American Battery Metals Corp.
(Formerly First Division Ventures Inc.)
Financial Statements
February 28, 2019
(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of American Battery Metals Corp. (formerly First Division Ventures Inc.)

Opinion

We have audited the financial statements of American Battery Metals Corp. (formerly First Division Ventures Inc.) (the "Company"), which comprise the statements of financial position as at February 28, 2019 and 2018, and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the year ended February 28, 2019 and for the period from incorporation on March 2, 2017 to February 28, 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 February 28, 2019 and 2018, and its financial performance and its cash flows for the year ended February 28, 2019 and for the period from incorporation on March 2, 2017 to February 28, 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 1 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 J. Goertz.

DMCL

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

June 28, 2019

An independent firm associated with Moore Stephens International Limited
MOORE STEPHENS

American Battery Metals Corp.
(Formerly First Division Ventures Inc.)

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February 28, 2019

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American Battery Metals Corp.

Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2019	February 28, 2018
	$	$
ASSETS		
Current assets		
Cash	**88,098**	153,422
GST receivable	**9,074**	-
	97,172	153,422
Non-current assets		
Exploration and evaluation assets (Note 4)	**278,620**	20,000
TOTAL ASSETS	**375,792**	173,422
LIABILITIES		
Current liabilities		
Accounts payable	**22,838**	1,656
Accrued liabilities	**24,925**	12,059
	47,763	13,715
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	**842,619**	355,355
Reserve (Note 5)	**205,998**	-
Deficit	**(720,588)**	(195,648)
	328,029	159,707
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**375,972**	173,422

Nature of operations and going concern (Note 1)
Commitments (Note 4)
Subsequent events (Notes 1 and 10)

These financial statements were approved by the Board of Directors on June 28, 2019.

"Michael Mulberry"
____
Michael Mulberry, Director

"John H. Walther"
____
John H. Walther, Director

See accompanying notes to the financial statements.

American Battery Metals Corp.

Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended February 28, 2019	Period from March 2, 2017 to February 28, 2018
	$	$
EXPENSES		
Administration expenses	**13,555**	638
Consulting	**76,000**	-
Exploration expenditures (Notes 4 and 7)	**37,105**	148,203
Filing and transfer agent fees (Note 5)	**49,762**	-
Professional fees (Note 7)	**176,858**	12,052
Share based compensation (Note 5)	**170,012**	33,000
LOSS BEFORE OTHER ITEMS	**523,292**	193,893
OTHER ITEMS		
Foreign exchange loss	**(1,648)**	(1,755)
COMPREHENSIVE LOSS	**(524,940)**	(195,648)
Loss per share – basic and diluted	**(0.03)**	(0.09)
Weighted average number of common shares outstanding	**14,942,083**	2,130,412

See accompanying notes to the financial statements.

American Battery Metals Corp.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Shareholders' Equity
		$	$	$	$
Balance, March 2, 2017 (Inception)	-	-	-	-	-
Shares issued as founders' shares	2,200,001	55,000	-	-	55,000
Shares issued for cash	12,200,000	300,355	-	-	300,355
Comprehensive Loss	-	-	-	(195,648)	(195,648)
Balance, February 28, 2018	14,400,001	355,355	-	(195,648)	159,707
Units issued for cash	2,000,000	400,000	-	-	400,000
Share based compensation	-	-	170,012	-	170,012
Share issuance costs	-	(91,736)	35,986	-	(55,750)
Shares issued for Fish Lake Property	20,000	4,000	-	-	4,000
Shares issued for Temple Mountain Property	500,000	175,000	-	-	175,000
Comprehensive Loss	-	-	-	(524,940)	(524,940)
Balance, February 28, 2019	**16,920,001**	**842,619**	**205,998**	**(720,588)**	**328,029**

See accompanying notes to the financial statements.

American Battery Metals Corp.

Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended February 28, 2019	Period from March 2, 2017 to February 28, 2018
	$	$
Cash flows from operating activities		
Comprehensive loss	**(524,940)**	(195,648)
Adjustments for non-cash items:		
Share based compensation	**170,012**	33,000
Change in non-cash working capital		
GST receivable	**(9,074)**	-
Accounts payable and accrued liabilities	**34,048**	13,715
Net cash flows used in operating activities	**(329,954)**	(148,933)
Cash flows from investing activities		
Exploration and evaluation assets	**(79,620)**	(20,000)
Net cash flows used in investing activities	**(79,620)**	(20,000)
Cash flows from financing activities		
Proceeds from issuance of common shares, net	**344,250**	322,355
Net cash flows provided by financing activities	**344,250**	322,355
Change in Cash	**(65,324)**	153,422
Cash, beginning	**153,422**	-
Cash, ending	**88,098**	153,422

See accompanying notes to the financial statements.

1. Nature and continuance of operations

American Battery Metals Corp. (formerly First Division Ventures Inc.) (the "Company"), was incorporated on March 2, 2017 under the laws of the province of British Columbia. The Company's principal business activity is the exploration for mineral resources, in Nevada, USA.

Effective November 29, 2018, the Company's shares traded on the Canadian Securities Exchange (the "CSE") under the trading symbol "FDIV". Effective March 11, 2019 the Company changed its name from First Division Ventures Inc. to American Battery Metals Corp. and is traded under the symbol "ABC" on the CSE.

The Company's registered office and principal place of business is 41296 Tantalus Road, Squamish, British Columbia, Canada.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has incurred losses and negative cash flows from operations since inception that has been funded through financing activities. The Company has no current source of revenues from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of preparation

The financial statements were authorized for issuance on June 28, 2019 by the directors of the Company.

(a) Statement of compliance

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

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, modified where applicable. In additional, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

(c) Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions about reported amounts at the date of the financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumption where there is significant risk of material adjustments to assets and liabilities in future accounting period include the recoverability of the carrying value of the exploration and evaluation assets, the measurements for financial instruments, and the recoverability of deferred tax assets.

2. Basis of preparation (continued)

The preparation of financial statements in accordance with IFRS required the Company to make judgements, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern and whether there are indicators of impairment of the Company's exploration and evaluation assets.

3. Significant accounting policies

(a) Exploration and evaluation assets

Exploration costs incurred prior to the Company obtaining the legal right to explore an area are expensed in the period in which they are incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Property acquisition costs are capitalized. Exploration and evaluation costs, other than property acquisition costs, are expensed as incurred. When a decision is taken that a commercially viable mineral deposit has been established all further pre-production expenditures including evaluation costs are capitalized. Cash flows associated with exploration and evaluation expenditures are classified as operating activities in the statement of cash flows.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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.

(b) Impairment of non-financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

3. Significant accounting policies (continued)

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

(c) Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that future taxable income will be available to allow all or part of the temporary differences 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 tax rates (and tax laws) that have been enacted or substantively enacted and are expected to apply by the end of the reporting period. Deferred tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(d) Foreign currency translation

The functional currency of each entity is determined using the currency of the primary economic environment in which that entity operates.

The functional and presentation currency, as determined by management, of the Company is the Canadian dollar.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

3. Significant accounting policies (continued)

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of comprehensive loss in the period in which they arise.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(e) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants, are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

(f) Financial instruments

Effective March 1, 2018, the Company adopted all of the requirements of IFRS 9 Financial Instruments. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model. The following is the Company's new accounting policy for financial instruments under IFRS

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

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

Financial assets / liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash	FVTPL	FVTPL
GST receivable	Amortized cost	Amortized cost
Accounts payable	Amortized cost	Amortized cost

The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive income on March 1, 2018.

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

3. Significant accounting policies (continued)

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 comprehensive 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 comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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 and comprehensive 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.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(g) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized 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 share-based payment reserve. The fair value of options is determined using the Black–Scholes Option pricing model. 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 eventually vest.

3. Significant accounting policies (continued)

(h) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

(i) IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

The Company adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

(1) Identify the contracts with customers

(2) Identify the performance obligations in the contract

(3) Determine the transaction price

(4) Allocate the transaction price to the performance obligations in the contract

(5) Recognize revenue when the entity satisfies a performance obligation

The Company has concluded that there are no differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

(j) Accounting Standards and Interpretations Issued but Not Yet Adopted

In January 2016, the IASB released IFRS 16 "Leases" replacing IAS 17 "Leases" and related interpretations. The new standard eliminates the distinction between operating and finance leases from the perspective of the lessee. All contracts that meet the definition of a lease will be recorded in the consolidated statement of financial position with a "right of use" asset and a corresponding liability. The asset is subsequently accounted for as property, plant and equipment or investment property and the liability is unwound using the interest rate inherent in the lease. The accounting requirements from the perspective of the lessor remain largely in line with previous IAS 17 requirements.

IFRS 16 is effective for reporting periods beginning on or after January 1, 2019. The Company's management is currently assessing the impact of IFRS 16 on these financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

The Company's exploration properties consist of two geographical locations, the Temple Mountain Property, located in Utah, USA and the Fish Lake Property, located in Nevada, USA.

A continuity of the Company's exploration and evaluation assets is as follows:

	Fish Lake Property, Nevada	Temple Mountain Property, Utah	Total
Balance, March 2, 2017	$ -	$ -	$ -
Additions	20,000	-	20,000
Balance, February 28, 2018	20,000	-	20,000
Additions	4,000	254,620	258,620
Balance, February 28, 2019	$ 24,000	$ 254,620	$ 278,620

Temple Mountain Property, Utah, USA

On February 6, 2019, the Company entered into an option agreement with Geoxplor Corp. ("Geoxplor") to acquire 100% of Geoxplor's interest in the Temple Mountain Property ("Temple Mountain Property") located in Emery County, Utah.

Under the agreement, the Company is required to pay an aggregate of USD$635,000 to Geoxplor as follows:

- USD$60,000 due within 5 days of filing of this agreement (paid);
- USD$50,000 on or before the first anniversary of the date of this agreement;
- USD$75,000 on or before the second anniversary of the date of this agreement;
- USD$75,000 on or before the third anniversary of the date of this agreement;
- USD$75,000 on or before the fourth anniversary of the date of this agreement; and
- US$300,000 is payable to the third-party property owner over a period until December 2022.

In addition, the Company must satisfy the following terms:

(1) Issue an aggregate of 3,250,000 common shares as follows:
- 500,000 common shares within 5 days of filing of this agreement (issued);
- 500,000 common shares on or before the first anniversary of the date of this agreement;
- 500,000 common shares on or before the second anniversary of the date of this agreement;
- 750,000 common shares on or before the third anniversary of the date of this agreement; and
- 1,000,000 common shares on or before the fourth anniversary of the date of this agreement.

(2) Incur aggregate exploration expenditures of US$1,300,000 by the fourth anniversary of the agreement.
- USD$100,000 on or before the first anniversary of the date of this agreement;
- USD$200,000 on or before the second anniversary of the date of this agreement;
- USD$500,000 on or before the third anniversary of the date of this agreement; and
- USD$500,000 on or before the fourth anniversary of the date of this agreement.

(3) Incur an additional payment of US$1,000,000, either in cash or common shares, at the Company's election, to Geoxplor on or before the date of commencement of any commercial production.

Fish Lake Property, Nevada, USA

On September 25, 2017, and as amended on May 2, 2018 and further amended on September 21, 2018, the Company entered into an option agreement with Bearing Lithium Corp. ("Bearing"), whereby the Company has the option to acquire 50% of Bearing's interest in 81 lode mineral claims located in Esmeralda County in the State of Nevada, known as the "Fish Lake Property", subject to the following items:

4. Exploration and evaluation assets (continued)

(1) A cash payment of $20,000 (paid) and issuance of 20,000 shares (issued);

(2) Issuance of 3,000,000 common shares of the Company on or before September 25, 2020;

(3) Incurring an aggregate of $1,500,000 in exploration expenditures as follows:
   (i) $60,000 on or before September 25, 2018 (incurred);
   (ii) $440,000 on or before March 25, 2020; and
   (iii) $1,000,000 on or before September 25, 2020

If the Company does not make timely payments, or the shares are not issued as specified, or the expenditures are not incurred as specified and within the time frame provided, then the option agreement shall automatically terminate without notice. Notwithstanding the foregoing, the Company shall have the right to accelerate exercise of the option by making all of the cash payments and the expenditures and arranging for the issuance of all of the shares.

On July 19, 2018, Bearing and Lions Bay Mining Corp. ("Lions Bay") executed an asset purchase agreement pursuant to which Lions Bay acquired Bearing's interest in the Fish Lake Project located in Nevada, USA.

The Company incurred $37,105 (2018 - $148,203) relating to exploration expenditures in Nevada, USA.

5. Share capital

(a) Authorized

Unlimited common shares with no par value.

(b) Issued and outstanding

On November 27, 2018, the Company completed its initial public offering ("IPO") for gross proceeds of $400,000 and issued 2,000,000 common shares. In connection with the IPO, the Company paid cash commissions of $40,000, corporate finance fees of $15,750, and issued 200,000 broker's warrants. Each warrant is exercisable into one common share at $0.20 until November 28, 2020. The broker's warrants were valued at $35,986 using the Black Scholes option pricing model using an expected life of 2 years, volatility of 140%, risk-free interest rate of 2.21% and expected dividends of $nil. The Company incurred additional due diligence expenses and holdbacks for expenses of $20,966 accounted for in the statement of comprehensive loss.

On November 27, 2018, the Company issued 20,000 shares for the Fish Lake Property at a price of $0.20 per share (Note 4).

On February 8, 2019, the Company issued 500,000 shares for the Temple Mountain Property at a price of $0.35 per share (Note 4).

During the period ended February 28, 2018, the Company issued 2,200,001 units at a price of $0.01 per unit for proceeds of $22,000. The fair value of the shares was $55,000. The Company has recorded the difference as share-based compensation.

During the period ended February 28, 2018, the Company closed a private placement by issuing 12,200,000 units at a price of $0.025 per unit for proceeds of $305,000. Each unit consists of one common share and one warrant at a price of $0.10 per share for a period of 3 years from the occurrence of a going public event. The Company incurred share issue costs of $4,645.

(Expressed in Canadian Dollars)

5. Share capital (continued)

(c) Share purchase warrants

On November 27, 2018, the Company issued 200,000 broker's warrants as part of its IPO. Each warrant is exercisable into one common share at $0.20 until November 28, 2020.

The share purchase warrants issued as consideration for brokers' fees were valued using the Black-Scholes Option Pricing Model using the following input assumptions:

Risk-free interest rate	2.21%
Estimated life	2 years
Expected volatility	140%
Expected dividend yield	0%

At February 28, 2019, the Company had warrants outstanding and exercisable as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 2, 2017	-	$	-
Issued	12,200,000		0.10
Balance, February 28, 2018	12,200,000		0.10
Issued,	200,000		0.20
Balance, February 28, 2019	12,400,000	$	0.10

Stock options

On November 27, 2018, the Company granted 100,000 options to a director of the Company. Each option is exercisable at $0.20 until November 15, 2023.

On December 10, 2018, the Company granted 600,000 options to directors and officers of the Company. Each option is exercisable at $0.20 until December 10, 2023.

At February 28, 2019, the Company had stock options outstanding and exercisable as follows:

	Number of Options		Weighted Average Exercise Price
Balance, February 28, 2018 and March 2, 2017	-	$	-
Granted	700,000		0.20
Balance, February 28, 2019	700,000	$	0.20

For the year ended February 28, 2019, the Company recognized share based compensation expense of $170,012 relating to the grant of the options.

The weight average fair value of the options granted and the assumptions used in the Black-Scholes Option Pricing Model are as follows:

Risk-free interest rate	2.27%
Estimated life	5 years
Expected volatility	190%
Expected dividend yield	0%

6. Capital Disclosures

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities.

In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. 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.

7. Related parties

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and directors (executive and non-executive) of the Company.

The Company has the following transactions involving key management during the year ended February 28, 2019:

- An officer provided geological services to the Company. Fees incurred during the period were $6,857 (2018 - $19,595) and were paid to a Company controlled by the officer's spouse.
- An officer provided accounting services to the Company. Fees incurred during the period were $36,000 (2018 - $3,000) and were paid to a Company controlled by the officer.
- An officer provided executive advisory services to the Company. Fees incurred were $40,000 (2018 - $Nil) and were paid to an officer of the Company.

8. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company's primary exposure to credit risk is on its cash. Cash are held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is a high credit quality financial institution.

Liquidity Risk – Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. All of the Company's financial liabilities are due within a year.

8. Financial instruments (continued)

Interest rate risk – Interest rate risk refers to the risk that fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk as cash earns interest income at variable rates. The fair value of cash are minimally affected by changes in short term interest rates.

Foreign currency risk - Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk, as it believes this risk is minimized by the minimal amount of cash held in United States funds.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Fair Value - The Company has various financial instruments comprised of cash, receivables and accounts payable and accrued liabilities.

9. Income taxes

A reconciliation of the statuary tax rate to the average effective rate is as follows:

	Year ended February 28, 2019	Period from March 2, 2017 to February 28, 2018
Loss before income taxes for the year	$ (524,940)	$ (195,648)
Statutory tax rate	27%	26%
Income tax recovery	(141,734)	(50,868)
Non-deductible expenditures	45,903	35,608
Share issue costs	(24,769)	-
Adjustments to prior years provision versus tax returns	(19,770)	-
Unrecognized tax benefit	140,370	15,260
Deferred income tax recovery	$ -	$ -

As at February 28, 2019, the Company has approximately $480,000 of non-capital losses in Canada that may be used to offset future taxable income, expiring in 2038.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. Subsequent events

On March 4, 2019 the Company issued 6,017,000 units for gross proceeds of $1,504,250. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at a price of $0.50 per warrant share until September 4, 2020. In connection with the financing, the Company paid aggregate finder's fee of $72,675 and issued 322,620 compensation warrants to certain finders.

On April 29, 2019 the Company entered into a non-binding letter of intent (the "LOI") to acquire a 90% interest in E.U. Energy Corp., an Ontario company which holds a 100% interest in the Viken Project in Northern Sweden.

Under the terms of the LOI, The Company would issue 20 million shares in exchange for 90% of the issued and outstanding shares of E.U. Energy, in addition to the right for E.U. Energy to nominate one member to the Board. The Proposed Transaction is subject to, but not limited to, a concurrent non-brokered private placement for CAD$1,500,000, a bridge loan to E.U. Energy, due diligence, finalization by both parties to enter into a definitive agreement, in addition to regulatory approvals.

On May 14, 2019, the Company entered into a loan agreement with E.U. Energy Corp., whereby the Company advanced of $250,000 to E.U. Energy. The loan is non-interest bearing and is repayable in full upon the earlier of:

- May 14, 2020, subject to extension upon mutual agreement of the Lender and Borrower; and
- An event of default occurring as per the executed loan agreement.

Subsequent to February 28, 2019, the Company issued 350,000 common shares for exercise of warrants, for proceeds of $35,000.

On June 14, 2019 the Company closed a non-brokered private placement resulting in issuance of 4,286,471 units for gross proceeds of $1,500,265. Each unit is comprised of one common share and one share purchase warrant, entitling the holder to purchase one additional common share at a price of $0.50 per warrant share until June 14, 2020. In connection with the financing, the Company paid aggregate finder's fee of $32,520 and issued 92,914 compensation warrants to certain finders.