



CONDENSED INTERIM FINANCIAL STATEMENTS

For the Three-Month Period Ended July 31, 2019

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

- Notice of No Auditor Review of Condensed Interim Financial Statements
- Condensed Interim Statements of Financial Position
- Condensed Interim Statements of Comprehensive Loss
- Condensed Interim Statements of Changes in Equity
- Condensed Interim Statements of Cash Flows
- Condensed Notes to the Interim Financial Statements

FORT ST. JAMES NICKEL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim statements for the period ended July 31, 2019.

NOTICE TO READER

The accompanying condensed interim financial statements for Fort St. James Nickel Corp. (the “Company”) have been prepared by management in accordance with International Financial Reporting Standards consistently applied. The most significant of these accounting principles have been set out in Note 3 to the attached financial statement. These condensed interim statements have been presented on the accrual basis of accounting. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the condensed interim financial statements, management is satisfied that these condensed interim financial statements have been fairly presented.

Auditor involvement

The Company’s auditors have not performed a review of the unaudited condensed interim financial statements for the three-month period ended July 31, 2019.

/s/ Barry Brown

Barry Brown
Chief Executive Officer

FORT ST. JAMES NICKEL CORP.
Condensed Interim Statement of Financial Position
(Expressed in Canadian Dollar)
(Unaudited)

	Note	July 31, 2019 \$	April 30, 2019 \$
ASSETS			
CURRENT			
Cash		8,896	1,877
GST Receivable		11,373	8,362
		<u>20,269</u>	<u>10,239</u>
Exploration and Evaluation Assets	4	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>
		<u>20,270</u>	<u>10,240</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		552,178	466,145
Loans Payable	6	<u>74,596</u>	<u>73,257</u>
		<u>626,774</u>	<u>539,402</u>
SHAREHOLDERS' EQUITY			
Share Capital	7	13,341,450	13,341,450
Contributed Surplus		432,043	432,043
Stock Option Reserve		356,510	356,510
Share Purchase Warrants Reserve		109,381	156,081
Deficit		<u>(14,845,888)</u>	<u>(14,815,246)</u>
		<u>(606,504)</u>	<u>(529,162)</u>
		<u>20,270</u>	<u>10,240</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)

Approved by the Board of Directors:

"Barry Brown"

Barry Brown, Director

"Scott Kent"

Scott Kent, Director

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

FORT ST. JAMES NICKEL CORP.
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollar)
(Unaudited)

		Share Capital			Share Purchase Warrant Reserve	Contributed Surplus	Deficit	Total Shareholders' Deficiency
	Note	Number	Amount	Stock Option Reserve				
Balance, April 30, 2018		15,123,426	13,268,279	98,364	329,314	432,043	(14,276,516)	(148,516)
	7(c)	500,000	125,000	-	-	-	-	125,000
Shares Issued for Cash		-	(3,750)	-	-	-	-	(3,750)
Share Issuance Costs		-	(91,438)	-	91,438	-	-	-
Fair Value of Warrants Issued		-	-	-	(100,886)	-	100,886	-
Fair Value of Warrants Expired		-	-	-	(6,770)	-	6,770	-
Fair Value of Agents' Warrants Expired	7(g)	-	-	266,146	-	-	-	266,146
Stock Based Compensation Expense		-	-	-	-	-	(387,140)	(387,140)
Net Comprehensive Loss for the Period								
Balance, July 31, 2018		15,623,426	13,298,091	364,510	313,096	432,043	(14,556,000)	(148,260)
Balance, April 30, 2019		15,857,801	13,341,450	356,510	156,081	432,043	(14,815,246)	(529,162)
Shares Issued for Cash		-	-	-	-	-	-	-
Share Issuance Costs		-	-	-	-	-	-	-
Fair Value of Warrants Expired		-	-	-	(46,700)	-	46,700	-
Net Comprehensive Loss for the Period		-	-	-	-	-	(77,342)	(77,342)
Balance, July 31, 2019		15,857,801	13,341,450	356,510	109,381	432,043	(14,845,888)	(606,504)

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

FORT ST. JAMES NICKEL CORP.
Condensed Interim Statement of Comprehensive Loss
(Expressed in Canadian Dollar)
(Unaudited)

		For the Three Months Ended July 31	
	Note	2019	2018
		\$	\$
EXPENSES			
Advertising and Marketing		-	1,210
Consulting Fees		25,500	25,500
Exploration and Evaluation Assets Expenditures	4	11,130	49,196
Office and Administration		24,280	24,228
Professional Fees		4,000	9,699
Rent		10,500	9,000
Share-Based Compensation	7(g)	-	266,146
Transfer Agent and Filing Fees		593	2,161
		(76,003)	(387,140)
Interest Expense		(1,339)	-
NET COMPREHENSIVE LOSS FOR THE PERIOD		(77,342)	(387,140)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		15,857,801	15,166,904

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

FORT ST. JAMES NICKEL CORP.

Condensed Interim Statement of Cash Flows

(Expressed in Canadian Dollar)

(Unaudited)

	For the Three Months Ended	
	July 31	
	2019	2018
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the Period	(77,342)	(387,140)
Non-Cash Items:		
Share-Based Compensation	-	266,146
Change in Non-Cash Operating Working Capital Accounts:		
GST Receivable	(3,011)	(1,881)
Loan Receivable	-	(77,470)
Accounts Payable and Accrued Liabilities	86,033	73,197
Loan Interest Payable	1,339	-
	<u>7,019</u>	<u>(127,148)</u>
FINANCING ACTIVITIES		
Shares Issued for Cash	-	125,000
Share Issue Costs	-	(3,750)
	<u>-</u>	<u>121,250</u>
INCREASE IN CASH	7,019	(5,898)
CASH, BEGINNING OF PERIOD	1,877	9,701
	<u>8,896</u>	<u>3,803</u>
CASH, END OF PERIOD	8,896	3,803
Additional information:		
Fair Value of Expired Warrants Credited to Deficit	46,700	107,656
Fair Value of Expired Options Credited to Deficit	-	-
Interest Paid	-	-
Income Taxes Paid	-	-

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

FORT ST. JAMES NICKEL CORP.
Notes to the Condensed Interim Financial Statements
For the Three Months Ended July 31, 2019
(Expressed in Canadian Dollar)
(Unaudited)

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Fort St. James Nickel Corp. (the “Company”) was incorporated under the Canada Business Corporation Act on March 22, 1988. The Company is listed on the TSX Venture Exchange, having the symbol FTJ.V and its primary business is the acquisition of exploration and evaluation of mineral properties in North America.

The address of the Company’s registered office is 888 Dunsmuir Street, Suite 888, Vancouver, BC, V6C 3K4. The address of the Company’s principal place of business is 888 Dunsmuir Street, Suite 888, Vancouver, BC, V6C 3K4.

These 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. The Company has not generated revenues from operations. The Company is considered to be in the exploration stage as it has not placed any of its mineral properties into production. The underlying value of the Company’s mineral properties is dependent upon the existence and economic recovery of such reserves in the future and the ability of the Company to raise financing to complete future exploration.

While these financial statements have been prepared on the assumption that the Company is a going concern and will be able to realize its assets and meet its obligations in the normal course of operations, there are conditions and events that cast doubt on the validity of that assumption. As at July 31, 2019, the Company has a net working capital deficit of \$606,505, has an accumulated deficit of \$14,845,888, and has incurred a loss of \$77,342. The Company’s ability to continue as a going concern is dependent on management’s ability to raise required funding through future equity issuances, asset sales or a combination thereof. There is no assurance that such financing will be sufficient to sustain operations in the foreseeable future.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

a) Statement of Compliance

These condensed interim financial statements of the Company for the three months ending July 31, 2019 have been prepared in accordance with International Financial Reporting Standard 34, *Interim Financial Reporting* (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended April 30, 2019.

The condensed interim financial statements of the Company as at July 31, 2019 were approved and authorised for issue by the Board of Directors on September 28, 2019.

FORT ST. JAMES NICKEL CORP.
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2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (continued)

b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. These condensed interim financial statements do not include all the information required for full annual financial statements. The condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended April 30, 2019. The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 "Leases", and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company has determined there is no impact of this standard on its financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred and expensed by the Company to date on its mineral properties are summarized below.

	Kilometer 26 \$	Porcupine \$	Total \$
April 30, 2018	1,963,572	171,216	2,134,788
Acquisition Costs	1,368	-	1,368
Exploration Costs	47,828	-	47,828
Balance, July 31, 2018	2,012,768	171,216	2,183,984
April 30, 2019	2,015,573	366,464	2,382,037
Exploration Costs	11,130	-	11,130
Balance, July 31, 2019	2,026,703	366,464	2,393,167

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

a) Kilometer Property, British Columbia, Canada

The Company has a 100% interest in the Kilometer 26 property consisting of 5,778 hectares in the Omineca Mining Division, British Columbia.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Porcupine Property, New Brunswick, Canada

In August 2017, the Company signed an option agreement with Great Atlantic Resources Corp. (“GR”) to acquire GR’s Porcupine property located in the province of New Brunswick. Under the terms of the option agreement, the Company is required to make the following cash and share payments to earn a 100% interest in the property:

- Pay \$15,000 in cash (paid) and issue 500,000 common shares (issued) within five days of the TSX Venture approval of the transaction (the “Approval Date”);
- Pay \$20,000 in cash (paid) and issue \$75,000 in common shares on or before October 6, 2018. The Company issued 234,375 common shares with a fair value of \$43,359 on February 12, 2019 and has set up a payable of \$31,641 to GR.
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before October 6, 2019;
- Pay \$20,000 in cash and issue \$75,000 in common shares on or before October 6, 2020; and
- Pay \$75,000 in cash and issue \$200,000 in common shares on or before October 6, 2021.

The Company is also required to spend \$1,000,000 in exploration expenditures on the property over a four-year period with a minimum of \$150,000 each year.

During the three-month period ended July 31, 2019, the Company incurred acquisition and exploration expenditures totaling \$11,130 (2018 - \$49,196) with respect to its Kilometer 26 Property and \$Nil on the Porcupine Property.

5. LOANS RECEIVABLE

During the period ended July 31, 2018 the Company advanced \$75,000 to a non-related party. The loan was non-interest bearing and due on demand. The loan was repaid in full prior to August 31, 2018.

6. LOANS PAYABLE

	July 31, 2019 \$	April 30, 2019 \$
Promissory Note Payable	50,000	50,000
Loan Payable	19,500	19,500
Accrued Interest	5,096	3,757
	<u>74,596</u>	<u>73,257</u>

On September 19, 2018, the Company entered into an agreement with an arm’s length individual for a loan of \$50,000. The loan has a term of six months and is subject to an interest rate of 10% per annum. The loan remains outstanding as of July 31, 2019.

The loan payable of \$19,500 is unsecured with no terms of repayment and interest and is due on demand.

For the period ended July 31, 2019, the Company recorded interest expense of \$1,339 (2018 - \$Nil).

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7. SHARE CAPITAL

a) Authorized

The Company's authorized capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares without par value, issuable in series and having special rights and restrictions

b) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include "Contributed Surplus", "Warrant Reserve", "Share-based Payment Reserve", and "Accumulated Deficit".

- 'Contributed Surplus' recognizes amounts contributed to the Company shareholders either by way of direct contribution of cash or assets to the Company or delivery of assets to the Company having a fair value in excess of consideration paid by the Company.
- 'Warrant Reserve' is used to recognize the fair value of share warrants prior to exercise or expiry.
- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.
- 'Accumulated Deficit' is used to record the Company's change in deficit from net losses from period to period.

c) Issued

Period ended July 31, 2018

On July 23, 2018, the Company completed a non-brokered private placement of 500,000 units at a price of \$0.25 per unit for gross proceeds of \$125,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at a price of \$0.30 per warrant share for a period of three years

Period ended July 31, 2019

There were no shares issued during the three-month period ended July 31, 2019.

d) Stock Option Plan Details

The Company has a stock option plan under which directors, officers and employees of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed five years and typically vest on the grant or at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the TSX-V stock exchange on which the Company's common shares are listed.

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7. SHARE CAPITAL – Stock Options (continued)

As at July 31, 2019, 1,100,000 options, with an average exercise price of \$0.36 per share and an average remaining life of 3.07 years, were vested.

Expiry Date	Exercise Price	April 30, 2019	Granted	Exercised	Expired/ Cancelled	July 31, 2019
October 5, 2021	\$0.15	450,000	-	-	-	450,000
April 5, 2023	\$0.50	650,000	-	-	-	650,000
		1,100,000	-	-	-	1,100,000

As at July 31, 2018, 1,140,000 options, with an average exercise price of \$0.36 per share and an average remaining life of 3.95 years, were vested.

Expiry Date	Exercise Price	April 30, 2018	Granted	Exercised	Expired/ Cancelled	July 31, 2018
February 18, 2019	\$0.50	40,000	-	-	-	40,000
October 5, 2021	\$0.15	450,000	-	-	-	450,000
April 5, 2023	\$0.50	650,000	-	-	-	650,000
		1,140,000	-	-	-	1,140,000

e) Share Purchase Warrants

As at July 31, 2019, 900,000 share purchase warrants, with an average exercise price of \$0.39 per share and an average remaining life of 2.53 years.

Expiry Date	Exercise Price	April 30, 2019	Granted	Exercised	Expired/ Cancelled	July 31, 2019
May 20, 2019	\$0.50	216,970	-	-	(216,970)	-
July 20, 2020	\$0.50	400,000	-	-	-	400,000
July 23, 2021	\$0.30	500,000	-	-	-	500,000
		1,116,970	-	-	(216,970)	900,000

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7. SHARE CAPITAL – Share Purchase Warrants (continued)

As at July 31, 2018, 1,896,470 share purchase warrants, with an average exercise price of \$0.41 per share and an average remaining life of 2.46 years.

Expiry Date	Exercise Price	April 30, 2018	Granted	Exercised	Expired/ Cancelled	July 31, 2018
June 27, 2018	\$1.00	162,582	-	-	162,582	-
July 20, 2018	\$0.25	415,000	-	-	415,000	-
August 1, 2018	\$0.25	297,500	-	-	-	297,500
March 28, 2019	\$0.50	482,000	-	-	-	482,000
May 20, 2019	\$0.50	216,970	-	-	-	216,970
July 20, 2020	\$0.50	400,000	-	-	-	400,000
July 23, 2021	\$0.30	-	500,000	-	-	500,000
		1,974,052	500,000	-	577,582	1,896,470

f) Agents' Warrants

As at July 31, 2019 and 2018, there were no agents' warrants outstanding.

Expiry Date	Exercise Price	April 30, 2018	Granted	Exercised	Expired/ Cancelled	July 31, 2018
July 20, 2018	\$0.25	41,500	-	-	41,500	-
		41,500	-	-	41,500	-

g) Share-Based Payments

On April 05, 2018, the Company granted 650,000 stock options with a fair value of \$226,146. The options have a four-month vest period therefore no share-based compensation is recorded for the year ended April 30, 2018. Share-based compensation expense of \$226,146 was recorded for the period ended July 31, 2018. The fair value of the stock options granted is determined using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2019	2018
Risk-free interest rate	-	2.04%
Expected life of options	-	5 years
Annualized volatility	-	143%
Dividend yield	-	0%

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8. RELATED PARTY TRANSACTIONS AND BALANCES

Key management includes directors (executive and non-executive) and senior management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”). There were no amounts paid nor payable for CEO or CFO services for the period ended July 31, 2019 (2018 - \$Nil).

9. SEGMENTED INFORMATION

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. All mineral properties are located in British Columbia, Canada.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Company’s accounts payable and accrued liabilities and amounts due to related parties approximate their carrying value, which is the amount recorded on the statements of financial position. The Company’s cash under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to its liquid financial assets including cash. Management believes that its credit risk is not significant.

b) Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2019, the Company had a cash balance of \$8,896 to settle current liabilities of \$626,774. All of the Company’s financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through equity financing and loans from related parties over the coming year.

c) 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. The Company’s amounts due to related parties are non-interest bearing, and as such, the Company is not exposed to significant interest rate risk.

d) Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

FORT ST. JAMES NICKEL CORP.
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(Unaudited)

11. CAPITAL MANAGEMENT

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, exploration, and development of resource properties. The Board of Directors does 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 Company manages its share capital as capital, which as at July 31, 2019 was \$13,341,450 (April 30, 2019 – \$13,341,450). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended July 31, 2019.