LIONS BAY MINING CORP.

Financial Statements
For the year ended October 31, 2019

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lions Bay Mining Corp.

Opinion

We have audited the financial statements of Lions Bay Mining Corp. (the “Company”), which comprise the statements of financial position as at October 31, 2019 and 2018, and the statements of comprehensive loss, shareholders’ equity (deficit) and cash flows for the year ended October 31, 2019 and the period from incorporation on April 25, 2018 to October 31, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2019 and 2018, and its financial performance and its cash flows for the year ended October 31, 2019 and the period from incorporation on April 25, 2018 to October 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes events or conditions, that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

February 27, 2020

MOORE

An independent firm
associated with Moore
Global Network Limited

Lions Bay Mining Corp.
Statements of Financial Position
(Expressed in Canadian dollars)

As at		**October 31, 2019**		**October 31, 2018**
ASSETS				
CURRENT ASSETS				
Cash	$	228,980	$	15,649
GST receivable		2,284		3,228
Prepaid expenses		-		14,862
		231,264		33,739
Mineral property interests (note 5)		75,000		75,004
TOTAL ASSETS	**$**	**306,264**	**$**	**108,743**
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities (note 6)	$	56,152	$	60,600
Due to former parent (note 7)		-		115,060
Due to related parties (note 7)		60,000		9,000
TOTAL LIABILITIES		116,152		184,660
SHAREHOLDERS' EQUITY (DEFICIT)				
Share capital (note 8)		571,309		75,004
Reserves (note 8)		10,150		10,305
Deficit		(391,347)		(161,226)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		190,112		(75,917)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	**$**	**306,264**	**$**	**108,743**

Going concern *(note 2)*
Subsequent events (note 5 and 8)

These financial statements were authorized for issue by the Board of Directors on February 27, 2020. They are signed on the Company's behalf by:

/s/ Jeremy Poirier ______________________________,
Director

/s/ William Heenan ______________________________,
Director

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

(Expressed in Canadian dollars)

		Year ended October 31, 2019		Period from incorporation on April 25, 2018 to October 31, 2018
EXPENSES				
General and administrative expenses	$	1,991	$	413
Investor relations		785		-
Management and consulting fees (note 7)		109,931		69,000
Meals and entertainment		2,281		1,520
Professional fees		73,742		59,860
Share based compensation (note 8)		-		10,305
Transfer agent, regulatory and listing fees		35,062		294
Travel and accommodation		6,116		19,834
		(229,908)		**(161,226)**
OTHER ITEMS				
Foreign exchange loss		(209)		-
Impairment on mineral property interests (note 5)		(4)		-
		(213)		-
COMPREHENSIVE LOSS	**$**	**(230,121)**	**$**	**(161,226)**
Loss per share, basic and diluted	**$**	(0.02)	**$**	(0.05)
Weighted average number of common shares outstanding – basic and diluted		10,385,123		3,061,111

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

Lions Bay Mining Corp.
Statements of Shareholders' Equity (Deficit)
(Expressed in Canadian dollars)

	Number of outstanding shares		Share capital		Reserve		Deficit		Total shareholders' equity (deficit)
Balance, April 25, 2018 (date of incorporation)	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Shares issued pursuant to Arrangement	5,510,000		75,004		-		-		75,004
Share based compensation	-		-		10,305		-		10,305
Comprehensive loss	-		-		-		(161,226)		(161,226)
Balance, October 31, 2018	**5,510,000**	**$**	**75,004**	**$**	**10,305**	**$**	**(161,226)**	**$**	**(75,917)**
Shares issued pursuant to private placement	5,000,000		500,000		-		-		500,000
Share issuance costs	-		(18,170)		5,570		-		(12,600)
Exercise of stock options	251,248		11,975		(5,725)		-		6,250
Shares cancelled	(58,820)		-		-		-		-
Exercise of warrants	25,000		2,500		-		-		2,500
Comprehensive loss	-		-		-		(230,121)		(230,121)
Balance, October 31, 2019	**10,727,428**	**$**	**571,309**	**$**	**10,150**	**$**	**(391,347)**	**$**	**190,112**

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

Lions Bay Mining Corp.
Statements of Cash Flows
(Expressed in Canadian dollars)

		Year ended October 31, 2019		Period from incorporation on April 25, 2018 to October 31, 2018
OPERATING ACTIVITIES				
Net loss	**$**	(230,121)	**$**	(161,226)
Items not involving cash:				
Share based compensation		-		10,305
Impairment of mineral property interests		4		-
Net changes in non-cash working capital items:				
GST receivable		944		(3,228)
Prepaid expenses		14,862		(14,862)
Accounts payable and accrued liabilities		(13,448)		69,600
Due to related party		(3,000)		63,000
Cash used in operating activities		**(230,759)**		**(36,411)**
FINANCING ACTIVITIES				
Advances (repayment of advances) from former parent, net		(52,060)		52,060
Proceeds from issuance of common shares, net		496,150		-
Cash provided by financing activities		**444,090**		**52,060**
Change in cash		213,331		15,649
Cash, beginning		15,649		-
Cash, ending	**$**	**228,980**	**$**	**15,649**

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

1. NATURE OF OPERATIONS

Lions Bay Mining Corp. (the "Company") was a wholly-owned subsidiary of Bearing Lithium Corp. ("Bearing") and was incorporated on April 25, 2018, pursuant to the provisions of the Business Corporations Act of BC. The Company is a mineral exploration company. The Company's shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "LBM". The registered and records office is located at Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

On July 19, 2018, the Board of Directors of Bearing approved a statutory arrangement (the "Arrangement") where it distributed the shares of the Company to the shareholders of Bearing on the basis of 0.049921 of the Company's shares for 1 common share of Bearing. The arrangement resulted in participating shareholders of Bearing holding, immediately following completion of the arrangement, 50% of the outstanding common shares in proportion to their holdings of common shares of Bearing and Bearing holding the remaining 50%. In accordance with the terms of the Arrangement, each holder of Bearing's options and warrants is entitled to receive a replacement option and warrant, each replacement option or warrant entitles the holder to acquire 0.049921 common share of the Company. At the time of the Arrangement, Bearing had a total of 185,228 outstanding warrants and 3,835,000 outstanding options. As a result of the Arrangement, the Company issued 5,510,000 shares, 191,446 stock options and 9,246 warrants. As at October 31, 2019, Bearing held nil% of the outstanding common shares.

Prior to the distribution, Bearing transferred, to the Company, its interest in (the "Fish Lake Project") located in Fish Lake Valley, central-western Nevada as well as the Bearing's interest in 4 additional mineral properties located in the Yukon, Canada (note 5).

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized by the Board of Directors on February 27, 2020.

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

(c) Going concern of operation

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue as a going concern and realize the carrying value of its assets is dependent on its ability to raise capital through equity and debt financing, the outcome of which cannot be predicted at this time. These matters indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting estimates and judgments

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

Significant Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

i. Management is required to assess the functional currency of the Company. In concluding that the Canadian dollar is the functional currency of the Company, management considered the currency that mainly influences the operating expenditures in the jurisdiction in which the Company operates.

ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and next fiscal financial years:

i. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

ii. Impairment of exploration and evaluation assets or cash-generating units ("CGU") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

iii. The measurement of identifiable assets acquired pursuant to the Arrangement, assumed at fair value on the date of acquisition and the allocation of the purchase consideration over the fair value of the assets acquired is subject to management estimation and judgment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Exploration and evaluation assets

Exploration and evaluation costs include costs to acquire rights to explore, geological studies, exploratory drilling and sampling and directly attributable administrative costs.

Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for any of its projects.

Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral property interest.

The carrying values of exploration and evaluation assets are assessed for impairment by management whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value exceeds the recoverable amount.

c) Asset impairment

The Company performs impairment tests on mineral properties when events or circumstances occur which indicate the assets may not be recoverable. Impairment assessments are carried out on a project by project basis with each project representing a single cash generating unit.

When impairment indicators are identified, an impairment loss is recognized for any amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

d) Income taxes

Deferred income tax is recognized using the liability method on temporary differences arising between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect either accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. These costs are charged against profit or loss over the economic life of the related asset through amortization using either the unit-of-production or the straight-line method. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates based on a pre-tax rate that reflects the time value of money are used to calculate the net present value. The corresponding liability is progressively increased as the effect of discounting unwinds, creating an expense recognized in profit or loss.

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

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

f) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and expensed over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if the fair value of the goods or services cannot be reliably measured, and is recorded at the date the goods or services are received. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves.

g) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Any previously recorded share-based payment included in the reserves account is transferred to share capital on exercise of options. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value as determined by the quoted bid price of the common shares and any residual value is allocated to reserves. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in reserves is transferred to share capital. Charges for options or warrants that are cancelled or have expired are reclassified from reserves to deficit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Loss per share

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

i) Financial instruments

(i) Classification

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

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 classification
Cash	FVTPL
Accounts payable	Amortized cost
Amounts due to related parties	Amortized cost
Due to former parent	Amortized cost

(ii) Measurement

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

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

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(Expressed in Canadian dollars)

4. RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 16, Leases, specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. The Company does not anticipate the adoption of this standard to have a significant impact on the Company's financial statements. This standard is effective to the Company for the fiscal year beginning on November 1, 2019.

5. MINERAL PROPERTY INTERESTS

On July 19, 2018, immediately prior to the closing of the Arrangement, the Company and Bearing entered into an Asset Purchase Agreement pursuant to which the Company acquired Bearing's interest in the Fish Lake Project located in Nevada, USA and Bearing's interests in the HY and Jay, VM and VBA properties located in the Yukon, Canada (collectively, the "North America Assets").

	Fish Lake Valley	Yukon	Total
Balance, April 25, 2018	**$ -**	**$ -**	**$ -**
Additions	75,000	4	75,004
Balance, October 31, 2018	**$** 75,000	**$** 4	**$** 75,004
Impairment	-	(4)	(4)
Balance, October 31, 2019	**$ 75,000**	**$ -**	**$ 75,000**

Fish Lake Valley property

On September 27, 2017, and as amended on May 2, 2018, September 21, 2018 and February 3, 2020, Bearing entered into an Option Agreement with American Battery Metals Corp. (formerly First Division Ventures Inc.) ("American Battery Metals") whereby American Battery Metals has the option to acquire a 50% interest in the Fish Lake Project (the "Option Agreement"). Bearing transferred its interest in the Fish Lake Project and the Option Agreement to the Company under the Asset Purchase Agreement.

Pursuant to the Option Agreement, in order to exercise its option, American Battery Metals was required to make a cash payment in the initial amount of $20,000 (received by Bearing) and issue 20,000 common shares (received by Bearing) to the Company, and thereafter issue an additional 3,000,000 common shares to the Company on or before September 25, 2020. American Battery Metals must incur an aggregate of $1,500,000 in exploration expenditures on the Fish Lake Project as follows: (a) $60,000 on or before September 25, 2018 (incurred); (b) $440,000 on or before June 30, 2020; and (c) $1,000,000 on or before September 25, 2020. If American Battery Metals exercises the Option, the Company and American Battery Metals will form a joint venture on terms to be negotiated by the parties.

Yukon

On December 23, 2016, Bearing entered into an agreement with Golden Predator Mining Corp. ("Golden"), pursuant to which Golden has agreed to purchase all of the Company's interest in certain mineral claims in the Yukon Territory. As partial consideration for the purchase agreement, Golden will pay an aggregate fee of $275,000, payable over 48 months from the execution date of the purchase agreement plus additional compensation.

On April 2, 2019, the Company terminated the property purchase agreement entered into with Golden. The Company impaired the Yukon claims and wrote off related costs of $4 during the year.

(Expressed in Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		October 31, 2019		October 31, 2018
Accounts payable	$	37,820	$	3,874
Accrued liabilities		18,332		56,726
	$	56,152	$	60,600

7. RELATED PARTY TRANSACTIONS

The Company and Bearing, its former parent company, entered into an Arrangement described in note 1. The Arrangement provides for the transfer from Bearing of mineral property interests (note 5) to the Company, a wholly-owned subsidiary, and the immediate distribution of a controlling interest in the common shares of the Company to the shareholders of Bearing as at July 19, 2018. The shareholders of Bearing, at the completion of the Arrangement, continued to collectively own the interest in Bearing's assets, albeit through an altered corporate structure. During the year ended October 31, 2019, Bearing's ownership decreased to nil%.

Key management compensation

Key management consists of the Officers and Directors who are responsible for planning, directing and controlling the activities of the Company. For the year ended October 31, 2019, the following expenses were incurred to the Company's key management:

		October 31, 2019		October 31, 2018
Management and consulting fees	$	54,000	$	9,000
Share based compensation		-		9,618
	$	54,000	$	18,618

As at October 31, 2019, the Company was indebted to the related parties for a total of $60,000 (October 31, 2018 - $9,000). The amount is non-interest bearing and has no terms of repayments.

As at October 31, 2019, the Company was indebted to Bearing for a total of $nil (October 31, 2018 - $115,060). The amount is unsecured, non-interest bearing, and due on demand.

8. SHARE CAPITAL

(a) Authorized common shares

Unlimited number of common shares without par value authorized for issue.

(b) Issued

Share capital activity for the year ended October 31, 2019:

(i) On November 21, 2018, the Company issued 5,000,000 units for proceeds of $500,000. Each unit consists of one common share and one warrant exercisable for a period of two years at an exercise price of $0.10 per share. The Company paid cash commissions of $12,210, other share issuance costs of $390 and issued 122,100 brokers' warrants with a fair value of $5,570. The brokers' warrants are exercisable for a period of two years at an exercise price of $0.10 per share. The brokers' warrants were valued using the following Black-Scholes Option Pricing Model assumptions: risk free rate of 2.23%, estimated annualized volatility of 75.55%, expected life of 2 years, exercise price of $0.10, expected dividend yield of 0% and share price of $0.105.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(b) Issued (continued)

(ii) During the year ended October 31, 2019, 250,000 stock options were exercised for an exercise price of $0.025 for proceeds of $6,250. Pursuant to the exercise, the Company reclassified $5,725 from reserves to share capital.

(iii) During the year ended October 31, 2019, 25,000 common share purchase warrants were exercised for an exercise price of $0.10 for proceeds of $2,500.

(iv) Pursuant to the Arrangement (note 1), the Company issued 191,446 stock options ("Bearing Options") which would be exercised concurrently with the exercise of the related Bearing stock option from under which the entitlement was granted. During the year ended October 31, 2019, 25,000 Bearing Options were exercised which triggered 1,248 common shares of the Company to be issued.

(v) During the year ended October 31, 2019, pursuant to the Arrangement (note 1), the Company cancelled and returned to treasury 58,820 common shares, which related to the cancellation of Bearing shares from under which the original Company shares were issued. Following completion of a merger between Li3 Energy Inc. ("Li3") and Bearing on September 28, 2017 the Li3 shareholders had two years to exchange their shares. As of September 28, 2019, any former shareholders of Li3 who did not exchange their shares, ceased to have any entitlement to common shares of Bearing and the related common shares of the Company.

Share capital activity for the year ended October 31, 2018:

(i) During the period from April 25, 2018 to October 31, 2018, the Company issued 5,510,000 pursuant to the Arrangement (note 1).

(c) Stock options

The Company has a stock option plan (the "Plan") that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms and pricing of options are determined at the date of grant in accordance with the Plan.

During the period from April 25, 2018 to October 31, 2018, the Company issued 191,446 fully vested replacement stock options pursuant to the Arrangement. The Company also recorded share-based compensation of $10,305 related to 450,000 options granted during the period ended October 31, 2018.

Stock option transactions and the number of stock options outstanding are summarized below:

	Number	**Weighted Average Exercise Price $**
Balance, April 25, 2018	**-**	**-**
Replacement options pursuant Arrangement (note 1)	191,446	0.028
Options granted	450,000	0.025
Balance, October 31, 2018	**641,446**	**0.026**
Exercised	(251,248)	0.025
Expired	(26,708)	0.028
Cancelled	(4,992)	0.035
Balance, October 31, 2019	**358,498**	**0.028**

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

Date of Expiry	Exercise Price $	Number of Options Issued and Exercisable
October 24 to 30, 2021	0.0130	29,953
December 2, 2021	0.0250	6,240
January 4, 2022	0.0275	6,240
January 5, 2022	0.0310	6,240
January 6, 2022	0.0290	11,232
May 25, 2022	0.0414	7,488
October 6 to 10, 2021	0.0399	59,904
May 4, 2022	0.0190	31,201
July 5, 2023	0.0250	200,000
Balance, October 31, 2019		**358,498**

Subsequent to October 31, 2019, 79,952 stock options were forfeited pursuant to the resignation of a director.

As of October 31, 2019, the weighted average remaining life for outstanding options was 2.99 years.

(d) Common share purchase warrants

During the year ended October 31, 2019, the following transactions related to share purchase warrants occurred:

	Number	Weighted Average Exercise Price $
Balance, April 25, 2018	**-**	**-**
Replacement warrants pursuant to the Arrangement	9,246	0.04
Balance, October 31, 2018	**9,246**	**0.04**
Issued	5,000,000	0.10
Exercised	(25,000)	(0.10)
Expired	(9,246)	(0.04)
Balance, October 31, 2019	**4,975,000**	**0.10**

Expiry Date	Exercise Price	Number of Warrants
November 21, 2020	$0.10	4,975,000
Balance, October 31, 2019		**4,975,000**

During the year ended October 31, 2019, common warrants granted were valued using the residual value method and had a fair value of $nil.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(e) Brokers' warrants

During the year ended October 31, 2019, the following transactions related to brokers' warrants occurred:

	Number	Weighted Average Exercise Price $
Balance, April 25, 2018 and October 31, 2018	**-**	**-**
Issued	122,100	0.10
Balance, October 31, 2019	**122,100**	**0.10**

Expiry Date	Exercise Price	Number of Warrants
November 21, 2020	$0.10	122,100
Balance, October 31, 2019		**122,100**

(f) Reserves

The reserve records items recognized as share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. INCOME TAX

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

		2019		2018
Canadian statutory income tax rate		27%		26%
Income tax recovery at statutory rate	$	(62,133)	$	(41,919)
Tax effect of:				
Permanent differences and other		158		2,877
Unrecognized deferred income tax assets		61,975		39,042
Deferred income tax recovery	$	-	$	-

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		2019		2018
Deferred income tax assets				
Non-capital losses	$	101,017	$	39,042
Unrecognized deferred tax assets		(101,017)		(39,042)
Net deferred income tax asset	$	-	$	-

As at October 31, 2019, the Company has non-capital losses carried forward of approximately $374,000 which are available to offset future years' taxable income expiring in 2039.

10. FINANCIAL INSTRUMENTS

Fair value

As at October 31, 2019, the Company's financial instruments consist of cash and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

IFRS 13, *Fair Value Measurement*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable market data.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. The functional and reporting currency of the Company is the Canadian dollar. The Company is not exposed to significant foreign exchange risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. The does not have significant exposure to credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at October 31, 2019, the Company is not exposed to significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balances to enable settlement of transactions on the due date.

As of October 31, 2019, the Company had cash of $228,980, accounts payable and accrued liabilities of $56,152 and due to related parties of $60,000. The Company's accounts payable and accrued liabilities are due within 90 days. Amounts due to related party are due on demand. The Company addresses its liquidity through debt and equity financing obtained through the sale of common shares and the exercise of warrants and options. There is no assurance that it will be able to do so in the future. Liquidity risk is assessed as high.

11. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. As at October 31 2019, the Company does not have any externally imposed capital requirements. The Company defines its capital as share capital and reserves. The Company has financed its capital requirements primarily through share issuances, option grants, warrant issuances and obtaining loans. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or obtain new loans.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. The Company will need to raise additional funds since its current cash position is not sufficient to cover its anticipated operating budget for the next twelve months. Given sentiment and capital market conditions in the mining sector, there exists a material uncertainty as to the Company's ability to raise additional funds on favorable terms in order to continue as a going concern.