QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JANUARY 31, 2018 AND 2017

(Expressed in Canadian Dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Quantum Cobalt Corp. (formerly Bravura Ventures Corp.)

We have audited the accompanying consolidated financial statements of Quantum Cobalt Corp. which comprise the consolidated statements of financial position as at January 31, 2018 and 2017, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Quantum Cobalt Corp. as at January 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Quantum Cobalt Corp. to continue as a going concern.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 31, 2018

QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)
Consolidated Statements of Financial Position
As at January 31, 2018 and 2017
(Expressed in Canadian dollars)

		2018		2017
ASSETS				
CURRENT				
Cash	$	259,025	$	571,833
Amounts receivable		87,733		23,556
Prepaid expenses (Note 5)		224,500		28,456
		571,258		623,845
NON-CURRENT				
Exploration and evaluation assets (Note 4)		14,096,946		761,394
	$	**14,668,204**	**$**	**1,385,239**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Notes 6 and 8)	$	780,898	$	84,854
Flow-through premium (Note 9)		51,833		-
Other payables (Note 4)		500,000		-
		1,332,731		84,854
EQUITY				
Share capital (Note 9)		18,842,496		3,282,704
Subscriptions received (receivable) (Note 9)		227,200		(142,500)
Reserves		3,340,495		1,514,850
Deficit		(9,074,718)		(3,354,669)
		13,335,473		1,300,385
	$	**14,668,204**	**$**	**1,385,239**

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENT (Note 13)
SUBSEQUENT EVENTS (Note 15)

Approved and authorized for issue on behalf of the Board on May 31, 2018:

"Quinn Field-Dyte"
Director

"David Schmidt"
Director

The accompanying notes are an integral part of these consolidated financial statements.

QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)
Consolidated Statements of Comprehensive Loss
For the years ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

		2018		2017
EXPENSES				
Accretion and interest (Note 7)	$	24,674	$	-
Advertising and promotion		1,462,630		342,052
Consulting fees (Note 8)		3,309,552		684,600
Geological consulting		126,206		-
Management fees (Note 8)		481,952		69,750
Office and miscellaneous		56,020		27,708
Professional fees (Note 8)		70,264		44,613
Rent		107,000		24,000
Share-based compensation		-		140,716
Transfer agent and filing fees		81,751		90,054
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	$	(5,720,049)	$	(1,423,493)
LOSS PER SHARE – BASIC AND DILUTED	$	(0.36)	$	(0.94)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		15,702,203		1,515,066

The accompanying notes are an integral part of these consolidated financial statements.

QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)
Consolidated Statements of Changes in Equity
For the years ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	Common Shares	Amount	Subscriptions Received (Receivable)	Reserves	Deficit	Total
Balance at January 31, 2016	862,991	$ 1,528,420	$ -	$ 252,906	$ (1,931,176)	$ (149,850)
Private placement	1,189,117	1,165,340	(142,500)	1,019,960	-	2,042,800
Finders' warrants	-	(101,268)	-	101,268	-	-
Share issuance costs	-	(59,288)	-	-	-	(59,288)
Shares issued for mineral properties (Note 4)	150,000	680,000	-	-	-	680,000
Exercise of warrants	77,000	69,500	-	-	-	69,500
Share-based compensation	-	-	-	140,716	-	140,716
Net loss and comprehensive loss	-	-	-	-	(1,423,493)	(1,423,493)
Balance at January 31, 2017	2,279,108	$ 3,282,704	$ (142,500)	$ 1,514,850	$ (3,354,669)	$ 1,300,385
Private placements	21,448,166	4,196,392	(17,800)	1,451,775	-	5,630,367
Share issuance costs	-	(792,433)	-	328,880	-	(463,553)
Shares issued for mineral properties (Note 4)	10,000,000	11,454,500	-	-	-	11,454,500
Shares issued for debentures (Note 7)	3,000,000	316,614	-	137,792	-	454,406
Exercise of warrants	1,140,834	384,719	(12,500)	(92,802)	-	279,417
Subscriptions received	-	-	400,000	-	-	400,000
Net loss and comprehensive loss	-	-	-	-	(5,720,049)	(5,720,049)
Balance at January 31, 2018	37,868,108	$ 18,842,496	$ 227,200	$ 3,340,495	$ (9,074,718)	$ 13,335,473

The accompanying notes are an integral part of these consolidated financial statements.

QUANTUM COBALT CORP.
(FORMERLY BRAVRA VENTURES CORP.)
Consolidated Statements of Cash Flows
For the years ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
OPERATING ACTIVITIES		
Net loss	$ (5,720,049)	$ (1,423,493)
Adjustment for non-cash items:		
Accretion on convertible debentures	4,406	-
Stock-based compensation	-	140,716
Changes in non-cash working capital items:		
Amounts receivable	(64,177)	(22,521)
Prepaid expenses	(196,044)	(28,456)
Accounts payable and accrued liabilities	696,044	(51,814)
Net cash used in operating activities	(5,279,820)	(1,385,568)
INVESTING ACTIVITY		
Mineral property acquisition and exploration costs	(1,381,052)	(81,394)
Net cash used in investing activity	(1,381,052)	(81,394)
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net of issuance costs	5,218,647	2,053,012
Convertible debentures (Note 7)	450,000	-
Exercise of warrants	279,417	-
Repayments of loans payable	-	(19,789)
Subscriptions received	400,000	-
Net cash provided by financing activities	6,348,064	2,033,223
INCREASE (DECREASE) IN CASH	(312,808)	566,261
CASH, BEGINNING OF YEAR	571,833	5,572
CASH, END OF YEAR	259,025	$ 571,833
NON-CASH TRANSACTIONS		
Shares issued for property acquisition (Note 4)	$ 11,454,500	$ -
Warrants issued as finder's fee	$ 328,880	$ -

Supplementary cash flow information and non-cash transactions (Note 12)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Quantum Cobalt Corp. (formerly Bravura Ventures Corp.) (the "Company") was incorporated on August 6, 2010 under the British Columbia Business Corporations Act. On November 7, 2017, the Company changed its name to Quantum Cobalt Corp. to better reflect its direction and cobalt resource properties and begun trading under the stock symbol "QBOT". The Company is domiciled in Canada and is a reporting issuer with its common shares publicly traded on the Canadian Securities Exchange ("CSE"). The Company is currently in the process of identifying, exploring and developing mineral properties. The address of its head office is 800-1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5.

At January 31, 2018, the Company had a working capital deficiency of $761,473. The Company has incurred losses since its inception and has an accumulated deficit of $9,074,718 as of January 31, 2018 (2017 - $3,354,669) which has been funded primarily by the issuance of shares and loans.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue on a going concern basis beyond the next twelve months depends on its ability to raise additional financing. The Company has incurred ongoing losses and has a working capital deficiency. Accordingly, these factors give rise to a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on May 31, 2018.

b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 2(m). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these consolidated financial statements are in accordance with IFRS. The functional currency of the Company and its subsidiaries is the Canadian Dollar, which is also the presentation currency.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 10336602 Canada Inc. and 1142674 B.C. Ltd. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

d) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Critical accounting estimates

i. Determining the fair value of identifiable assets acquired, liabilities assumed and consideration transferred and contingent consideration for business combinations and asset acquisitions.
ii. The measurement of deferred income tax assets and liabilities;
iii. The discount rate used to determine the fair value of loans payable; and
iv. The valuation of share-based payments.

Critical accounting judgments

i. The determination of categories of financial assets and financial liabilities;
ii. The evaluation of the Company's ability to continue as a going concern;
iii. The impairment of exploration and evaluation assets;
iv. The determination of functional currency; and
v. Judgments used in determining if an acquisition constitutes a business combination or asset acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units of production method over estimated recoverable reserves. Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

f) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regards to previous years.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. The tax rate used is the rate that is enacted or substantively enacted.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is insignificant.

h) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

j) Flow-through shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as other liabilities in the consolidated statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference between the current market price of the Company's common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a tax deduction recovery on the consolidated statement of comprehensive loss and reduces the other liability.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

k) Impairment of non-financial assets

At the end of each reporting period, the Company assesses each cash generating unit to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Cash and cash equivalents

Cash and cash equivalents consist of cash and liquid investments which are readily convertible into cash with maturities of three months or less when purchased. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset-backed deposits or investments. As of January 31, 2018, the Company only held cash.

m) Financial instruments

i) Financial assets

Financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity, or available-for-sale.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company has classified its cash as FVTPL.

Financial assets classified as loans and receivables are measured at amortized cost less impairment. The Company has no amounts classified as loans and receivables.

Financial assets classified as held-to-maturity are measured at amortized cost. The Company has no financial assets classified as held-to-maturity.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has no financial assets classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

ii) Financial liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized through the consolidated statement of comprehensive loss. The Company has no financial liabilities classified as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest rate method. The Company has classified its accounts payable and other payables as other financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

o) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 – Income Taxes. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed, including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration.

In certain situations goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in the consolidated statements of comprehensive loss as a bargain purchase gain.

Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

Management determines whether assets acquired and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs.

The Company completed certain transactions described in Note 4 and concluded that the transactions did not qualify as a business combination under IFRS 3 – Business Combinations, as management concluded that significant processes were not acquired.

3. RECENT ACCOUNTING PRONOUNCEMENTS

a) New accounting standards issued and effective

The Company has not adopted any new standards, amendments to standards or interpretations during the year ended January 31, 2018 which had a significant impact on the Company's consolidated financial statements.

b) New accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended January 31, 2018 and have not been applied in preparing these consolidated financial statements.

i) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 is a new standards which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on its consolidated financial statements from the adoption of this standard.

ii) IFRS 9 – Financial Instruments: Classification and Measurement

Classification and measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. This amendment is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on its consolidated financial statements from the adoption of this standard.

iii) IFRS 7 – Financial Instruments: Disclosures

Disclosures amended to require additional disclosure on transition from IAS 39 to IFRS 9. The Company does not expect any effect on its consolidated financial statements from the adoption of this standard.

iv) IFRS 16 – Leases

Leases specifies the recognition, measurement, presentation and disclosure of leases. This standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing any effect on its consolidated financial statements from the adoption of this standard.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Musgrove Creek Property	Grew Creek Property	Rabbit Cobalt Property	Kahuna Cobalt Property	Nipissing Lorain	Total
Balance, January 31, 2016	$ -	$ -	$ -	$ -	$ -	$ -
Property acquisition and staking costs	582,334	155,000	-	-	-	737,334
Exploration and evaluation costs	24,060	-	-	-	-	24,060
Balance, January 31, 2017	$ 606,394	$ 155,000	$ -	$ -	$ -	$ 761,394
Property acquisition and staking costs	-	84,500	2,425,000	1,011,500	9,700,000	13,221,000
Geological consulting	9,757	51,067	11,067	11,067	-	82,958
Royalty payment	-	31,594	-	-	-	31,594
Balance, January 31, 2018	$ 616,151	$ 322,161	$ 2,436,067	$ 1,022,567	$ 9,700,000	$ 14,096,946

Musgrove Creek Property

On September 14, 2016, the Company entered into an agreement with Soleil Gold Corp. (“Soleil”) to acquire an undivided 100% interest in and to certain mineral property leases, together with the surface rights, mineral rights, personal property and permits associated therewith (“Musgrove Creek Property”), located in Lemhi County, Idaho. In connection with the option agreement, the Company has paid $20,000 cash to Soleil and issued 100,000 common shares. Beginning September 1, 2020, the Company has to pay advance royalty payments. The property is subject to a 2% net smelter royalty on future gold production which includes advance royalty payments of $50,000 annually.

Grew Creek Property

On October 24, 2016, the Company closed an option agreement with Golden Predator Mining Corp. (“Golden Predator”) to acquire up to a 90% in and to certain mineral properties together with the surface rights, mineral rights, personal property and permits associated therewith (“Grew Creek Property”), located in the Watson Lake mining district in southeast Yukon. The Company has the option to acquire 90 per cent of the Grew Creek Property in consideration for payment to Golden Predator of an aggregate amount of $950,000 in cash, of which $35,000 is to be paid upon the closing date (paid); issuance to Golden Predator of an aggregate amount of 200,000 common shares, of which 50,000 common shares are to be issued upon the closing date (issued); and if during the term, the Company receives a technical report that complies with National Instrument 43-101 and defines a resource on the claims, the Company shall, within 30 days of receipt of such report, pay to Golden Predator an additional $50,000 (paid) and issue an additional 50,000 common shares. If, during the term but after its receipt of the first report, Golden Predator receives a second technical report that increases the resource estimate by 100% or more over the estimate contained in the first report, the Company shall issue to Golden Predator such number of common shares as is equal to 2% of the issued and outstanding common shares of the Company on the date that is 10 business days prior to the date of receipt of the second report.

Rabbit Cobalt Property

On August 16, 2017, the Company closed its acquisition of 10336602 Canada Inc. (“10336602”) pursuant to a share exchange agreement, dated July 28, 2017, among the Company, 10336602 and the shareholders of the target. 10336602 holds the approximately 1,000-hectares of a gold-nickel-silver property located 55 kilometers south of Cobalt, Ontario.

Pursuant to the share exchange agreement, the Company made a cash payment of $350,000 and issued a total of 4,000,000 common shares in the capital of the Company, to the shareholders of 10336602 in exchange for 1,000,000 Class A common shares in the capital of 10336602. A finder's fee in the amount of $35,000 was paid in connection with the acquisition.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Rabbit Cobalt Property (continued)

The Company has accounted for the purchase of 10336602 as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations". The following table summarizes the total consideration, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

Cash paid	$	350,000
Finder’s fee		35,000
Fair value of common shares issued		2,040,000
Total consideration	$	2,425,000
Assets acquired:		
Exploration and evaluation asset	$	2,425,000

Kahuna Cobalt Property

On October 5, 2017, the Company closed and signed the definitive agreement with Caprock Ventures Corp. dated August 10, 2017 to acquire 100% of the approximately 1,200-hectare Kahuna cobalt-silver property, located 37 kilometers south of Cobalt, Ontario. Pursuant to the share exchange agreement, the Company made a cash payment of $300,000 and issued a total of 1,000,000 common shares in the capital of the Company. A finder's fee in the amount of $31,500 was paid in connection with the acquisition. The properties are subject to a 0.5% net smelter return royalty on cobalt-gold production, which includes advance royalty payments of $25,000 annually on December 31, beginning in 2020. The Company has the option at any time to purchase 0.5% of the royalty on payment of $500,000. The original vendors of the property will retain a 1% Net Smelter Royalty on the properties. The Company will have the right to purchase the 1% for $1,000,000.

Nipissing Lorain Property

On November 29, 2017, the Company closed its previously announced acquisition of 1142674 B.C. Ltd. (“1142674”) pursuant to a share exchange agreement, among the Company, 1142674 and the shareholders of 1142674. The Nipissing Lorrain cobalt project is located 26 kilometres southeast of Cobalt, Ont. The property consists of two separate claims. Six separate underground workings have been historically mined for cobalt, silver and nickel.

Pursuant to the share exchange agreement, the Company will pay an aggregate amount of $1,000,000 over a six-month period from date of close of the share exchange agreement, with an initial cash payment of $500,000 (paid on closing) and $250,000 subsequently every three months. As at January 31, 2018, the Company has recorded a liability of $500,000 on the consolidated statement of financial position relating to the required subsequent payments. A total of 5,000,000 common shares in the capital of the Company were also issued on closing to the shareholders of 1142674 in exchange for one Class A common share in the capital of 1142674.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Nipissing Lorain Property (continued)

The Company has accounted for the purchase of 1142674 as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations". The following table summarizes the total consideration, the fair value of the identifiable assets acquired and liabilities assumed as of the date of the acquisition:

Cash paid	$	500,000
Cash payable		500,000
Fair value of common shares issued		8,700,000
Total consideration	$	9,700,000
Assets acquired:		
Exploration and evaluation asset	$	9,700,000

5. PREPAID EXPENSES

Prepaid expenses comprise of $139,500 (2017 - $28,456) of prepaid consulting fees and $85,000 (2017 - $Nil) of prepaid rent.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is $157,200 (January 31, 2017 - $53,495) due to related parties. (Note 8)

7. CONVERTIBLE DEBENTURES

On June 16, 2017, the Company closed a non-brokered private placement of secured convertible debentures. The private placement consisted of proceeds of $450,000, and the debentures were expected to mature 12 months from the date of issue, accrue interest at a rate of 12% per year and were convertible into units of the Company at a per-unit conversion price equal to $0.15. Each unit comprised one common share and one-half common share purchase warrant of the Company. Each warrant entitled the holder to acquire one additional common share of the Company at an exercise price $0.20.

As the convertible debentures each contained a liability component and an equity component, the Company split the proceeds of the secured convertible debentures and recorded the two components separately in the consolidated statement of financial position. The Company calculated the initial fair value of the liability component as $438,261, using a discount rate of 15%. The fair value of the equity component of $11,739 was calculated by deducting the fair value of the liability component from the total fair value of the convertible promissory notes.

On November 2017, the balance of the convertible debentures amounting to $442,667 was converted to 3,000,000 common shares with 1,500,000 attached warrants. (Note 9)

(Expressed in Canadian dollars)

7. CONVERTIBLE DEBENTURES (continued)

As at January 31, 2018, the Company has convertible debentures issued and outstanding as follows:

		January 31, 2018
Principal		
Beginning balance	$	-
Gross proceeds received		450,000
Equity component		(11,739)
Liability component initially recognized		438,261
Accretion expense		4,406
Converted to shares		(442,667)
Ending balance	$	-
Equity		
Beginning balance	$	-
Equity component recognized		11,739
Converted to shares		(11,739)
Ending balance	$	-

8. RELATED PARTY TRANSACTIONS AND BALANCES

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers. The following compensation was paid to key management or companies controlled by key management during the years ended January 31, 2018 and 2017:

		2018		2017
Consulting fees	$	-	$	12,000
Management fees		406,809		60,000
Professional fees		-		24,625
	$	406,809	$	96,625

As at January 31, 2018, the Company has included in accounts payable and accrued liabilities a total of $73,445 (2017 - $53,495), which are payable to former directors, former officers, and companies controlled by former officers.

As at January 31, 2018, the Company has included in accounts payable and accrued liabilities a total of $157,200 (2017 - $Nil), which are payable to directors, officers, and companies controlled by officers.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding: 37,868,108 (2017 - 2,279,108). Total of 35,589,000 common shares were issued during the year ended January 31, 2018.

9. SHARE CAPITAL (continued)

b) Issued and outstanding: (continued)

During the year ended January 31, 2018:

On January 31, 2017, the Company consolidated all of the issued and outstanding common shares on a ten-for-one basis. The consolidation had reduced the common shares issued and outstanding to 2,279,108 post-consolidated common shares. All shares figures and references have been retroactively adjusted to reflect the share consolidation.

On June 16, 2017, the Company closed a non-brokered private placement of 6,930,000 non-flow-through units at a price of $0.15 per unit for gross proceeds of $1,039,500. Each unit comprises one common share, and one-half of one common share purchase warrant exercisable into a common share at an exercise price of $0.20 for a period of 12 months.

On the same date, the Company closed another non-brokered private placement of 1,070,000 flow-through units at a price of $0.15 per unit for gross proceeds of $160,500. Each unit comprises one flow-through share, and one common share purchase warrant exercisable into a common share at an exercise price of $0.20 for a period of 12 months. In connection with the private placements, the Company incurred $148,950 share issuance costs.

On August 16, 2017, the Company issued 4,000,000 common shares pursuant to Rabbit Cobalt Property acquisition. (Note 4)

On September 26, 2017, the Company closed a non-brokered private placement of 12,000,000 units at a price of $0.25 per unit for gross proceeds of $3,000,000. Each unit comprises of one common share and one-half of one common share purchase warrant exercisable into a common share at an exercise price of $0.50 for a period of 12 months. Share issuance costs include cash payment of $254,753 and issuance of 528,010 agents' warrants having the same terms.

On October 5, 2017, the Company issued 1,000,000 common shares pursuant to Kahuna Cobalt Property acquisition. (Note 4)

On November 29, 2017, the Company issued 5,000,000 common shares pursuant to Nipissing Lorain Property acquisition. (Note 4)

In November 2017, the Company issued 3,000,000 common shares with a fair value of $316,614 and 1,500,000 warrants with a fair value of $137,792 upon conversion of convertible debentures. The equity portion of convertible debentures of $11,739 was transferred to share capital. (Note 7)

On December 20, 2017, the Company closed its previously announced non-brokered private placement of 1,189,000 non-flow-through units at a price of $1 per unit for gross proceeds of $1,189,000 and 259,166 flow-through units at a price of $1.20 per flow-through share for gross proceeds of $311,000. The Company received gross proceeds of $1,500,000. Each unit comprises one common share of the Company and one-half of one common share purchase warrant of the Company. Each warrant will be exercisable into a common share of the Company for a period of 12 months at an exercise price of $1.25 during the 12 months. Share issuance costs include cash payment of $59,850 and issuance of 59,850 agents' warrants having the same terms as the warrants. As the flow-through units were issued at a premium, the Company has recorded a flow-through premium of $51,833 which will be reduced on a pro-rata basis as flow-through eligible expenditures are incurred.

During the year ended January 31, 2018, the Company issued a total of 1,140,834 common shares pursuant to the exercise of warrants at an exercise price ranging $0.20 to $0.70 per share for gross proceeds to $301,917. As of January 31, 2018, $12,500 of the proceeds remain receivable.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

b) Issued and outstanding: (continued)

<u>During the year ended January 31, 2017:</u>

In October 2016, the Company closed a non-brokered private placement of 506,517 units at a price of $3.00 per unit for gross proceeds of $1,519,550. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable into one common share for a period of 24 months at an exercise price of $4.00 during the two years. In connection with the private placement, the Company paid a finders' fee of $35,788 and issued 12,186 finders' warrants at an exercise price of $4.00 expiring in 24 months. All shares issued pursuant to this private placement are subject to a four-month-plus-one-day hold period in accordance with applicable securities laws and, if required, the policies of the CSE. In connection with the private placement, there are $42,500 subscription receivable still outstanding as at January 31, 2018.

In July 2016, the Company closed a non-brokered private placement of 432,600 units at a price of $1.25 per share for gross proceeds of $540,750. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into a common share of the Company for a period of 24 months at an exercise price of $2.00 during the two years. In connection with the private placement, the Company paid a finders' fee of $23,500 and issued 18,800 finders' warrants at an exercise price of $2.00 expiring in 24 months. All shares issued pursuant to this private placement are subject to a four-month hold period in accordance with applicable securities laws and, if required, the policies of the CSE.

In May 2016, the Company closed a non-brokered private placement of 250,000 units at a price of $0.50 per share for gross proceeds of $125,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant will be exercisable into one common share of the Company for a period of 60 months at an exercise price of $0.70.

c) Share options

The Company has implemented a stock option plan ("the Plan") to be administered by the Board of Directors. Pursuant to the Plan, the Board of Directors has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall not be less than the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than 10 years after the grant date.

The Company's stock option transactions are summarized as follows:

	Number of options	**Weighted average exercise price**
Balance, January 31, 2018 and 2017	50,000	$ 3.00

During the year ended January 31, 2017, the Company granted 50,000 options to directors, officers and consultants at an exercise price of $3.00 per share. These options expire on July 14, 2018.

The fair value of these options was calculated to be valued at $140,716. The fair value of these options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.53%, an expected life of options of two years, an expected volatility of 236.70%, forfeiture rate of 0%, and no expected dividends.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Share options (continued)

The following table summarizes the options outstanding and exercisable at January 31, 2018.

Options outstanding and exercisable	Exercise price	Expiry date
50,000	$ 3.00	July 14, 2018

The weighted average life of share options outstanding at January 31, 2018 is 0.45 years.

d) Share purchase warrants

A summary of share purchase warrant activities are as follows:

	Number of warrants	Weighted average exercise price
Outstanding and exercisable at January 31, 2017	889,844	$ 2.16
Issuance of warrants	13,346,943	0.41
Exercise of warrants	(1,140,834)	0.26
Outstanding and exercisable at January 31, 2018	13,095,953	$ 0.54

The fair value of the warrants granted was $1,918,447. The fair value of these warrants at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.90% to 1.61%, an expected life of warrants of one year, an expected volatility of 161.97% to 185.37%, and no expected dividends. The fair value of warrants granted in conjunction with the private placement units was determined using the relative fair value method.

A summary of the share purchase warrants issued at January 31, 2018 is as follows:

	Warrants issued and exercisable	Exercise price	Expiry date
		$	
Share purchase warrants	52,500	0.70	May 19, 2021
Share purchase warrants	432,600	1.25	July 13, 2018
Agents’ warrants	6,800	2.00	July 13, 2018
Share purchase warrants	253,258	4.00	October 5, 2018
Agents’ warrants	12,186	4.00	October 5, 2018
Share purchase warrants	3,551,666	0.20	June 15, 2018
Share purchase warrants	5,975,000	0.50	September 26, 2018
Agents’ warrants	528,010	0.50	September 26, 2018
Share purchase warrants	1,500,000	0.20	November 6, 2019
Share purchase warrants	724,083	1.25	December 20, 2018
Agents’ warrants	59,850	1.25	December 20, 2018
	13,095,953		

The weighted average life of warrants outstanding at January 31, 2018 is 0.72 years.

(Expressed in Canadian dollars)

10. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at January 31, 2018, the Company considers the aggregate of its equity accounts as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

11. FINANCIAL INSTRUMENTS

Fair Values

The Company's financial instruments consist of cash, accounts payable and other payables. The fair values of cash, accounts payable and other payables approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments as at January 31, 2018:

	Fair value	Carrying value
FVTPL (i)	$ 259,025	$ 259,025
Other financial liabilities (ii)	1,280,898	1,280,898

(i) Cash
(ii) Accounts payable and other payables

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value as at January 31, 2018 by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Cash	$ 259,025	$ -	$ -	$ 259,025

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

11. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. The Company's accounts payable and other payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

12. SUPPLEMENTARY CASH FLOW INFORMATION

During the year ended January 31, 2018, the Company did not pay any interest expense or income taxes in cash.

13. COMMITMENT

During the year ended January 31, 2018, the Company raised gross proceeds of $471,500 pursuant to flow-through financing agreements (Note 9). The Company is committed to spending the total amount of $471,500 on eligible exploration and evaluation expenditures in Canada on or before December 31, 2018.

(Expressed in Canadian dollars)

14. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates for the years ended January 31, 2018 and 2017:

	2018	2017
Combined statutory tax rate	26%	26%
Expected Income tax recovery at statutory rate	$ (1,487,000)	$ (370,000)
Non-deductible expenses and other	(119,000)	22,000
Effect of change in income tax rates	(93,000)	
Change in unrecognized deferred tax assets	1,699,000	348,000
Income tax expense	$ -	$ -

The significant components of the Company's deferred income tax assets (liabilities) are shown below:

	2018	2017
Mineral property	$ 96,000	$ 92,000
Non-capital loss carry-forwards	2,278,000	680,000
Share issuance costs	110,000	13,000
Tax benefit not recognized	(2,484,000)	(785,000)
Net deferred income tax assets	$ -	$ -

As at January 31, 2018, the Company has available for deduction against future taxable income non-capital losses of approximately $8,438,000 (2017 - $2,617,000). These non-capital losses expire as follows:

Expiry Date	
2031	$ 30,000
2032	334,000
2033	240,000
2034	205,000
2035	207,000
2036	282,000
2037	1,319,000
2038	5,821,000
	$ 8,438,000

As at January 31, 2018, the Company has approximately $14,452,000 (2017 - $1,117,000) in resource expenditures that can be carried-forward for tax purposes to reduce taxable income for future years.

15. SUBSEQUENT EVENTS

The Company issued 2,523,804 common shares pursuant to the exercise of warrants.