**SPEARMINT RESOURCES INC.**

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

January 31, 2018 and 2017

# INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Spearmint Resources Inc.

We have audited the accompanying consolidated financial statements of Spearmint Resources Inc., which comprise the consolidated statements of financial position as at January 31, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Consolidated Financial Statements***

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

***Auditors' Responsibility***

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

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

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

***Opinion***

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Spearmint Resources Inc. as at January 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



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***Emphasis of Matter***

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Spearmint Resources Inc.'s ability to continue as a going concern.

**"DAVIDSON & COMPANY LLP"**

Vancouver, Canada

Chartered Professional Accountants

May 30, 2018

**SPEARMINT RESOURCES INC.**
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

| **ASSETS** | January 31, 2018 | January 31, 2017 |
|---|---|---|
| **Current assets** | | |
| Cash | $ 842,236 | $ 24,747 |
| Receivables - Note 4 | 5,425 | 7,782 |
| Prepaid expenses | 69,358 | 1,118 |
| **Total current assets** | 917,019 | 33,647 |
| **Non-current assets** | | |
| Security deposits – Note 5 | 11,098 | - |
| Exploration and evaluation assets – Note 5 | 617,936 | 850,602 |
| **Total assets** | $ 1,546,053 | $ 884,249 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities - Notes 7 and 14 | $ 590,981 | $ 326,058 |
| Interest payable – Note 8 | - | 822 |
| Loans payable – Note 8 | - | 90,200 |
| Flow-through share premium liability – Note 9 | 57,508 | - |
| **Total current liabilities** | 648,489 | 417,080 |
| **SHAREHOLDERS' EQUITY** | | |
| Share capital – Note 10 | 3,767,060 | 2,142,742 |
| Share subscriptions receivable – Note 10 | (319,500) | - |
| Reserves – Note 10 | 232,679 | 189,564 |
| Accumulated deficit | (2,782,675) | (1,865,137) |
| **Total shareholders' equity** | 897,564 | 467,169 |
| **Total liabilities and shareholders' equity** | $ 1,546,053 | $ 884,249 |

Nature and Continuance of Operations – Note 1
Subsequent Events – Notes 2, 5, 10 and 18

APPROVED BY THE DIRECTORS:

*"James Nelson"* Director — *"Dennis Aalderink"* Director
James Nelson — Dennis Aalderink

The accompanying notes form an integral part of these consolidated financial statements.

**SPEARMINT RESOURCES INC.**
CONSOLIDATED STATEMENTS OF LOSS & COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

| | Years ended January 31, 2018 | 2017 |
|---|---|---|
| **Operating expenses** | | |
| Consulting fees | $ 255,058 | $ 225,000 |
| Directors' fees – Note 14 | 7,500 | 7,500 |
| Management fees – Note 14 | - | 1,905 |
| Office and miscellaneous | 27,058 | 29,385 |
| Professional fees – Note 14 | 69,675 | 60,531 |
| Shareholder relations | 19,849 | 5,621 |
| Share-based payments – Notes 10 and 14 | 105,067 | 128,314 |
| Transfer agent and filing fees | 41,268 | 21,813 |
| Corporate branding | 89,580 | 2,500 |
| | (615,055) | (482,569) |
| Interest expense | - | (788) |
| Gain on settlement of accounts payable | 3,583 | - |
| Write-down of intangible assets – Note 6 | - | (124,000) |
| Write-down of exploration and evaluation assets – Note 5 | (306,066) | (111,291) |
| | (302,483) | (236,079) |
| **Net comprehensive loss for the year** | $ (917,538) | $ (718,648) |
| Loss per share – basic and diluted – Note 11 | $ (0.01) | $ (0.01) |
| Weighted average number of shares outstanding – basic and diluted – Note 11 | 99,372,598 | 69,646,800 |

The accompanying notes form an integral part of these consolidated financial statements.

**SPEARMINT RESOURCES INC.**
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

| | Years ended January 31, 2018 | 2017 |
|---|---|---|
| **Operating Activities** | | |
| Loss for the year | $ (917,538) | $ (718,648) |
| Adjustments for non-cash items: | | |
| Share-based payments | 105,067 | 128,314 |
| Accrued interest on loans payable | - | 788 |
| Gain on settlement of accounts payable | (3,583) | - |
| Write-down of intangible assets | - | 124,000 |
| Write-down of exploration and evaluation assets | 306,066 | 111,291 |
| Changes in non-cash working capital items: | | |
| Receivables | 2,357 | (236) |
| Prepaid expenses | (68,240) | (685) |
| Accounts payable and accrued liabilities | 245,346 | 54,789 |
| **Cash used in operating activities** | (330,525) | (300,387) |
| **Investing Activities** | | |
| Security deposits | (11,098) | - |
| Intangible assets | - | (4,000) |
| Exploration and evaluation assets | (73,400) | (88,554) |
| **Cash used in investing activities** | (84,498) | (92,554) |
| **Financing Activities** | | |
| Proceeds from loans issuance | 70,000 | 2,500 |
| Loan repayment | (160,200) | (150,250) |
| Interest paid | (822) | - |
| Proceeds from issuance of share capital | 1,341,700 | 566,000 |
| Share issue costs | (18,166) | (1,938) |
| **Cash provided by financing activities** | 1,232,512 | 416,312 |
| Increase in cash during the year | 817,489 | 23,371 |
| Cash, beginning of the year | 24,747 | 1,376 |
| **Cash, end of the year** | $ 842,236 | $ 24,747 |

Supplemental Disclosure with Respect to Cash Flows (Note 17)

The accompanying notes form an integral part of these consolidated financial statements.

**SPEARMINT RESOURCES INC.**
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

| | No. of shares | Amounts | Shares subscriptions receivable | Reserves | Accumulated deficit | Total |
|---|---|---|---|---|---|---|
| **Balance, January 31, 2016** | 43,575,000 | $ 667,260 | $ - | $ 61,250 | $ (1,146,489) | $ (417,979) |
| Share purchase warrants exercised | 16,425,000 | 328,500 | - | - | - | 328,500 |
| For exploration and evaluation assets | 22,612,000 | 791,420 | - | - | - | 791,420 |
| For intangible asset | 4,000,002 | 120,000 | - | - | - | 120,000 |
| Shares issued for private placement | 9,500,000 | 237,500 | - | - | - | 237,500 |
| Share issue costs | - | (1,938) | - | - | - | (1,938) |
| Stock options issued | - | - | - | 128,314 | - | 128,314 |
| Loss for the year | - | - | - | - | (718,648) | (718,648) |
| **Balance, January 31, 2017** | 96,112,002 | 2,142,742 | - | 189,564 | (1,865,137) | 467,169 |
| Share purchase warrants exercised | 9,450,000 | 402,000 | - | - | - | 402,000 |
| Stock options exercised | 5,200,000 | 260,000 | - | - | - | 260,000 |
| Transfer of reserves on options exercised | - | 124,285 | - | (124,285) | - | - |
| Shares issued for private placement | 18,833,845 | 999,200 | (319,500) | - | - | 679,700 |
| Share issue costs | - | (41,326) | - | - | - | (41,326) |
| Broker warrants issued for private placement | - | (62,333) | - | 62,333 | - | - |
| Stock options issued | - | - | - | 105,067 | - | 105,067 |
| Flow-through share premium liability | - | (57,508) | - | - | - | (57,508) |
| Loss for the year | - | - | - | - | (917,538) | (917,538) |
| **Balance, January 31, 2018** | 129,595,847 | $ 3,767,060 | $ (319,500) | $ 232,679 | $ (2,782,675) | $ 897,564 |

## 1. NATURE AND CONTINUANCE OF OPERATIONS

Spearmint Resources Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia, Canada on September 23, 2009. The Company is an exploration stage public company and is listed on the TSX Venture Exchange (the "Exchange") under the symbol "SRJ.V". The Company's principal business activities include acquiring and exploring exploration and evaluation assets. At January 31, 2018, the Company had exploration and evaluation assets located in Canada and the United States.

The Company's head office and principal business address is located at 1470 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6. The Company's registered and records office is located at 900-885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

These consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At January 31, 2018, the Company had not yet achieved profitable operations, had a working capital of $268,530 and has an accumulated deficit of $2,782,675 since its inception. The Company expects to incur further losses in the development of its business, all of which cast substantial doubt on the Company's ability to continue as a going concern. The Company will require additional financing in order to conduct its future work programs on exploration and evaluation assets, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

## 2. BASIS OF PREPARATION

### a) Statement of Compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors on May 30, 2018.

## 2. BASIS OF PREPARATION (continued)

### b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are initially measured at fair value through profit or loss.

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout these consolidated 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.

*Critical accounting estimates*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Whether or not an impairment has occurred in its exploration and evaluation assets;
- The inputs used in the accounting for share-based payments expense; and
- The inputs used in the accounting for finders' warrants and compensation options in share capital and equity reserves.

*Critical accounting judgments*

Significant judgments, apart from those involving estimation, include:

- Classification of financial instruments.

### c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All inter-company transactions, income and expenses have been eliminated upon consolidation.

(Expressed in Canadian Dollars)

## 2. BASIS OF PREPARATION (continued)

### d) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of January 31, 2018 are as follows:

| Name of subsidiary | Place of Incorporation | Ownership Interest January 31 2018 | Ownership Interest January 31, 2017 |
|---|---|---|---|
| Indefinitely Lithium Holdings Corp. | Canada | 100% | 100% |
| 1074942 B.C. Ltd. | Canada | 100% | 100% |
| 1136693 B.C. Ltd. | Canada | 100% | N/A |
| Mathers Lithium Corp. | U.S.A. | 100% | 100% |

Subsequent to January 31, 2018, the above three Canadian subsidiaries amalgamated into the Company.

### e) Functional Currency

The functional currency of the Company (and its subsidiaries) is the Canadian dollar as this is the principal currency of the economic environment in which they operate. The Canadian dollar is also the Company's presentation currency. Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of these foreign currency transactions are included in profit or loss.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

### a) Financial instruments

**Financial Assets**

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

***Financial assets at fair value through profit or loss ("FVTPL")***

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

***Held-to-maturity ("HTM")***

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

***Loans and receivables***

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

***Available-for-sale ("AFS")***

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### a) Financial instruments (continued)

The Company classified its financial assets as follows:

-Cash is classified as FVTPL; and
-Receivables are classified as loans and receivables.

***Impairment of financial assets***

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been impacted.

**Financial liabilities**

Financial liabilities are classified into one of two categories:

***Fair value though profit or loss***

This category comprises derivatives, or liabilities, acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

***Other financial liabilities***

This category includes amounts due to related parties and accounts payable and accrued liabilities and long-term debt, all of which are recognized at amortized cost.

The Company classified its accounts payable and accrued liabilities, interest payable and loans payable as other financial liabilities.

### b) Exploration and evaluation assets

*Pre-exploration costs*

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred.

*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed as incurred.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Exploration and evaluation assets (continued)

*Exploration and evaluation expenditures (continued)*

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 statements of loss and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

### c) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### d) Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

### e) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### e) Income taxes (continued)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### f) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital.

Upon expenses being renounced and incurred, the Company derecognizes the liability and the premium is recognized as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

### g) Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment, using the Black-Scholes option pricing model.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### h) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

### i) Investment tax credit

Investment tax credits are recorded as either a reduction of the cost of applicable assets or credited in the statement of loss and comprehensive loss depending on the nature of the expenditures which gave rise to the credits. Claims for tax credits are accrued upon the Company attaining reasonable assurance of collections from the Canada Revenue Agency.

### j) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income or loss attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings (loss) per share is calculated by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

### k) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

*IFRS 9 – Financial Instruments (“IFRS 9”)*

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity’s business model and the contractual cash flow of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument.

(Expressed in Canadian Dollars)

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### k) Accounting standards issued but not yet effective (continued)

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The amended standard is effective for annual periods beginning on or after January 1, 2018.

The adoption of these new standards are not expected to have a significant impact on the Company's consolidated financial statements.

## 4. RECEIVABLES

The Company's receivables comprise of goods and services tax ("GST") receivable due from Canadian government taxation authorities and other receivables.

| | January 31, 2018 | January 31, 2017 |
|---|---|---|
| GST recoverable | $ 3,771 | $ 7,782 |
| Other receivables | 1,654 | - |
| Total receivables | $ 5,425 | $ 7,782 |

All amounts are short-term and the net carrying value of receivables is considered a reasonable approximation of fair value. The Company anticipates full recovery of these amounts and therefore no impairment has been recorded against receivables. The Company's receivables are all considered current and are not past due or impaired. The Company does not possess any collateral related to these assets.

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

| | BC Otter Property | BC EL N. Nickel-Copper Prospects | BC NEBA Copper-Gold Prospect | BC Gold Mountain Property | BC Gold Triangle Prospects | BC Buddy Property | BC Why West Magnesium Prospect | QC Whabouchi Lakes Lithium Property | QC Whabouchi Lakes West Lithium Property | QC Preissac Lithium Property | QC Chibougamau Vanadium Prospects | Nevada Elon and McGee Lithium Properties | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Balance, January 31, 2016 | $ 76,291 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 76,291 |
| Acquisition costs | | | | | | | | | | | | | |
| Cash | - | - | - | - | - | - | - | - | - | 10,000 | - | 20,000 | 30,000 |
| Common shares | 35,000 | - | - | - | - | - | - | - | - | 280,000 | - | 444,500 | 759,500 |
| Filing fees | - | - | - | | | | | | | 2,500 | | 3,903 | 6,403 |
| Finder's fees | - | - | - | - | - | - | - | - | - | - | - | 31,920 | 31,920 |
| Staking costs | - | - | - | - | - | - | - | 1,068 | 1,193 | - | - | - | 2,261 |
| Deferred exploration expenditures | | - | - | | | | | | | | | | |
| Assay | - | - | - | - | - | - | - | - | - | - | - | 4,132 | 4,132 |
| Claim maintenance fees | - | - | - | - | - | - | - | - | - | - | - | 12,453 | 12,453 |
| Geological expenses | - | - | - | - | - | - | - | - | - | 6,200 | - | 19,881 | 26,081 |
| Travel, accommodation and misc | - | - | - | - | - | - | - | - | - | 5,105 | - | 7,747 | 12,852 |
| Write-down of exploration and evaluation assets | (111,291) | - | - | - | - | - | - | - | - | - | - | - | (111,291) |
| Balance, January 31, 2017 | - | - | - | - | - | - | - | 1,068 | 1,193 | 303,805 | - | 544,536 | 850,602 |
| Acquisition costs | - | 2,892 | 2,162 | 1,382 | 2,900 | 3,108 | 2,632 | - | - | - | 4,550 | 38,939 | 58,565 |
| Deferred exploration expenditures | | | | | | | | | | | | | |
| Assays | - | - | - | - | - | - | - | - | - | - | - | 2,524 | 2,524 |
| Claim maintenance fees | - | - | - | - | - | - | - | - | - | - | - | 12,311 | 12,311 |
| Write-down of exploration and evaluation assets | - | - | - | - | - | - | - | (1,068) | (1,193) | (303,805) | - | - | (306,066) |
| Balance, January 31, 2018 | $ - | $ 2,892 | $ 2,162 | $ 1,382 | $ 2,900 | $ 3,108 | $ 2,632 | $ - | $ - | $ - | $ 4,550 | $ 598,310 | $ 617,936 |

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

BC EL North and EL North 2 Nickel-Copper Prospects - Staking

In September 2017, the Company acquired a 100% interest in certain mineral claims (the “EL North and EL North 2 Nickel-Copper Prospects”) located in the Golden Triangle of British Columbia for staking costs of $2,892.

BC NEBA Copper-Gold Prospect - Staking

In September 2017, the Company acquired a 100% interest in certain mineral claims (the "BC NEBA Copper-Gold Prospect") located in the Golden Triangle of British Columbia for staking costs of $2,162.

BC Gold Mountain Property - Staking

In April 2017, the Company acquired a 100% interest in certain mineral claims (the "BC Gold Mountain Claims") near the town of Wells, British Columbia for staking costs of $1,382.

BC Gold Triangle Prospects - Staking

In July 2017, the Company acquired a 100% interest in certain mineral claims (the “Gold Triangle Prospects”) located in the Golden Triangle Gold District in British Columbia for staking costs of $2,900.

BC Why West Magnesium Project and the Buddy Claims - Purchase Agreement

On October 5, 2017, the Company entered into a share purchase agreement with two arm’s length vendors (the “Why West Vendors”) to purchase 100% of the issued and outstanding common shares of 1136693 B.C. Ltd. (the "Shares"), which, through the Why West Vendors, held a 100% interest in the Why West Magnesium Project and the Buddy Claims in British Columbia. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company was required to issue 7,000,000 common shares to the Why West Vendors.

On January 12, 2018, the Company amended the share purchase agreement dated October 5, 2017 with the Why West Vendors and settled the consideration for the Shares through payment of various staking, legal and other costs associated with the transaction. The Company paid $2,632 and $3,108 in acquisition costs for the Why West Magnesium Project and the Buddy Claims, respectively.

QC Chibougamau Vanadium Prospects - Staking

In June 2017, the Company acquired a 100% interest in certain mineral claims (the “Chibougamau Vanadium Prospects”), all located in the direct vicinity of Lac Chibougamau, Quebec for staking costs of $4,550.

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

QC Whabouchi Lakes Lithium Property - Staking

In March 2016, the Company acquired the Whabouchi Lakes Lithium Property, located in the James Bay area of the province of Quebec, for staking costs of $1,068.

Subsequent to January 31, 2018, the Company decided to drop this property. Prior acquisition costs in the amount of $1,068 were written off as of January 31, 2018.

QC Whabouchi Lakes West Lithium Property - Staking

In April 2016, the Company acquired the Whabouchi Lakes West Lithium Property, located in the James Bay area of the province of Quebec, for staking costs of $1,193.

Subsequent to January 31, 2018, the Company decided to drop this property. Prior acquisition costs in the amount of $1,193 were written off as of January 31, 2018.

QC Preissac Lithium Property - Purchase Agreement

On May 17, 2016, the Company entered into a share purchase agreement (the "Agreement") with four arm's length vendors (the "Vendors") to purchase 100% of the issued and outstanding common shares of Indefinitely Lithium Holdings Corp., which holds a 100% interest in the Preissac Lithium Property in Quebec. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company paid $10,000 in cash and issued 8,000,000 common shares at a value of $280,000 to the Vendors pursuant to the Agreement. The Company also paid $2,500 in filing fees in connection with this transaction. Indefinitely Lithium Holdings Corp. became a wholly-owned subsidiary of the Company.

Subsequent to January 31, 2018, the Company decided to drop this property and fully wrote off prior acquisition and exploration costs in the amount of $303,805 as of January 31, 2018.

Nevada Elon and McGee Properties - Purchase Agreement

On July 12, 2016, the Company entered into a share purchase agreement (the "Agreement") with five arm's length vendors (the "Vendors") to purchase 100% of the issued and outstanding common shares of 1074942 B.C. Ltd., which through its wholly-owned subsidiary Mathers Lithium Corp. (a Nevada corporation) holds a 100% interest in certain lithium mineral claims (the "Elon claims" and the "McGee claims") in Nevada. The acquisition has been accounted for as an asset acquisition. In consideration for the net assets acquired, the Company issued 12,700,000 common shares at a value of $444,500 to the Vendors pursuant to the Agreement. 1074942 B.C. Ltd. became a wholly-owned subsidiary of the Company.

The Company issued 912,000 common shares at a value of $31,920 as a finder's fee, and paid $20,000 for land acquisition and $3,903 in filing fees in connection with this transaction.

## 5. EXPLORATION AND EVALUATION ASSETS (continued)

Nevada Elon and McGee Properties - Purchase Agreement (continued)

On June 14, 2017, the Company assumed an additional US$30,000 payment owed to the vendors for the McGee claims as follows: US$10,000 by September 1, 2017 (paid) and US$20,000 by December 31, 2017 (paid). The vendors retain a NSR of 3.75% on the McGee claims.

During the year ended January 31, 2018, the Company provided a security deposit of $11,098 in relation to its Elon and McGee Properties.

As at January 31, 2018, the Company had incurred a total of $59,048 in exploration costs on this property.

Otter Property, British Columbia - Option Agreement

On October 11, 2011, the Company entered into an option agreement (the "Agreement") with an arm's length party (the "Vendor") whereby the Company was granted an option to acquire a 100% interest in and to twelve mineral claims known as the Otter Property (the "Otter Property") located in the Similkameen Mining Division in the Princeton Area of British Columbia. The Company was required to pay $40,000 in cash (paid), incur exploration costs of $1,916,000 ($125,246 incurred) and issue 4,350,000 common shares (3,350,000 common shares issued at a value of $102,500) in set payments on or before February 3, 2019.

During the year ended January 31, 2013, the Company paid a finders' fee of $6,000 in connection with this transaction.

During the year ended January 31, 2016, the Company decided not to continue with certain mineral claims and allowed them to lapse when they became due. Prior acquisition costs of $78,061 and exploration costs of $69,980 associated with these claims were written off.

During the year ended January 31, 2017, the Company decided to drop this property and fully wrote off prior acquisition and exploration costs in the amount of $111,291.

## 6. AIRSHARE ACQUISITION

On November 25, 2015, the Company entered into an Asset Purchase Agreement with three arm's length parties (the "Vendors") whereby the Company agreed to acquire all of the assets related to or used in connection with a software application concept known as "Airshare" from the Vendors in exchange for 4,000,002 common shares of the Company. The assets to be acquired consist of various intellectual property assets related to the concept, including code, branding and domain names.

In March 2016, the Company issued 4,000,002 common shares per the Agreement which was valued at $120,000.

During the year ended January 31, 2017, the Company decided not to proceed with software application concept and fully wrote off the total acquisition costs of $124,000.

(Expressed in Canadian Dollars)

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities recognized in the statements of financial position consist of the following:

| | | January 31, 2018 | | January 31, 2017 |
|---|---|---|---|---|
| Trade payables | $ | 547,321 | $ | 308,858 |
| Accrued liabilities | | 43,660 | | 17,200 |
| Total payables | $ | 590,981 | $ | 326,058 |

All amounts are short-term. The carrying value of trade payables and accrued liabilities is considered a reasonable approximation of fair value.

## 8. LOANS PAYABLE

In November 2014, the Company entered into agreements (the “Agreements”) with four arm’s length parties (the “Lenders”). Pursuant to the terms of the Agreements, the Lenders agreed to convert a total of $183,750 in trades payable into loans payable, bearing no interest and are payable upon demand. During the year ended January 31, 2016, the Company repaid $5,000. During the year ended January 31, 2017, the Company repaid $88,550. During the year ended January 31, 2018, the Company fully repaid the remaining loans of $90,200.

During the year ended January 31, 2018, the Company received loan advances totalling $70,000 from an arm’s length lender, bearing no interest and due upon demand. The Company fully repaid these loans during the year.

As at January 31, 2018, $Nil (January 31, 2017: $90,200) of principal and $Nil (January 31, 2017: $822) of interest is outstanding.

## 9. FLOW-THROUGH SHARE PREMIUM LIABILITY

| | | |
|---|---|---|
| Balance at January 31, 2017 | $ | - |
| Liability incurred on flow-through shares issued | | 57,508 |
| Balance at January 31, 2018 | $ | 57,508 |

In January 2018, the Company issued 3,833,845 flow-through units (the "FT Units") at $0.065 per unit for gross proceeds of $249,200. Each FT Unit consisted of one flow-through common share and one share purchase warrant. The premium received on the flow-through shares issued was determined to be $57,508 and was recorded as a share capital reduction. An equivalent premium liability was also recorded.

## 10. SHARE CAPITAL AND RESERVES

**Authorized:** Unlimited common shares, without par value

Issued and outstanding as at January 31, 2018 – 129,595,847 (January 31, 2017: 96,112,002)

**Private placement**

*Year ended January 31, 2018*

In December 2017, the Company announced a private placement of up to 3,846,154 FT Units at $0.065 per unit for gross proceeds of up to $250,000 and of up to 15,000,000 non flow-through units (the "NFT Units") at $0.05 per unit for gross proceeds of up to $750,000. Each FT unit consists of one flow-through common share and one non flow-through share purchase warrant which entitles the holder to purchase one non flow-through common share at a price of $0.10 for a period of two years from the date of closing of the private placement. Each NFT unit consists of one common share and one share purchase warrant which entitles the holder to purchase one additional common share at a price of $0.08 for a period of three years from the date of closing of the private placement. As of January 31, 2018, the Company had issued 3,833,845 FT Units and 15,000,000 NFT Units, received a total of $523,000 in NFT and $156,700 in FT share subscription, paid filing fees of $750 and finders' fees of $40,576, and issued 733,908 broker warrants in connection with this private placement. Each broker warrant is exercisable at $0.10 per share until January 29, 2020. The broker warrants were valued at $62,333 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 181.2%, risk-free interest rate 2.07% and an expected life of two years. Subsequent to January 31, 2018, the Company received the remaining proceeds of $227,000 and $92,500 relating to the NFT and FT share subscription, respectively.

*Year ended January 31, 2017*

In September 2016, the Company closed a non-brokered private placement of 9,500,000 units at $0.025 per unit for gross proceeds of $237,500. Each unit consists of one common share and one transferable share purchase warrant exercisable at $0.05 per share until September 21, 2021. The Company incurred filing fees of $1,938 in connection with the financing.

(Expressed in Canadian Dollars)

## 10. SHARE CAPITAL AND RESERVES (continued)

### Share purchase warrants

The following is a summary of changes in share purchase warrants from January 31, 2016 to January 31, 2018:

| | Number of Warrants | Weighted Average Exercise Price |
|---|---|---|
| Balance, January 31, 2016 | 18,775,000 | $0.02 |
| Issued | 9,500,000 | $0.05 |
| Exercised | (16,425,000) | $0.02 |
| Balance, January 31, 2017 | 11,850,000 | $0.04 |
| Issued | 19,567,753 | $0.08 |
| Exercised | (9,450,000) | $0.04 |
| Balance, January 31, 2018 | 21,967,753 | $0.08 |

As of January 31, 2018, the Company had 21,967,753 share purchase warrants outstanding. Each warrant entitles the holder the right to purchase one common share as follows:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 4,567,753 | $0.10 | January 29, 2020 |
| 15,000,000 | $0.08 | January 29, 2021 |
| 2,400,000 | $0.05 | September 21, 2021 |
| 21,967,753 | | |

### Share-based payments

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX). Options may be granted for a maximum term of ten years from the date of grant.

The following is a summary of changes in share purchase options from January 31, 2016 to January 31, 2018:

(Expressed in Canadian Dollars)

## 10. SHARE CAPITAL AND RESERVES (continued)

### Share-based payments (continued)

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| Balance, January 31, 2016 | 2,175,000 | $0.05 |
| Granted | 3,700,000 | $0.05 |
| Forfeited | (600,000) | $0.05 |
| Balance, January 31, 2017 | 5,275,000 | $0.05 |
| Granted | 4,250,000 | $0.05 |
| Exercised | (5,200,000) | $0.05 |
| Expired | (250,000) | $0.05 |
| Balance, January 31, 2018 | 4,075,000 | $0.05 |

As of January 31, 2018, 4,075,000 share purchase options were outstanding and exercisable entitling the holders thereof the right to purchase one common share of the Company for each option held as follows:

| Number | Exercise Price | Expiry Date |
|---|---|---|
| 1,050,000 | $0.05 | October 3, 2018 |
| 725,000 | $0.05 | October 8, 2018 |
| 50,000 | $0.05 | June 4, 2019 |
| 1,600,000 | $0.05 | May 24, 2021 |
| 400,000 | $0.05 | May 30, 2021 |
| 250,000 | $0.05 | March 13, 2022 |
| 4,075,000 | | |

During the year ended January 31, 2018, 5,200,000 stock options were exercised at a price of $0.05 per share for total proceeds of $260,000 (year ended January 31, 2017: Nil stock options were exercised). The previously recognized share-based payment expense relating to these stock options were reclassified from share-based payment reserve to share capital in the amount of $124,285 (year ended January 31, 2017: $Nil).

During the year ended January 31, 2018, the Company granted 4,250,000 stock options with an exercise price of $0.05 per share and expiry dates ranging from November 30, 2017 to March 13, 2022 (year ended January 31, 2017: 3,700,000 stock options were granted with an exercise price of $0.05 per share and expiry dates ranging from May 24, 2021 to May 30, 2021). The weighted average fair value of the options issued in the year ended January 31, 2018 was estimated at $0.02 ( year ended January 31, 2017: $0.03) per option at the grant date using the Black-Scholes option pricing model with the following assumptions:

(Expressed in Canadian Dollars)

## 10. SHARE CAPITAL AND RESERVES (continued)

**Share-based payments (continued)**

| | Years ended January 31, 2018 | 2017 |
|---|---|---|
| Weighted average expected dividend yield | 0.00% | 0.00% |
| Weighted average expected volatility* | 192.42% | 159.64% |
| Weighted average risk-free interest rate | 1.45% | 0.77% |
| Weighted average expected term | 1.4 years | 5 years |

* Expected volatility has been based on historical volatility of the Company's publicly traded shares.

Total expenses arising from share-based payment transactions recognized during the year ended January 31, 2018 was $105,067 (year ended January 31, 2017: $128,314).

## 11. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

| | Years ended January 31, 2018 | 2017 |
|---|---|---|
| Net loss | $ 917,538 | $ 718,648 |
| Weighted average number of common shares for the purpose of basic and diluted loss per share | 99,372,598 | 69,646,800 |

The basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently issued (see Note 10) were anti-dilutive for the years ended January 31, 2018 and 2017.

The loss per share for the year ended January 31, 2018 was $0.01 (year ended January 31, 2017: $ $0.01).

## 12. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

**12. FINANCIAL INSTRUMENTS AND RISK (continued)**

The fair value of the Company's receivables, accounts payable and accrued liabilities, interest payable and loans payable approximates their carrying values due to the short term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

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. As at January 31, 2018, the Company has a minimal exposure to the US$ that is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. The Company considers this risk to be insignificant and therefore does not hedge its 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 and receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As at January 31, 2018 the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest income on Canadian dollar cash. As at January 31, 2018, the Company is not exposed to any 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. The Company addresses its liquidity through equity financing obtained through the sale of common shares. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

## 12. FINANCIAL INSTRUMENTS AND RISK (continued)

Based on management's knowledge and experience of the financial markets, management does not believe that the Company's current financial instruments will be affected by foreign exchange risk, credit risk, interest rate risk and price risk.

## 13. CAPITAL DISCLOSURE

Capital is comprised of the Company's shareholders' equity. As at January 31, 2018, the Company's shareholders' equity was $897,564 (January 31, 2017: $467,169) and it had current liabilities of $648,489 (January 31, 2017: $417,080). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt and acquire or dispose of assets. As at January 31, 2018, the Company has not entered into any debt financing with any financial institution.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended January 31, 2018.

## 14. RELATED PARTY TRANSACTIONS

*Key management personnel compensation*

Key management of the Company are directors and officers of the Company and their remuneration includes the following:

| | Years ended January 31, 2018 | 2017 |
|---|---|---|
| Directors' fees | $ 7,500 | $ 7,500 |
| Management fees | - | 1,905 |
| Professional fees | 14,500 | - |
| Share-based payments* | 7,012 | 41,228 |
| | $ 29,012 | $ 50,633 |

*Share-based payments are the fair value of options granted to key management personnel as at the grant date.

(Expressed in Canadian Dollars)

## 14. RELATED PARTY TRANSACTIONS (continued)

*Related party balances*

At January 31, 2018, accounts payable and accrued liabilities includes $10,879 (January 31, 2017: $116,179) payable to three directors and a former director of the Company, and one public company with common directors for unpaid fees. These amounts are unsecured, non-interest bearing and payable on demand.

During the year ended January 31, 2018, the Company reimbursed a public company with a common director and an officer in the amount of $3,433 (year ended January 31, 2017: $16,162) for the services provided by the Chief Financial Officer.

## 15. SEGMENTAL REPORTING

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets are distributed by geographic locations as below:

| | January 31, 2018 | January 31, 2017 |
|---|---|---|
| Canada | $ 19,626 | $ 306,066 |
| U.S.A. | 598,310 | 544,536 |
| | $ 617,936 | $ 850,602 |

## 16. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | **2018** | **2017** |
|---|---|---|
| Loss for the year | $ (917,538) | $ (718,648) |
| Expected income tax (recovery) | (248,000) | (187,000) |
| Change in statutory rates and other | (19,000) | 4,000 |
| Permanent differences | - | 33,000 |
| Share issue costs | (11,000) | - |
| Adjustments to prior year provision versus statutory tax returns | 37,000 | (120,000) |
| Change in unrecognized deductible temporary differences | 241,000 | 270,000 |
| Total income tax expense | $ - | $ - |

(Expressed in Canadian Dollars)

## 16. INCOME TAXES (continued)

The significant components of the Company's unrecognized deferred tax assets are as follows:

| | | 2018 | | 2017 |
|---|---|---|---|---|
| Deferred Tax Assets | | | | |
| Exploration and evaluation assets | $ | 195,000 | $ | 67,000 |
| Share issue costs | | 9,000 | | 1,000 |
| Non-capital losses | | 544,000 | | 439,000 |
| Net Unrecognized Deferred Tax Assets | $ | 748,000 | $ | 507,000 |

No net deferred tax asset has been recognized in respect of the above for the years ended January 31, 2018 and 2017 because the amount of future taxable profit that will be available to realize such assets is not probable.

The Company has non-capital losses for Canadian income tax purposes of approximately $2,003,000, which may be carried forward and applied against taxable income in future years. These losses, if not utilized, will expire through to 2038.

## 17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statement of cash flows.

*During the year ended January 31, 2018:*

i. The Company issued 733,908 broker warrants valued at $62,333.

ii. The Company accrued share issue costs of $23,160 in accounts payable and accrued liabilities.

*During the year ended January 31, 2017:*

iii. The Company issued 1,000,000 common shares valued at $35,000 pursuant to the Otter Property option agreement.

iv. The Company issued 4,000,002 common shares valued at $120,000 pursuant to the Airshare Asset Purchase Agreement.

v. The Company issued 8,000,000 common shares valued at $280,000 pursuant to the Indefinitely Lithium Holdings Corp. share purchase agreement.

vi. The Company issued 12,700,000 common shares valued at $444,500 pursuant to the 1074942 B.C. Ltd. share purchase agreement.

vii. The Company issued 912,000 common shares valued at $31,920 as a finders' fee for the acquisition of 1074942 B.C. Ltd.

viii. The Company accrued exploration and evaluation assets of $5,628 in accounts payable and accrued liabilities.

## 18. SUBSEQUENT EVENTS

Subsequent to January 31, 2018, the following occurred:

a) The Company issued 200,000 common shares pursuant to stock options exercised at a price of $0.05 per share.

b) The Company granted 5,000,000 incentive stock options to its consultants at an exercise price of $0.11 per share for a period of one year.

c) The Company acquired a 100% interest in certain mineral claims in British Columbia to increase the holdings in its Why West Magnesium Project for staking costs of $4,689.