QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
JULY 31, 2018 AND 2017

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

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

	July 31, 2018	January 31, 2018
ASSETS		
CURRENT		
Cash	$ 6,574	$ 259,025
Amounts receivable	103,277	87,733
Prepaid expenses (Note 5)	8,000	224,500
	117,851	571,258
NON-CURRENT		
Exploration and evaluation assets (Note 4)	14,109,934	14,096,946
	$ 14,227,785	**$ 14,668,204**
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Notes 6 and 8)	$ 636,048	$ 780,898
Flow-through premium (Note 9)	51,833	51,833
Other payables (Note 4)	500,000	500,000
	1,187,881	1,332,731
EQUITY		
Share capital (Note 9)	19,546,545	18,842,496
Subscriptions received (Note 9)	245,700	227,200
Reserves	3,151,987	3,340,495
Deficit	(9,904,328)	(9,074,718)
	13,039,904	13,335,473
	$ 14,227,785	**$ 14,668,204**

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENT (Note 13)
SUBSEQUENT EVENT (Note 14)

Approved and authorized for issue on behalf of the Board on September 28, 2018:

"Quinn Field-Dyte"
Director

"David Schmidt"
Director

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

QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)
Condensed Consolidated Interim Statements of Comprehensive Loss
For the three and six months ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

	For the three months ended July 31, 2018	For the three months ended July 31, 2017	For the six months ended July 31, 2018	For the six months ended July 31, 2017
EXPENSES				
Accretion on convertible debentures and interests (Note 7)	$ -	$ 8,105	$ -	$ 8,105
Advertising and promotion	-	136,333	-	281,483
Consulting fees (Note 8)	54,100	624,841	385,871	790,941
Geological consulting	122,217	-	122,217	40,000
Management fees (Note 8)	96,000	105,000	129,000	114,000
Office and miscellaneous	9,925	9,893	13,394	19,089
Professional fees	33,000	12,000	45,000	28,264
Rent	42,500	1,500	85,000	16,500
Transfer agent and filing fees	22,439	5,845	49,128	14,293
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (380,181)	$ (903,517)	$ (829,610)	$ (1,312,675)
LOSS PER SHARE – BASIC AND DILUTED	$ (0.01)	$ (0.14)	$ (0.02)	$ (0.30)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	40,406,235	6,307,994	39,805,239	4,326,939

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

QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)
Condensed Consolidated Interim Statements of Changes in Equity
For the six months ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

	Common Shares	Amount	Subscriptions Received	Reserves	Equity Component of Convertible Debentures	Deficit	Total
Balance at January 31, 2017	2,279,108	$ 3,282,704	$ (142,500)	$ 1,514,850	$ -	$ (3,354,669)	$ 1,300,385
Private placements (Note 9)	8,000,000	869,202	-	330,798	-	-	1,200,000
Issuance of convertible debentures (Note 7)	-	-	-	-	11,739	-	11,739
Exercise of warrants	122,500	109,677	-	(23,927)	-	-	85,750
Subscriptions received	-	-	103,000	-	-	-	103,000
Net loss and comprehensive loss	-	-	-	-	-	(1,312,675)	(1,312,675)
Balance at July 31, 2017	10,401,608	$ 4,261,583	$ (39,500)	$ 1,821,721	$ 11,739	$ (4,667,344)	$ 1,388,199
Balance at January 31, 2018	37,868,108	$18,842,496	$ 227,200	$ 3,340,495	$ -	$ (9,074,718)	$ 13,335,473
Exercise of warrants (Note 9)	2,563,084	710,049	12,500	(188,508)	-	-	534,041
Shares canceled (Note 9)	(6,000)	(6,000)	6,000	-	-	-	-
Net loss and comprehensive loss	-	-	-	-	-	(829,610)	(829,610)
Balance at July 31, 2018	40,425,192	$19,546,545	$ 245,700	$ 3,151,987	$ -	$ (9,904,328)	$ 13,039,904

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

QUANTUM COBALT CORP.
(FORMERLY BRAVURA VENTURES CORP.)
Condensed Consolidated Interim Statements of Cash Flows
For the three and six months ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

	For the three months ended July 31, 2018	July 31, 2017	For the six months ended July 31, 2018	July 31, 2017
OPERATING ACTIVITIES				
Net loss and comprehensive loss	$ (380,181)	$ (903,517)	$ (829,610)	$ (1,312,675)
Adjustment for non-cash item:				
Accretion on convertible debentures	-	1,447	-	1,447
Changes in non-cash working capital items:				
Amounts receivable	(13,464)	(6,332)	(15,544)	(27,831)
Prepaid expenses	95,100	(45,336)	216,500	(14,944)
Accounts payable and accrued liabilities	(177,850)	313,399	(144,850)	151,537
Net cash used in operating activities	(476,395)	(640,339)	(773,504)	(1,202,466)
INVESTING ACTIVITY				
Mineral property exploration costs	(12,988)	-	(12,988)	-
Net cash used in investing activities	(12,988)	-	(12,988)	-
FINANCING ACTIVITIES				
Proceeds from issuance of shares	-	1,200,000	-	1,200,000
Convertible debentures	-	450,000	-	450,000
Exercise of warrants	10,000	85,750	521,541	85,750
Subscriptions received	3,333	103,000	12,500	103,000
Net cash provided by financing activities	13,333	1,838,750	534,041	1,838,750
INCREASE (DECREASE) IN CASH	(476,050)	1,198,411	(252,451)	636,284
CASH, BEGINNING	482,624	9,706	259,025	571,833
CASH, ENDING	$ 6,574	$ 1,208,117	$ 6,574	$ 1,208,117

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

The accompanying notes are an integral part of these condensed consolidated interim 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 July 31, 2018, the Company had a working capital deficiency of $1,070,030. The Company has incurred losses since its inception and has an accumulated deficit of $9,904,328 as of July 31, 2018 (January 31, 2018 - $9,074,718) which has been funded primarily by the issuance of shares and loans.

These condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements comply with International Accounting Standards ("IAS") 34 ("Interim Financial Reporting").

The condensed consolidated interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on September 28, 2018.

b) Basis of presentation

The condensed consolidated interim 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 3 (a). 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 consolidated 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 BC 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 condensed consolidated interim 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 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 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 July 31, 2018, the Company only held cash.

m) 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.

n) 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

Change in accounting policies

IFRS 9 Financial Instruments ("IFRS 9")
The Company has adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of February 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

Financial assets/liabilities	**Original classification IAS 39**	**New classification IFRS 9**
Cash	Amortized cost	Amortized cost
Amounts receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2019 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on February 1, 2018.

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

a) New accounting standards issued and effective (continued)

Change in accounting policies (continued)

IFRS 9 Financial Instruments ("IFRS 9") (continued)

(ii) Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs expensed in the consolidated statements of net income (loss). Realized and unrealized gains or losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net income (loss) in the period in which they arise.

(iii) Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset at an amount equal to the twelve months expected credit losses. The Company shall recognize in the consolidated statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net income (loss).

(Expressed in Canadian dollars)

3. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

a) New accounting standards issued and effective (continued)

Change in accounting policies (continued)

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. The Company does not expect any effect on its consolidated financial statements from the adoption of this standard.

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 six months ended July 31, 2018 and have not been applied in preparing these condensed consolidated interim financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's financial statements later:

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.

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
Geological consulting	12,988	-	-	-	-	12,988
Balance, July 31, 2018	$ 629,139	$ 322,161	$ 2,436,067	$ 1,022,567	$ 9,700,000	$ 14,109,934

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

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.

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

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

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 Return 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 July 31, 2018, the Company has recorded a liability of $500,000 (January 31, 2018 - $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.

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 $8,000 (January 31, 2018 - $139,500) of prepaid consulting fees and $Nil (January 31, 2018 - $85,000) of prepaid rent.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is $256,200 (January 31, 2018 - $157,200) due to related parties. (Note 8)

(Expressed in Canadian dollars)

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 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 were converted to 3,000,000 common shares with 1,500,000 attached warrants. (Note 9)

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

		July 31, 2018		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 six months ended July 31, 2018 and 2017:

		2018		2017
Management fees	$	129,000	$	114,000
Consulting fees		2,500		-
	$	131,500	$	114,000

As at July 31, 2018, the Company has included in accounts payable and accrued liabilities a total of $98,645 (January 31, 2018 - $73,445), which are payable to former directors, former officers, and companies controlled by former officers.

8. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

As at July 31, 2018, the Company has included in accounts payable and accrued liabilities a total of $256,200 (January 31, 2018 - $157,200), 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: 40,425,192 (January 31, 2018 - 37,868,108). Total of 2,563,084 common shares were issued during the six months ended July 31, 2018.

<u>During the six months ended July 31, 2018:</u>

The Company issued 2,563,084 common shares pursuant to the exercise of warrants for total proceeds of $521,541.

<u>During the year ended January 31, 2018:</u>

On January 31, 2017, the Company consolidated all of the issued and outstanding common shares on a ten for one basis. The consolidation has 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)

9. SHARE CAPITAL (continued)

b) Issued and outstanding: (continued)

During the year ended January 31, 2018: (continued)

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 $1.00 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 of 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. On June 20, 2018, the Company cancelled 6,000 common shares that were issued with the wrong subscriber information. 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.

During the year ended January 31, 2017:

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 Issuer 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 to the private placement, there are $42,500 subscription receivable still outstanding as at July 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.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

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 has no outstanding options as at July 31, 2018.

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

	Number of options	Weighted average exercise price
Balance, January 31, 2017 and 2018	50,000	$ 3.00
Options expired	(50,000)	-
Balance, July 31, 2018	-	$ -

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 option 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.

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
Exercise of warrants	(2,563,084)	0.20
Warrants expired/cancelled	(1,460,732)	0.52
Outstanding and exercisable at July 31, 2018	9,072,137	$ 0.62

The fair value of the warrants granted was $1,918,447. The fair value of these warrant 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.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

d) Share purchase warrants (continued)

A summary of the share purchase warrants issued at July 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	253,258	4.00	October 5, 2018
Agents' warrants	12,186	4.00	October 5, 2018
Share purchase warrants	5,945,250	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	721,083	1.25	December 20, 2018
Agents' warrants	59,850	1.25	December 20, 2018
	9,072,137		

The weighted average life of warrants outstanding at July 31, 2018 is 0.46 years.

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 July 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 July 31, 2018:

		Fair value		Carrying value
Amortized cost (i)	$	6,574	$	6,574
Other financial liabilities (ii)	$	1,136,048	$	1,136,048

(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 July 31, 2018 by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Cash	$ 6,574	$ -	$ -	$ 6,574

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.

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.

11. FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

12. SUPPLEMENTARY CASH FLOW INFORMATION

During the six months ended July 31, 2018 and 2017, 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.

14. SUBSEQUENT EVENT

No subsequent event.