Altitude Resources Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2018

(Expressed in Canadian Dollars)

(unaudited)

Altitude Resources Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2018

(unaudited)

NOTICE TO SHAREHOLDERS

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Altitude Resources Inc. ("Altitude") are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Altitude's audited annual financial statements and notes thereto for the year ended July 31, 2018. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Altitude's most recent audited annual financial statements. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to Altitude's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial reporting using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of Altitude, as of the date of, and for the period presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities.

Management recognizes its responsibility for conducting Altitude's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Signed"	*"Signed"*
Eugene Wusaty	Doug Porter
President & Chief Executive Officer	Chief Financial Officer

AUDITOR INVOLVEMENT

The accompanying unaudited condensed interim consolidated financial statements of Altitude have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended October 31, 2018 have not been reviewed by Altitude's auditors.

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at October 31, 2018
(unaudited)

		Oct 31 2018		July 31 2018
Assets				
Current				
Cash and cash equivalents	$	**90,049**	$	187,431
Amounts receivable (Note 5)		**49,536**		338,961
Investments (Note 6)		**227,425**		227,425
Other prepaids		**-**		-
		367,010		753,817
Exploration and evaluation assets (Note 5)		**-**		-
Due from related party (Note 7)		**12,779**		12,779
	$	**379,789**	$	766,596
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**545,258**	$	726,515
Due to related parties (Note 7)		**27,138**		27,138
Due on demand loan (Note 8)		**40,488**		39,883
		612,884		793,536
Shareholders' Equity				
Share capital (Note 9)		**4,080,306**		4,080,306
Warrants (Note 10)		**600,735**		600,735
Accumulated other comprehensive losses		**(123,494)**		(123,494)
Contributed surplus (Note 10)		**420,025**		420,025
Deficit		**(5,210,667)**		(5,004,512)
		(233,095)		(26,940)
	$	**379,789**	$	766,596

Approved by the Board *"Doug Porter"* Director **(Signed)** *"Gene Wusaty"* Director **(Signed)**

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

	Share Capital Class "A" Voting Common Shares				Accumulated Other Comprehensive		
	Number	Amount	Warrants	Contributed Surplus	Loss	Deficit	Total Equity
Balance, July 31, 2017	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 95,025**	**$ -**	**$ (2,987,460)**	**$ 1,788,606**
Net loss	-	-	-	-	-	(75,561)	(75,561)
Balance, October 31, 2017	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 95,025**	**$ -**	**$ (3,063,021)**	**$ 1,713,045**
Net loss	-	-	-	-	-	(1,941,491)	(1,941,491)
Settlement of accounts payable by shareholder (Note 11)	-	-	-	325,000	-	-	325,000
Unrealized loss on revaluation of investments (Note 6)	-	-	-	-	(123,494)	-	(123,494)
Balance, July 31, 2018	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 420,025**	**$ (123,494)**	**$ (5,004,512)**	**$ (26,940)**
Net loss	-	-	-	-	-	(206,155)	(206,155)
Balance, October 31, 2018	**26,375,908**	**$ 4,080,306**	**$ 600,735**	**$ 420,025**	**$ (123,494)**	**$ (5,210,667)**	**$ (233,095)**

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Comprehensive Income/(Loss)
(Expressed in Canadian Dollars)
For the three months ended October 31, 2018
(unaudited)

		Three months ended 31-Oct-18		Three months ended 31-Oct-17
Expenses				
Salaries and consulting fees	**$**	**48,000**	$	48,000
General expenses		**158,155**		27,561
		206,155		75,561
Loss from operations		**(206,155)**		(75,561)
Net income/(loss) and comprehensive income/(loss)	**$**	**(206,155)**	$	(75,561)
Loss per share				
Basic and diluted	**$**	**(0.01)**	$	(0.00)
Weighted average number of common shares outstanding				
Basic and diluted		**26,375,908**		26,375,908

Altitude Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the three months ended October 31, 2018
(unaudited)

	Three months ended 31-Oct-18	Three months ended 31-Oct-17
Cash provided by (used in)		
Operations		
Income(loss) and comprehensive income/(loss)	$ (206,155)	$ (75,561)
	(206,155)	(75,561)
Net changes in non-cash working capital		
Amounts receivable	289,425	389,227
Accounts payable and accrued liabilities	(180,652)	(18,332)
Due from related party	-	41,741
Prepaid expenses	-	(1,078)
	(97,382)	335,997
Investing		
Exploration and evaluation assets	-	(359,427)
Proceeds from joint exploration agreement	-	-
	-	(359,427)
Financing		
Cash acquired on reverse take-over	-	-
Proceeds from issue of share capital	-	-
Due from related party	-	-
	-	-
Net change in cash and cash equivalents	(97,382)	(23,430)
Cash and cash equivalents, beginning of period	187,431	(14,327)
Cash and cash equivalents, end of period	$ 90,049	$ (37,757)

1. NATURE OF OPERATIONS

Altitude Resources Inc. (the "Company" or "Altitude") was incorporated under the Business Corporations Act (Ontario) on January 19, 2011. Shares of Altitude began trading on the TSX Venture Exchange under the symbol ALI on February 15, 2013.

Altitude is a junior coal exploration company with a current exploration focus in northwest Alberta. The primary office of the Company is located at #1100, 736 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1H4.

The Company is in the process of exploration and has not yet fully determined the quality and quantity of coal resources on its properties. Accordingly, as is common with exploration companies, the Company is dependent upon obtaining necessary equity financing from time to time to finance its on-going and planned exploration activities and to cover administrative costs.

These financial statements were authorized for issue by the board of directors on December 31, 2018.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these Financial Statements do not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in the consolidated financial statements.

The reader is also directed to review note 13(c) - ***Financial instruments – Liquidity risk***.

At October 31, 2018, the Company had working capital deficit of $245,874, a net cash position of $90,049 and an accumulated deficit of $5,210,667. These conditions represent material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. In order to meet its work commitments and planned exploration expenditures for its projects as well as further working capital requirements, the Company will be required to complete a financing (debt or equity). Management continues to work toward arranging additional financing. See also Note 15, Subsequent event.

3. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting on the basis of International Financial Reporting Standards ("IFRS"). IFRS represents standards and interpretations approved by the International Accounting Standards Board (“IASB”), and are comprised of IFRSs, International Accounting Standards (“IASs”), and interpretations issued by the IFRS Interpretations Committee (“IFRICs”) or the former Standing Interpretations Committee (“SICs”).

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with the Altitude’s audited annual financial statements and notes thereto for the year ended July 31, 2018. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in Altitude’s most recent audited annual financial statements.

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value. In the opinion of management, all adjustments considered necessary for a fair presentation have been included.

The presentation and functional currency of the Company is the Canadian dollar.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those as disclosed in Altitude’s most recently completed audited annual financial statements for the year ended July 31, 2018.

Recent Accounting Pronouncements

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments. The new standard replaces IAS 39, Financial instruments: recognition and measurement. The final amendments made in the new version include guidance for the classification and measurement of financial assets and a third measurement category for financial assets, fair value through other comprehensive income. The standard also contains a new expected loss impairment model for debt instruments measured at amortized cost or fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The standard is effective for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exceptions. Restatement of prior periods in relation to the classification and measurement, including impairment, is not required.

The accounting pronouncement detailed below has been issued but becomes effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted this standard and is currently evaluating the impact, if any, that this standard might have on its financial statements.

IFRS 16 - Leases sets out the principles for the recognition, measurement and disclosure of leases.
IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right of-use assets and lease liabilities for leases with terms of more than 12-months, unless the underlying asset is of low value. Under IFRS 16, lessor

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (cont.)

accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15 Revenue from Contracts with Customers.

5. EXPLORATION AND EVALUATION ASSETS

	Oct 31, 2018	July 31, 2017
Balance beginning of period – Palisades Property	**$ -**	$ 2,472,984
Acquisition cost and leases	**7,168**	33,789
Exploration	**42,051**	717,144
JOGMEC contribution	**-**	(793,455)
Write down of Palisades Property	**49,219**	(2,430,462)
Balance end of year – Palisades Property	**-**	-
Balance beginning of year – Elan Coal Property	**-**	-
Exploration	**-**	-
Write down of Elan Coal Property	**-**	-
Reversal of write-down of Elan Coal Property	**-**	234,620
Disposition of Elan Coal Property	**-**	(234,620)
Balance ending of year – Elan Coal Property	**-**	-
	$ -	$ -

Palisades Property

The Company's 100% owned Palisades Property is comprised of six contiguous Alberta Crown Coal leases acquired directly from the Alberta Department of Energy between September 2010 and February 2011. Five of the leases are included within Alberta Department of Energy's Category 4 classification; the sixth lease is a combination of Category 4 and Category 2 lands. There are no work commitments associated with the Palisades Property. The only ongoing obligation is the payment of the annual lease (currently $3.50 per hectare) for a 15 year period from the commencement of the leases.

The Palisades Property totals 4,648 hectares. It is located approximately 28 kilometres northwest of the town of Hinton, Alberta.

On April 8, 2015, the Company entered into the Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore Palisades metallurgical coal project in West Central Alberta, Canada. Through a joint exploration arrangement JOGMEC has agreed to acquire up to a 51% interest in the Company's Palisades Coal Project based on the three (3) farm in milestones which include field work, drilling and completion of mining study.

During the First Farm-in period (ended on March 31, 2016), JOGMEC contributed $1,500,000 in cash towards exploration on the Palisades Project. During the second Farm-In period (ended

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

March 31, 2017), JOGMEC contributed $1,500,000 towards exploration on the Palisades Project. JOGMEC had then earned an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Property. During the third Farm-In Period (extended to March 31, 2019) JOGMEC shall contribute $1,800,000 towards exploration on the Palisades Project. JOGMEC has committed to fund the entire $1,800,000 in accordance with its Third Farm-In

Palisades Property

The Company's 100% owned Palisades Property is comprised of six contiguous Alberta Crown Coal leases acquired directly from the Alberta Department of Energy between September 2010 and February 2011. Five of the leases are included within Alberta Department of Energy's Category 4 classification; the sixth lease is a combination of Category 4 and Category 2 lands. There are no work commitments associated with the Palisades Property. The only ongoing obligation is the payment of the annual lease (currently $3.50 per hectare) for a 15 year period from the commencement of the leases.

The Palisades Property totals 4,648 hectares. It is located approximately 28 kilometres northwest of the town of Hinton, Alberta.

On April 8, 2015, the Company entered into the Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore Palisades metallurgical coal project in West Central Alberta, Canada. Through a joint exploration arrangement JOGMEC has agreed to acquire up to a 51% interest in the Company's Palisades Coal Project based on the three (3) farm in milestones which include field work, drilling and completion of mining study.

During the First Farm-in period (ended on March 31, 2016), JOGMEC contributed $1,500,000 in cash towards exploration on the Palisades Project. During the second Farm-In period (ended March 31, 2017), JOGMEC contributed $1,500,000 towards exploration on the Palisades Project. JOGMEC had then earned an unencumbered right, title and benefit to thirty-one point eight seven five percent (31.875%) of the Property. During the third Farm-In Period (extended to March 31, 2019) JOGMEC shall contribute $1,800,000 towards exploration on the Palisades Project. JOGMEC has committed to fund the entire $1,800,000 in accordance with its Third Farm-In obligation. It is expected that the funds will be fully expended by March 31, 2019. At July 31, 2018, a total of $297,333 was receivable from JOGMEC for expenditures they have agreed to fund (2017 - $536,462).

Currently, JOGMEC has met the requirements of the second Farm-In Period resulting in the respective actual or deemed equitable interests in the Palisades Project of: Altitude 68.125% JOGMEC 31.875%. Provided that JOGMEC has contributed a total amount of CAN$4,800,000 by the end of third Farm-In Period, the respective actual or deemed equitable interests in the Palisades Project will be: Altitude 49%, JOGMEC 51%.

As a result of the Company's plans with Vibe Bioscience Corporation (Note 15), the Company is divesting of its mining assets. The Company has recorded an impairment loss of $49,219 to fully write off the Palisades property due to the uncertainty surrounding the planned divestiture.

EXPLORATION AND EVALUATION ASSETS (Cont'd)

Palisades Extension Application

The Palisades Extension Application was acquired by the Company in October 2011. It is comprised of one Alberta Crown Coal lease application totaling 7,034 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. For Category 2 properties, a formal Alberta Crown Coal lease will not be issued until such time as the Alberta Department of Energy reaches a decision on its Coal Policy. Application holders are, however, free to perform some limited exploration work on the properties. The Palisades Extension Application is contiguous to the northeast of the Company's Palisades Property.

Moberley Creek Application

The Moberley Creek Application was acquired by the Company in January 2012. It is comprised of four Alberta Crown Coal lease applications totaling 5,376 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Moberley Creek Application is located approximately 12.5 kilometres from the northern tip of the Company's Palisades Extension Application.

Altitude North Applications

The Altitude North Applications were acquired by the Company in various tranches between October 2012 and August 2017. They are comprised of fourteen Alberta Crown Coal lease applications totaling 19,445 hectares. This property falls entirely in Coal Category 2 of A Coal Development Policy for Alberta. The Altitude North Application is located approximately 30 kilometers northwest from the northern tip of the Company's Moberly Creek Application.

Exploration and Option agreement with Elan Coal Ltd.

On August 8, 2013 the Company entered into an Exploration and Option Agreement with Elan Coal Ltd ("Elan"), a company with a related director who is a private non-arm's length party. Under the terms of the agreement the Company would acquire an option to earn up to 51% interest in Elan's coal properties upon making an initial cash payment of $200,000 (paid) to Elan to fund field work and completing a financing of a minimum of $2,000,000. Due to poor financial market conditions the Company was not able to raise the minimum $2,000,000.

5. EXPLORATION AND EVALUATION ASSETS (Cont'd)

On November 10, 2014, the Company and Elan signed a Limited Partnership Agreement ("LP Agreement") with Kuro Coal Limited ("Kuro") to develop the Elan Project. Elan Project comprises of 27 leases totaling approximately 25,612 hectares. Kuro has the opportunity to acquire up to a 70% interest in the Elan Project upon successful completion of, amongst other exploration requirements, financing and a feasibility study. Assuming Kuro fulfills all requirements to earn its 70% interest under the LP Agreement, ALI will retain an ownership equal to 12.5% and Elan will retain an ownership equal to 17.5%. The LP Agreement allows for additional earn-in options which could be exercised by
Kuro upon completion of initial contribution. To earn an initial interest of 20%, Kuro had the following requirements:

1- Pay ALI $150,000 as per LP Agreement (paid) and recorded by ALI as a credit against the previously capitalized assets of $256,914.

2- Within 5 business days of Kuro listing its shares on a public exchange, enter into the subscription agreement with Elan and ALI to issue 1,312,500 and 187,500 shares respectively for no consideration at $.20 per common share. If listing has not occurred after six months of the effective date of LP Agreement, Kuro will pay each Elan and ALI the cash equivalent value of such shares assuming an issue price of $.20 per common share; (this has not been completed) and

3- Fund, no later than December 31, 2014, 100% of costs in relation to operations pursuant to adopted programs and budgets totaling in the aggregate no less than $500,000 (this has been completed.

Kuro did not earn its 20% interest as the 2nd requirement above, the listing of the Shares of Kuro on a recognized stock exchange and then the issuance of shares to Elan and ALI, never occurred.

During the year-ended July 31, 2017, ALI advanced $5,000 to Elan. Based on the analysis of IFRS-6 indicators, management concluded that it would be appropriate to impair its net investment into the Elan Project of $5,000 as at July 31, 2017 due to delays experienced to date and uncertainties surrounding Kuro's ability to fund the LP. The impairment loss is recognized in expenses.

During the year ended July 31, 2018, the Company converted its cumulative net advances to Elan of $234,620 (written down to nil between 2015 and 2017) into a 15% equity interest in Elan Coal Ltd. On March 28, 2018 Elan Coal Ltd. was sold to Kuro's parent, Atrum Coal Ltd. in a transaction that valued the Company's 15% equity interest at $815,920 – payable in cash of $465,000 and shares of Atrum Coal Ltd. valued at $350,920. The gain on the sale of Elan shares of $581,300 was recorded as other income and the reversal of the cumulative write-down of the Elan exploration and evaluation assets was recorded as an offset to expenses. The shares, which are traded on the Australian Securities Exchange, are held in escrow for a one-year period (until March 28, 2019).

6. INVESTMENTS

During the year ended July 31, 2018, the Company acquired 2,953,574 common shares of Atrum Coal Limited ("Atrum"), a public company whose shares trade on the Australian Securities Exchange, as partial consideration for the sale of Elan (Note 5). As at July 31, 2018, the Atrum common shares were valued at $227,425 based on a market price of $0.08. An unrealized loss on the revaluation of investments of $123,494 was recorded in the statement of comprehensive income for the change in the fair value of the investment. There was no change in the valuation of the investments at October 31, 2018 based on the market price of Atrum Coal Limited at that date.

7. DUE TO AND FROM RELATED PARTIES

All amounts due from/to related parties are to various shareholders and are non-interest bearing, unsecured and repayable on demand.

8. DUE ON DEMAND LOAN

The due on demand loan is payable in the amount of $30,000 to a company with a former related director. The principal was due December 15, 2014, bears an annual interest rate of 8% accrued monthly and added to the principal. The loan was convertible into the next financing at the option of the holder. Interest of $605 is accrued in respect of the three month period ended October 31, 2018 ($605 – 2017).

9. SHARE CAPITAL

Authorized, unlimited Class "A" Voting Common Shares

On December 30, 2016 the Company completed a private placement of 3,200,000 flow-through common shares at a price of $0.10 per flow-through share by way of a non-brokered private placement for total gross proceeds of $320,000. A flow-through share premium of $32,000 was recorded as a result of the issuance of these flow-through common shares. The Company spent all the required qualifying exploration expenditures as at July 31, 2017 and recognized $32,000 in the statements of comprehensive loss.

In connection with the closing of the offering, the Company paid a cash finder's fee $11,250.

10. STOCK OPTIONS AND WARRANTS

(a) Stock options

The Company has a stock option plan to provide officers, directors, employees and consultants of the Company with options to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the minimum exercise price of the options is the market price of the Company's stock on the date of grant. The maximum term of the options is five years and the options generally vest over a three year period, or as determined by the Company's board of directors.

On July 31, 2016, the Company granted an aggregate of 2,000,000 stock options to purchase common shares to its directors and officers, exercisable at prices ranging from $0.08 to $0.12, expiring on May 30, 2021 and vesting over a three year period. The Black-Scholes option pricing model was used to determine the fair value of the issued options of $52,221. The assumptions used were as follows: (stock price - $0.09; average exercise price - $0.10; term 5.0 years; volatility (based on comparable companies) – 130%; risk free rate – 0.75%; expected dividends of nil).

During the year ended July 31, 2017, 120,000 options were exercised at an exercise price of $0.08 each. As at July 31, 2018 and 2017, 1,880,000 options remain outstanding of which 1,220,000 are exercisable at July 31, 2018 and 2017. The average exercise price of options outstanding is $0.10 and the remaining weighted average contractual life of the options is 2.54 years.

No stock options were issued during the three month period ended October 31, 2018.

(b) Warrants

As at October 31, 2018 and 2017, no warrants are outstanding.

11. RELATED PARTY TRANSACTIONS

During the period ended October 31, 2018, $48,000 (2017 - $48,000) was paid or accrued to the Chief Executive Officer and Chief Financial Officer as compensation. As at October 31, 2018, $271,743 (2017 - $487,943) is payable to the Chief Executive Officer and Chief Financial Officer and is included in accounts payable and accrued liabilities.

12. COMMITMENTS AND CONTINGENCIES

Exploration and evaluation assets

Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware that any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

13. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of share capital and deficit.

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, and all are held in a major Canadian financial Institution.

There has been no change in management's capital policy during the period.

The Company is not subject to any externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company is exposed to credit risk, market risk (consisting of interest rate risk, and other price risk), and liquidity risk.

(a) Credit Risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions.

(b) Liquidity Risk

As at October 31, 2018, the Company had accounts payable and accrued liabilities of $612,884 (July 31, 2018 - $793,536) and cash and cash equivalents of $90,049 (July 31, 2018 - $187,431) to meet its current obligations.

(c) Fair Value

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities, and due from related parties approximate fair values due to the relatively short term maturities of these instruments.

(d) Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of coal and base metals.

15. SUBSEQUENT EVENT

On December 18, 2018, subsequent to the period end, the Company announced the amendment of its previously announced (October 10, 2018) amalgamation agreement with Vibe Bioscience Corporation (“Vibe”), a private integrated cannabis company whose operations are focused on the California and Ontario retail cannabis markets. Under the terms of the amalgamation agreement, the Company and Vibe will complete an arm’s length business combination after which current Altitude shareholders will own approximately 2% of the resulting issuer shares (“the Proposed Transaction”).

The main amendments to the amalgamation agreement were: 1) the extension of the “outside date from December 31, 2018 to February 28, 2019; 2) the amendment of the Exchange Ratio from 12.04607 to 6.8830, and 3) the entering into a share purchase agreement with Noir Resources Ltd. (“Noir”) whereby Noir is expected to acquire all of the shares of the Company’s subsidiary, Altitude Resources Ltd.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the delisting of the Altitude Shares from the TSXV; (ii) the approval of the listing of the Altitude Shares on the Canadian Securities Exchange (the “**CSE**”); (iii) the completion of the Altitude Dispositions (as defined below); (iv) the approval of the Proposed Transaction by the Vibe Shareholders; (v) the approval of various matters related to the Proposed Transaction by the Altitude Shareholders; (vi) the completion of satisfactory due diligence by each of the parties; and (vii) other conditions customary for a transaction of this nature. As part of the Proposed Transaction, the directors, officers and major shareholders of Altitude and Vibe have entered into voting support agreements whereby they will agree to vote their Altitude Shares and Vibe Shares, as applicable, in favour of the Proposed Transaction and matters ancillary thereto. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all. The various approvals of the shareholders are expected to be voted on by Altitude shareholders at a meeting to be held on January 24, 2019.

Completion of the Proposed Transaction is conditional on Altitude disposing of all of its mining assets and liabilities as well as the shares of its wholly-owned subsidiary, Altitude Resources Ltd. (“the Altitude Dispositions”).

The Altitude Dispositions would constitute the sale of all, or substantially all, of the assets of the Company and will require shareholder approval in accordance with the provisions of the *Business Corporations Act* (Ontario).

Additional details can be found in the Company’s press release dated December 18, 2018 and posted on SEDAR.