, the Company acquired a 100% interest in certain mineral claims in Quebec to increase the holdings in its Perron East Gold Prospects for staking costs of \$4,543.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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 an NSR of 3.75% on the McGee claims.

During the year ended January 31, 2018 and January 31, 2020, the Company provided a security deposit of \$11,098 and \$631, respectively, in relation to its McGee Properties.

As at July 31, 2020, the Company had incurred a total of \$13,560 in claim maintenance fees on the Elon Property and \$382,133 in exploration costs on the McGee Property, respectively.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	July 31, <u>2020</u>	January 31, <u>2020</u>
Trade payables	\$ 549,305	\$ 481,512
Accrued liabilities	4,300	19,300
Total payables	<u>\$ 553,605</u>	<u>\$ 500,812</u>

All amounts are short-term. The carrying value of trade payables and accrued liabilities is considered a reasonable approximation of fair value due to the short-term nature of these instruments.

6. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance at January 31, 2019	\$ 23,536
Liability derecognized due to exploration expenditures renounced to shareholders	(23,536)
Balance at January 31, 2020	-
Liability incurred on flow-through shares issued	17,786
Balance at July 31, 2020	\$ 17,786

During the year ended January 31, 2020, the Company renounced and incurred the exploration expenditures. Accordingly, the Company derecognized the flow-through share premium liability of \$23,536 and recognized it as other income.

In July 2020, the Company issued 3,557,142 flow-through units (the "FT Units") at \$0.035 per unit for gross proceeds of \$124,500. 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 \$17,786 and was recorded as a share capital reduction. An equivalent premium liability was also recorded.

7. SHARE CAPITAL AND RESERVES

Authorized: Unlimited common shares, without par value

Issued and outstanding as at July 31, 2020 – 185,695,321 (January 31, 2020: 162,295,847)

Private placement

Six months ended July 31, 2020:

In July 2020, the Company closed a non-brokered private placement consisting of 3,557,142 flow-through units (the "FT Units") at \$0.035 per FT Unit and 19,176,332 non flow-through units (the "NFT Units") at \$0.03 per NFT Unit for gross proceeds of \$699,790. Each FT Unit consisted of one flow-through common share and one share purchase warrant which entitles the holder to purchase one additional non flow-through common share of the Company at a price of \$0.05 per share until July 29, 2025. Each NFT Unit consisted of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at a price of \$0.05 per share until July 29, 2025. The Company incurred filing and legal fees totalling \$2,170, finders' fees of \$33,743, and issued 918,106 broker warrants in connection with this private placement. Each broker warrant is exercisable at \$0.05 per share until July 29, 2020. The broker warrants were valued at \$70,972 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 180.8%, risk-free interest rate 0.32% and an expected life of five years.

Six months ended July 31, 2019:

The Company did not close any private placements during the six months ended July 31, 2019.

7. SHARE CAPITAL AND RESERVES (continued)

Share purchase warrants

The following is a summary of changes in share purchase warrants from January 31, 2019 to July 31, 2020:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2019	21,967,753	\$0.08
Issued	14,500,000	\$0.05
Expired	(4,567,753)	\$0.10
Balance, January 31, 2020	31,900,000	\$0.06
Issued	23,651,580	\$0.05
Expired	(666,000)	\$0.05
Balance, July 31, 2020	<u>54,885,580</u>	<u>\$0.06</u>

As of July 31, 2020, the Company had 54,885,580 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>
15,000,000	\$0.08	January 29, 2021
2,400,000	\$0.05	September 21, 2021
13,834,000	\$0.05	January 17, 2025
<u>23,651,580</u>	\$0.05	July 29, 2025
<u>54,885,580</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.

7. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

The following is a summary of changes in share purchase options from January 31, 2019 to July 31, 2020:

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2019	12,100,000	\$0.07
Granted	11,000,000	\$0.05
Expired	(9,750,000)	\$0.08
Forfeited	(300,000)	\$0.05
Balance, January 31, 2020	13,050,000	\$0.05
Granted	3,000,000	\$0.05
Balance, July 31, 2020	16,050,000	\$0.05

As of July 31, 2020, 16,050,000 share purchase options were outstanding entitling the holders thereof the right to purchase one common share of the Company for each option held as follows:

Number Outstanding and Exercisable	Exercise Price	Expiry Date
11,000,000	\$0.05	January 20, 2021
3,000,000	\$0.05	May 15, 2021
1,400,000	\$0.05	May 24, 2021
400,000	\$0.05	May 30, 2021
250,000	\$0.05	March 13, 2022
<u>16,050,000</u>		

During the six months ended July 31, 2020 and 2019, the Company granted 3,000,000 stock options with an exercise price of \$0.05 per share and an expiry date of May 15, 2021 (six months ended July 31, 2019: Nil options were granted). The weighted average fair value of the options issued in the six months ended July 31, 2020 was estimated at \$0.02 per option (six months ended July 31, 2019: \$Nil) at the grant date using the Black-Scholes option pricing model with the following assumptions:

	Six months ended July 31,	
	<u>2020</u>	<u>2019</u>
Weighted average expected dividend yield	0.00%	N/A
Weighted average expected volatility*	219.53%	N/A
Weighted average risk-free interest rate	0.28%	N/A
Weighted average expected term	1 year	N/A

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

7. SHARE CAPITAL AND RESERVES (continued)

Share-based payments (continued)

Total expenses arising from share-based payment transactions recognized during the six months ended July 31, 2020 was \$71,114 (six months ended July 31, 2019: \$Nil).

8. LOSS PER SHARE

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

	Six months ended July 31,	
	<u>2020</u>	<u>2019</u>
Net loss	\$ 338,208	\$ 289,072
Weighted average number of common shares for the purpose of basic and diluted loss per share	162,545,665	147,795,847

Basic loss per share is computed by dividing loss by the weighted average number of common shares outstanding during the period. 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 7) were anti-dilutive for the six months ended July 31, 2020 and 2019.

Basic and diluted loss per share for the six months ended July 31, 2020 was \$(0.00) (six months ended July 31, 2019: \$(0.00)).

9. 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,	
	2020	2019
Professional fees	\$ 15,000	\$ 15,000
Share-based payments*	64,003	-
	<u>\$ 79,003</u>	<u>\$ 15,000</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, 2020, accounts payable and accrued liabilities include 62,049 (January 31, 2020: \$27,978) payable to three directors and a former director of the Company, a public company with common directors, and a private company controlled by an officer for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

10. 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>2020</u>	January 31, <u>2020</u>
Canada	\$ 448,649	\$ 612,414
U.S.A.	934,994	934,994
	<u>\$ 1,383,643</u>	<u>\$ 1,547,408</u>

11. 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 six months ended July 31, 2019:

- Included in accounts payable and accrued liabilities was \$50,195 for exploration and evaluation assets.

12. SUBSEQUENT EVENTS

Subsequent to July 31, 2020, the following occurred:

- a) The Company acquired a 100% interest in certain mineral claims in Ontario to increase the holdings in its Case Lake South Cesium Prospect for staking costs of \$2,350.
- b) On August 10, 2020, the Company entered into a purchase agreement with arm's length vendors to acquire a 100% interest in certain mineral claims (the "Goose Gold Project") located in Newfoundland, Canada. In consideration, the Company issued 2,000,000 shares to the vendors.
- c) 2,562,000 share purchase warrants were exercised at \$0.05 per share.
- d) The Company granted 2,000,000 stock options to its directors, officers and consultants at an exercise price of \$0.085 per share for a term of one year.
- e) The Company entered into a three-month marketing contract to engage StoneBridge Partners LLC, an arm's length party, to provide investor relations services for a total of US\$19,500.