International Battery Metals Ltd.

(Formerly - Rheingold Exploration Corp.)

Financial Statements

(Expressed in Canadian Dollars)

31 January 2018

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
International Battery Metals Ltd. (formerly Rheingold Exploration Corp.)

We have audited the accompanying financial statements of International Battery Metals Ltd. (formerly Rheingold Exploration Corp.), which comprise the statements of financial position as at January 31, 2018 and 2017 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of International Battery Metals Ltd. (formerly Rheingold Exploration Corp.) as at January 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Professional Accountants

May 30, 2018

International Battery Metals Ltd.
(Formerly - Rheingold Exploration Corp.)
Statements of Financial Position
As at January 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Note		2018		2017
ASSETS					
Current assets					
Cash	5	$	231,346	$	238,451
Amounts receivable			24,895		13,830
Prepaid expenses			23,608		1,107
Total current assets			279,849		253,388
Deferred acquisition costs	6		703,277		-
Property, plant and equipment			-		219
		$	983,126	$	253,607
LIABILITIES					
Current liabilities					
Trade payables and other payables	5, 10	$	165,404	$	55,884
Loan payable	8		71,872		-
Total current liabilities			237,276		55,884
Shareholders' equity					
Share capital	9		2,656,465		924,961
Reserves	9		2,178,310		391,718
Deficit			(4,088,925)		(1,118,956)
			745,850		197,723
		$	983,126	$	253,607

Nature and Continuance of Operations (Note 1)
Commitments (Note 11)
Subsequent Events (Note 16)

Approved and Authorized by the Board on May 30, 2018:

"John Burba" Director *"Logan Anderson"* Director

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

International Battery Metals Ltd.
(Formerly - Rheingold Exploration Corp.)
Statements of Loss and Comprehensive Loss
For the years ended January 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Note	2018	2017
Expenses			
Advertising and promotion		$ 591,793	$ -
General and administrative	10, 15	1,910,930	104,515
Loan interest	8	71,872	-
Operating loss		(2,574,595)	(104,515)
Gain on debt settlement		5,000	-
Impairment of exploration and evaluation properties	7	(400,374)	(1,500)
Loss and comprehensive loss for the year		$ (2,969,969)	$ (106,015)
Loss and comprehensive loss per share, basic and diluted	9	$ (0.14)	$ (0.01)
Weighted average number of common shares outstanding	9	20,766,575	13,883,783

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

International Battery Metals Ltd.
(Formerly - Rheingold Exploration Corp.)
Statements of Cash Flows
For the years ended January 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Note	2018	2017
Cash flows used in operating activities			
Loss for the year		$ (2,969,969)	$ (106,015)
Non-cash transactions:			
Share-based payments		1,093,737	-
Impairment of exploration and evaluation property		400,374	1,500
Interest accretion	8	65,205	-
Amortization		219	267
Gain on settlement of debt		(5,000)	-
Accrued interest on convertible debt	8	6,667	-
Changes in operating assets and liabilities:			
Increase in amounts receivable		(11,065)	(3,206)
Increase in prepaid expenses		(22,501)	-
Increase in trade payables and accrued liabilities		114,520	68,528
Net cash used in operating activities		(1,327,813)	(38,926)
Cash flows from investing activities			
Deferred acquisition costs		(703,277)	-
Exploration and evaluation assets		(350,554)	(1,500)
Net cash used in investing activities		(1,053,831)	(1,500)
Cash flows from financing activities			
Proceeds from issuance of shares, net		2,174,539	276,152
Proceeds from loan payable	8	200,000	-
Net cash provided from financing activities		2,374,539	276,152
Increase (decrease) in cash		(7,105)	235,726
Cash, beginning of year		238,451	2,725
Cash, end of year		$ 231,346	$ 238,451

Supplemental Disclosures with Respect to Cash Flows (Note 13)

International Battery Metals Ltd.

(Formerly - Rheingold Exploration Corp.)
Statements of Changes in Shareholders' Equity (Deficiency)
For the years ended January 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Common Shares	Share Capital $	Reserves $	Deficit $	Total Equity $
Balance at 31 January 2016	13,346,260	827,157	156,777	(1,012,941)	(29,007)
Shares issued for					
Cash	3,500,000	181,350	169,000	-	350,350
Share issue cost - units	3,500	(350)	350	-	-
Share issue costs – cash	-	(17,605)	-	-	(17,605)
Share issue costs – warrants	-	(65,591)	65,591	-	-
Loss for the year	-	-	-	(106,015)	(106,015)
Balance at 31 January 2017	16,849,760	924,961	391,718	(1,118,956)	197,723
Shares issued for					
Private placements	4,999,300	660,999	638,819	-	1,299,818
Share issue costs – cash	-	(45,654)	-	-	(45,654)
Share issue costs – warrants	-	(123,200)	123,200	-	-
Mineral property	150,970	49,820	-	-	49,820
Services	68,000	23,740	-	-	23,740
Warrants exercised	4,549,500	1,009,169	(171,794)	-	837,375
Stock options exercised	370,000	156,630	(73,630)	-	83,000
Stock options granted	-	-	1,069,997	-	1,069,997
Warrants attached to loan payable	-	-	200,000	-	200,000
Loss for the year	-	-	-	(2,969,969)	(2,969,969)
Balance at 31 January 2018	26,987,530	2,656,465	2,178,310	(4,088,925)	745,850

1. Nature and Continuance of Operations

International Battery Metals Ltd. (formerly Rheingold Exploration Corp.), (the "Company") was incorporated under the laws of the province of British Columbia on 29 July 2010. The Company changed its name from Rheingold Exploration Corp. to International Battery Metals. Ltd. on August 28, 2017.

The Company's head office is located at Suite 510 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5 and the Company's registered and records office is located at 725 Granville Street, Pacific Centre, Suite 400, Vancouver, BC V7Y 1G5.

The Company is a mining exploration company involved in acquiring intangible assets and acquiring and exploring for metals commonly used in the production of batteries.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has completed financings subsequent to January 31, 2018 (Note 16) and estimates it has sufficient capital to continue operations for the upcoming year. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. Basis of Preparation

The financial statements of the Company were approved and authorized for issue by the Audit Committee of the Board of Directors on May 30, 2018.

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 4, and are presented in Canadian dollars except where otherwise indicated.

Statement of compliance

The financial statements of the Company, including comparative, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the declining rate method. The Company's computer equipment is depreciated at a rate of 55%.

Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area, are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use at that time.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. Summary of Significant Accounting Policies (Continued)

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period.

Earnings (loss) per share (Continued)

Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that (i) net earnings (loss) attributable to common shareholders are adjusted for fair value gains or losses of warrants (if dilutive) and (ii) the weighted average number of common shares outstanding is adjusted for the number of shares that are potentially issuable in connection with stock options and warrants (if dilutive). The Company assumes that outstanding dilutive stock options and warrants were exercised and that the proceeds from such exercises (after adjustment of any unvested portion of stock options) were used to acquire common stock at the average market price during the reporting periods. For the years presented, this calculation proved to be anti-dilutive.

3. Summary of Significant Accounting Policies (Continued)

Share Capital / Warrants

Share issue costs are recorded as a reduction of share capital when the related shares are issued. When shares and warrants are issued together as units the proceeds are allocated between common share and share purchase warrants on a pro-rata basis based on relative fair values at the date of issuance. The fair value of common shares is based on the market closing price on the date the units are issued and the fair value of share purchase warrants is determined using the Black-Scholes Option Pricing Model as of the date of issuance. When compensation options are issued to agents who refer investors to the Company, their fair value is determined using the Black-Scholes Option Pricing Model as of the date of issuance. The fair value of compensation options is recorded as a reduction of share capital as share issue costs.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of 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 corresponding amount is recorded to the stock option reserve or share capital. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

Taxation

Deferred tax is calculated based on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3. Summary of Significant Accounting Policies (Continued)

Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash is included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are included in loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3. Summary of Significant Accounting Policies (Continued)

Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables and other payables and loan payable are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

3. Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3. Summary of Significant Accounting Policies (Continued)

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. 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 or obligations between related parties.

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and expects the impact that these standards might have on its financial statements will be additional disclosure.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39*, Financial Instruments: Recognition and Measurement.*

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 15, *Revenue from Contracts with Customers:*

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company is currently evaluating the impact, if any, that this standard might have on its financial statements.

(Expressed in Canadian Dollars)

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the valuation of all liability and equity instruments including stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss is a subjective process involving judgment and a number of estimates and interpretations in many cases.

The Company allocates values to stock options based on the Black-Scholes that includes estimates of volatility and estimated life.

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions.

5. Financial Instruments and Risk Management

Categories of financial instruments

	31 January 2018	31 January 2017
FINANCIAL ASSETS	**$**	$
FVTPL, at fair value		
Cash	231,346	238,451
Total financial assets	231,346	238,451
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables and accrued liabilities	165,404	55,884
Loans payable	71,872	-
Total financial liabilities	237,276	55,884

5. Financial Instruments and Risk Management (Continued)

Categories of financial instruments (Continued)

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The fair value of financial assets and financial liabilities at amortized cost is determined based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments. Cash is measured using level 1 of the fair value hierarchy.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with high-rated financial institutions as determined by rating agencies. As at 31 January 2018, amounts receivable of $24,895 (2017 - $13,830) are comprised of Goods and Services Tax/Harmonized Sales Tax (“GST/HST”) receivable of $24,895 (2017 - $8,737), share subscription receivable of $nil (2017 - $5,093). As a result, credit risk is considered insignificant. The Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Subsequent to January, 31 2018, the Company completed financings that will enable continuance of operations for the upcoming year.

(Expressed in Canadian Dollars)

5. Financial Instruments and Risk Management (Continued)

Liquidity risk (Continued)
The table below summarizes the maturity profile of the Company's financial liabilities at 31 January 2018 and 2017:

As at 31 January 2018	**On demand**	**Less than 1 year**	**Total**
	$	$	$
Trade payables	110,404	-	110,404
Accrued liabilities	55,000	-	55,000
Loans payable (principal outstanding)	-	200,000	200,000
Total liabilities	165,404	200,000	365,404
As at 31 January 2017	**On demand**	**Less than 1 year**	**Total**
	$	$	$
Trade payables	47,884	-	47,884
Accrued liabilities	8,000	-	8,000
Total liabilities	55,884	-	55,884

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency risk, interest rate risk and commodity price risk arising from financial instruments.

6. Deferred Acquisition Costs

On March 4, 2018, the Company entered into an agreement (replacing a binding letter of intent ("LOI") dated September 28, 2017) with North American Lithium Inc. ("NAL") and Selective Adsorption Lithium ("SAL") a company controlled by shareholders of NAL pursuant to which the Company will acquire NAL's data, analysis and resports related to lithium extraction from oil field brines for petro-lithium extraction projects for USD$875,000 and will acquire 100% of SAL which holds intellectual property for 25,309,488 common shares of the Company (the "Acquisition"). The Company granted a 5% gross profits royalty to NAL. The Acquisition is subject to approval by the Canadian Securities Exchange, all necessary regulatory approvals and approvals of the shareholders.

During the year ended January 31, 2018, deferred acquisition costs of $703,277 related to $670,542 (US $525,000) cash paid to the acquisition.

The following represents the consideration to NAL for the acquisition:

i. US $135,000 upon execution of the LOI, and to review data from oil field brines and analyze the data to prepare a brine source identification report (paid);
ii. US $175,000 upon delivery of the brine identification report (paid);
iii. US $215,000 upon delivery of a block flow diagram of the lithium extraction process (paid);

(Expressed in Canadian Dollars)

6. Deferred Acquisition Costs (Continued)

iv. US $225,000 upon delivery of initial overall project flowchart and design document (subsequently paid); and
v. US $125,000 upon delivery of the final option letter (subsequently paid).
vi. Payment of other direct costs and/or fees as defined in the agreement

The Company will issue 25,309,488 shares as follows:

i. 4,700,000 shares on closing (issued subsequent – Note 15)
ii. 4,000,000 shares on SAL and the Company filing three US or foreign patent applications with respect to intellectual property;
iii. 5,536,496 shares on SAL and the Company filling three additional patents with respect to intellectual property;
iv. 5,536,496 shares on SAL and the Company filing three additional patents with respect to intellectual property;
v. 5,536,496 shares upon the Company completing either of the following: one or more private placements financing(s) resulting in the issuance of an aggregate of no less than 5,000,000 common shares in the Company; or completing a laboratory – scale pilot plant for the processing of lithium or lithium concentrates.

The acquisition closed on April 13, 2018 (Note 16).

7. Exploration and Evaluation Properties

The Company's exploration and evaluation properties expenditures for the year ended 31 January 2018 were as follows:

	Bygoo Tin Property	Woodbury Property	Pattullo Property	Total
ACQUISITION COSTS	$	$	$	$
Balance, 31 January 2017	-	-	-	-
Additions	389,574	100	-	389,674
Impairment write-down	(389,574)	(100)	-	(389,674)
Balance, 31 January 2018	**-**	**-**	**-**	**-**
EXPLORATION AND EVALUATION COSTS				
Balance, 31 January 2017	-	-	-	-
Additions	10,700	-	-	10,700
Impairment write-down	(10,700)	-	-	(10,700)
Balance, 31 January 2018	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Properties (Continued)

The Company's exploration and evaluation properties expenditures for the year ended 31 January 2017 were as follows:

	Bygoo Tin Property	Woodbury Property	Pattullo Property	Total
ACQUISITION COSTS	$	$	$	$
Balance, 31 January 2016	-	-	-	-
Additions	-	-	1,500	1,500
Impairment write-down	-	-	(1,500)	(1,500)
Balance, 31 January 2017	-	-	-	-
EXPLORATION AND EVALUATION COSTS				
Balance, 31 January 2016	-	-	-	-
Impairment write-down	-	-	-	-
Balance, 31 January 2017	-	-	-	-
Total	-	-	-	-

Bygoo Tin Property

On May 24, 2017 the Company entered an option agreement (the "Sub-Option Agreement"), subsequently amended, with BeiSur OstBarat Agency Ltd. ("BOAL"). BOAL holds an option to earn a 51% undivided interest, with an option to acquire up to a further 25% interest in the Bygoo Tin Project (the "Property"), located in New South Wales, Australia. BOAL's interest in the Property is subject to an underlying agreement between BOAL and Riverston Tin Pty Ltd. ("Riverston").

During the year ended January 31, 2018, the Company paid $230,780 (AUD $228,000), reimbursed expenses of $108,974, and issued 150,970 shares valued at $49,820 as option payments.

During the year ended January 31, 2018, the Company defaulted on its option on this property. Accordingly, the property was written down to $nil.

Woodbury Property

On July 24, 2017 the Company entered into an Option and Purchase and Sale Agreement (the "Option Agreement") with Woodbury Resources, LLC and Bi-Petro, Inc. whereby the Company had an option to purchase the oil and gas leases located primarily in Cumberland and Jasper Counties, Illinois. The Company paid $100 as an option payment.

The Company's option of the Woodbury property expired on December 24, 2017. Accordingly, the property was written down to $nil.

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Properties (Continued)

Pattullo Property

On June 17, 2011, the Company entered into an option agreement, subsequently amended, to acquire a one hundred percent (100%) undivided interest in unpatented mining claims located in the Pattullo and Tait townships of the Province of Ontario, Canada (the "Pattullo Property").

On June 15, 2015 the Company issued 50,000 common shares valued at $2,500 in exchange for an extension on the option payment terms.

During the year ended 31 January 2017, the Company relinquished its option on the Pattullo Property.

8. Loan Payable

On October 4, 2017, the Company entered into a loan agreement with Mackie Research Capital Corp. (the "Lender") for $200,000. The initial term of the loan was for a period of one year with interest payable at ten percent per annum, payable at maturity. As further consideration for providing the loan, the Company granted the Lender 500,000 special units (fair valued at $200,000), exercisable at $0.40 into an underlying unit of one common share and one common share purchase warrant. Each underlying warrant will be exercisable for a period of two years at an exercise price of $0.52.

The Company has fair valued the cost of the warrants using the Black-Scholes Option Pricing model with the following assumptions: no expected dividends to be paid; volatility of 150% based on historical volatility; risk-free interest rate of 2.38%; and a term of 1 year. The discount is being amortized over the term of the debt. During the year ended January 31, 2018, the Company recorded an accretion expense of $65,205 (2017 - $nil) related to this debt.

A summary of the loan is as follows:

	Liability **$**
Loan proceeds	200,000
Loan costs (special units value)	(200,000)
	-
Interest accrued	6,667
Interest accreted	65,205
Total	71,872

The Principle balance of the loan was repaid on April 17, 2018.

9. Share Capital

Authorized

The total authorized capital are an unlimited number of common shares with no par value.

9. Share Capital (Continued)

Share Issuance

During the year ended January 31, 2018 the Company issued 4,549,500 common shares for warrants exercised for proceeds of $837,375. A value of $171,794 was transferred from reserves to share capital on exercise of warrants.

During the year ended January 31, 2018 the Company issued 370,000 common shares for options exercised for proceeds of $83,000. A value of $73,630 was transferred from reserves to share capital on exercise of options.

On October 16, 2017 the Company issued 4,324,300 units for gross proceeds of $1,124,318 that comprised of one common share of the Company and one common share purchase warrant exercisable for 2 years for an additional share at a price of $0.52. The Company paid $29,120 as a finder's fee and issued 160,000 share purchase warrants valued at $123,200 which are exercisable for 2 years for $0.52. The warrants have a fair value $0.82 determined using the Black-Scholes Option Pricing model with the following assumptions: no expected dividends to be paid; volatility of 259% based on historical volatility; risk-free interest rate of 1.56%; and expected life of 2 years. The value was allocated to the units using the relative fair value method resulting in a value allocation of $0.07/share and $0.19/warrant. The broker warrants were valued at $0.77/warrant.

On September 14, 2017 the Company issued 65,000 common shares for services valued at $0.35 per share for a total cost of $22,750.

On August 17, 2017 the Company issued 675,000 units for gross proceeds of $175,500 that comprised of one common share of the Company and one common share purchase warrant exercisable for 2 years for an additional share at a price of $0.52. The warrants have a fair value $0.29 determined using the Black-Scholes Option Pricing model with the following assumptions: no expected dividends to be paid; volatility of 250% based on historical volatility; risk-free interest rate of 1.25%; and expected life of 2 years. The value was allocated to the units using the residual method resulting in a value allocation of $0.12/share and $0.14/warrant.

On August 1, 2017 the Company issued 150,970 common shares valued at $0.33 per share as part of the consideration for the Bygoo Tin Property at a value of $49,820 and 3,000 common shares valued at $990 as a share-based payment for services performed on the transaction.

On December 6, 2016, the Company issued 3,503,500 units at a price of $0.10 per unit, consisting of one common share and one share purchase warrant for gross proceeds of $350,350 of which $51,500 was a conversion of debt and $5,093 is included in receivables. Each share purchase warrant entitled the holder to purchase one additional common share of the Company at $0.25 per share for a period of 2 years from the date of closing on 6 December 2016. The Company paid $17,605, issued 3,500 units valued at $350 and issued 251,500 warrants valued at $65,591 as finder's fees. The warrants were valued using the Black-Scholes Option Pricing model with the following assumptions: no expected dividends to be paid; volatility of 253.27% based on historical volatility; risk-free interest rate of 0.72%; and expected life of 2 years.

(Expressed in Canadian Dollars)

9. Share Capital (Continued)

Stock Options

The Company has adopted a stock option plan (the "Plan") which provides eligible directors, officers, employees and consultants of the Company with the opportunity to acquire an ownership interest in the Company and is the basis for the Company's long-term incentive scheme. The Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The maximum number of common shares issuable under the Plan shall not exceed 10% of the number of common shares of the Company issued and outstanding as of each award date, inclusive of all common shares reserved for issuance pursuant to previously granted stock options. The exercise price of options granted under the Plan will not be less than the closing market price of the Company's common shares on the exchange. The options have a maximum term of ten years from date of issue and vesting is determined by the board of directors.

The following table summarizes information regarding stock options outstanding and exercisable as at 31 January 2018:

Exercise price	Expiry date	Number of options outstanding and exercisable	Weighted-average remaining contractual life (years)
$0.33	30 June 2018	150,000	0.41
$0.33	30 June 2022	800,000	4.41
$0.33	10 May 2018	50,000	0.27
$0.62	10 May 2018	30,000	0.62
$0.62	23 October 2022	820,000	4.73
$0.45	12 January 2023	50,000	4.95
Total		**1,900,000**	**4.07**

During the year ended 31 January 2018, the Company granted 2,100,000 (2017 – nil) stock options to directors, employees and consultant with a total fair value of $1,069,997 (2017 - $nil). The options vested immediately. During the year ended 31 January 2018, the Company recognized a total of $1,069,997 (2017 - $nil) in share-based payments for the options vested during the year. The options had a grant date fair value of $0.56 determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends to be paid; volatility of 238.00% based on historical volatility; risk-free interest rate of 1.81%; and expected life of 5 years.

(Expressed in Canadian Dollars)

9. Share Capital (Continued)

Warrants

At 31 January 2018, share purchase warrants were outstanding as follows:

Exercise price	Expiry date	Number of Warrants
$0.25	6 December 2018	959,000
$0.25	6 December 2018	246,500
$0.52	17 August 2019	675,000
$0.52	16 October, 2019	160,000
$0.52	16 October, 2019	4,324,300
Total		**6,364,800**

Options and Warrants

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Options	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding, 31 January 2016	2,000,000	0.10	1,121,200	0.14
Expired	-	-	(781,200)	0.25
Granted	3,755,000	0.25	-	-
Outstanding, 31 January 2017	5,755,000	0.20	340,000	0.10
Expired	-	-	(170,000)	0.10
Granted	5,159,300	0.52	2,100,000	0.45
Exercised	(4,549,500)	0.18	(370,000)	0.22
Outstanding, 31 January 2018	6,364,800	0.47	1,900,000	0.46
Exercisable, 31 January 2018	6,364,800	0.47	1,900,000	0.46

(Expressed in Canadian Dollars)

9. Share Capital (Continued)

Reserves transactions:

	Stock Option $	Warrant Reserve $	Reserves $
Balance at 31 January 2016	92,565	64,212	156,777
Shares issued for			
Cash	-	169,000	169,000
Share issue cost - units	-	350	350
Share issue costs – warrants	-	65,591	65,591
Balance at 31 January 2017	92,565	299,153	391,718
Shares issued for			
Private placements	-	638,819	638,819
Share issue costs – warrants	-	123,200	123,200
Warrants exercised	-	(171,794)	(171,794)
Stock options exercised	(73,630)	-	(73,630)
Stock options granted	1,069,997	-	1,069,997
Debt warrant accretion	-	200,000	200,000
Balance at 31 January 2018	1,088,932	1,089,378	2,178,310

Weighted average breakdown

Per share amounts

	2018 $	2017 $
Weighted average number of shares – basic:		
Issued common shares as at February 1	16,849,760	13,346,260
Effect of common shares issued during the period	3,916,815	537,523
	20,766,575	13,883,783
Net loss per share – basic and diluted	(0.14)	(0.01)

(Expressed in Canadian Dollars)

10. Related Party Transactions

Key management personnel compensation

Key management personnel include directors and officers of the Company. The remuneration of directors and other members of key management are as follows:

	For the year ended 31 January 2018 $	For the year ended 31 January 2017 $
Share-based payments	613,699	-
Directors fees	30,000	-
Management fees, salaries and benefits	178,837	31,400
	822,536	31,400

Due from/to related parties

Trade payables and accrued liabilities of the Company include the following amounts due to related parties:

	As at 31 January 2018 $	As at 31 January 2017 $
Officers of the Company	56,482	2,046
Total amount due to related parties	56,482	2,046

During the year ended January 31, 2017, the Company settled amounts owing to related parties of $48,500 through the issuance of 485,000 units. Each unit consisted of one common share and one share purchase warrant.

11. Commitments

On December 1, 2017, the Company entered into a lease agreement for office space. Under the terms of the lease, the Company is required to pay $5,492 per month commencing December 1, 2017 and continuing to February 27, 2020.

Annual payments are as follows:

Fiscal Year	Amount ($)
2019	65,904
2020	65,904
2021	5,492

(Expressed in Canadian Dollars)

12. Income Taxes

Provision for income taxes

The provision (recovery) for income taxes differs from the amount that would have resulted by applying the combined Canadian federal and provincial statutory tax rates.

	For the year ended 31 January 2018 $	For the year ended 31 January 2017 $
Loss before income taxes	(2,969,969)	(106,015)
Expected income tax recovery	(780,000)	(28,000)
Permanent differences	288,000	-
Change in statutory, foreign exchange rates and other	30,000	2,000
Share issuance cost	(12,000)	(5,000)
Adjustment to prior years provision	(5,000)	-
Change in unrecognized deductible temporary differences	479,000	31,000
Income tax recovery	-	-

Deferred tax balances

The significant components of the Company’s unrecorded deferred tax assets are as follows:

	As at 31 January 2018 $	As at 31 January 2017 $
Non-capital loss carryforward	633,000	235,000
Exploration and evaluation properties	173,000	63,000
Debt with accretion	(35,000)	-
Share issue costs	14,000	8,000
	785,000	306,000
Unrecognized deferred tax assets	(785,000)	(306,000)
Net deferred tax assets	-	-

In September 2017, the British Columbia (BC) Government proposed changes to the general corporate income tax rate to increase the rate from 11% to 12% effective January 1, 2018 and onwards. This change in tax rate was substantively enacted on October 26, 2017. The relevant deferred tax balances have been remeasured to reflect the increase in the Company's combined Federal and Provincial (BC) general corporate income tax rate from 26% to 27%.

(Expressed in Canadian Dollars)

12. Income Taxes (Continued)

Deferred tax balances (Continued)

The Company's unrecognized deferred tax assets related to unused tax losses have the following expiry dates:

	2018	Expiry Date Range
Temporary Differences		
Exploration and evaluation assets	641,000	No expiry date
Property and equipment	1,000	No expiry date
Debt with accretion	(128,000)	No expiry date
Share issue costs	53,000	2037 to 2041
Non-capital losses available for future period	3,239,000	2031 to 2038

13. Supplemental Disclosures with Respect to Cash Flows

	For the year ended 31 January 2018 $	For the year ended 31 January 2017 $
Cash paid during the year for interest	6,667	762
Allocation of proceeds to warrants attached to units	638,819	169,000
Warrants issued for finders' fees	123,200	65,591
Shares issued for mineral property	49,820	-
Units issued for finders' fees	-	350
Units issued for settlement of debt	-	51,500

14. Capital Risk Management

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties and deferred acquisition costs. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit and equity reserves.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will be using its existing working capital and will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended 31 January 2018. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

(Expressed in Canadian Dollars)

15. General and Administrative Expenses

	For the year ended 31 January 2018 $	For the year ended 31 January 2017 $
Amortization	219	267
Bank charges and interest	3,318	1,333
Consulting fees	524,662	-
Filing fees	34,960	16,972
Investor relations	-	3,000
Management fees, salaries and benefits	30,000	31,400
Meals and entertainment	11,044	804
Office and miscellaneous	2,246	4635
Professional fees	193,993	45,040
Rent	8,200	1,000
Stock based compensation	1,093,737	-
Travel	8,551	64
	1,910,930	104,515

16. Subsequent Events

Subsequent to January 31, 2018, the Company:

a) Closed a non-brokered private placement by issuing 3,193,554 units at a price of $0.35 per unit for gross proceeds of $1,117,744. Each unit consisted of one common share and one common share purchase warrant, with each warrant exercisable to purchase one additional common at an exercise price of $0.70 per share for a period of two years and is subject to certain acceleration provisions. A finder's fee of $59,899 was paid to two finders in connection with the closing of the private placement.

b) Issued 605,000 common shares on the exercise of 605,000 options for proceeds of $199,650.

c) Issued 2,319,300 common shares on the exercise of 2,319,300 warrants for proceeds of $1,119,036. 2,219,300 common shares exercised were eligible for a warrant incentive program whereby the Company granted an additional warrant of $0.75 per share for a period of two years from the date of issuance upon the exercise of certain outstanding warrants.

d) Issued 4,700,000 common shares to acquire SAL's intellectual property related to the lithium extraction from oil field brines and paid $459,295 (US $350,000) to NAL for deliverables as described in Note 6.

15. Subsequent Events (Continued)

e) Closed a private placement by issuing 6,200,000 units at a price of $0.35 per unit for gross proceeds of $2,170,000. Each unit consisted of one common share and one half of one common share purchase warrant, with each full warrant exercisable to purchase one additional common share at an exercisable price of $0.70 per share for a period of two years and is subject to certain acceleration provisions. Finder's fees of $324,162, 100,000 common shares, 620,000 compensation options and 300,000 special unit warrants were issued in connection with closing of the private placement.

f) Closed a private placement by issuing 799,999 units at a price of $0.35 per unit for gross proceeds of $280,000. Each unit consisted of one common share of the Company and one half of one non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of $0.70 per share for a period of two years and is subject to certain acceleration provisions.