

BELMONT RESOURCES INC.

**Consolidated Financial Statements
Three months ended April 30, 2017**

(Expressed in Canadian Dollars - unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BELMONT RESOURCES INC.

Consolidated statements of financial position

(Expressed in Canadian dollars)

	Notes	April 30, 2017	January 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents		\$ 139,305	\$ 9,046
Marketable securities	4	5,999	6,159
Receivables	5	4,472	1,367
Prepaid expense		17,466	11,618
		167,242	28,190
Non-current assets			
Due from related party	10	19,866	-
Investment	4	-	-
Equipment	6	2,375	2,544
Exploration and evaluation assets	7	290,858	248,267
Reclamation bond	7	13,983	13,983
Prepaid expense		4,150	4,150
		331,232	268,944
TOTAL ASSETS		\$ 498,474	\$ 297,134
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8	\$ 28,938	\$ 43,726
Due to related parties	10	127,326	130,734
		156,264	174,460
Promissory notes	12	31,003	89,514
TOTAL LIABILITIES		187,267	263,974
SHAREHOLDERS' EQUITY			
Share capital	9	20,178,603	19,717,994
Share subscription (receivable) payable	9	-	10,000
Reserves	9	696,080	679,302
Deficit		(20,563,476)	(20,374,136)
TOTAL EQUITY		311,207	33,160
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 498,474	\$ 297,134

Subsequent events (Notes 9 & 15)

Commitments (Notes 7 & 14)

Approved on Behalf of the Board:

*"Vojtech Agyagos"*_____
Director*"Gary Musil"*_____
Director

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.Consolidated statements of comprehensive loss
(Expressed in Canadian dollars)

	Notes	Three months ended	
		April 30, 2017	April 30, 2016
Expenses			
Amortization	6	\$ 167	\$ 185
Consulting fees		66,752	14,000
Legal and audit		13,109	9,850
Loan bonus shares	11	-	-
Loan interest	11	9,581	-
Office and miscellaneous		3,166	3,518
Regulatory fees		7,566	3,950
Rent	10	872	4,723
Salaries and administration services	10	35,191	30,808
Shareholder relations		4,658	567
Stock based payment	9, 10		
Directors		-	-
Consultants		3,798	2,051
Telephone and internet		1,095	691
Transfer agent fees		2,810	2,291
Travel and promotion		40,575	6,235
		(189,340)	(78,869)
Net loss for the period		(189,340)	(78,869)
Other comprehensive income			
Unrealized (gain) losses on financial assets		(161)	(619)
Total comprehensive loss for the period		\$ (189,501)	\$ (79,488)
Loss per share – basic and diluted		\$ (0.00)	\$ (0.00)
Weighted average number of shares		41,917,474	23,011,857

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Consolidated statement of changes in shareholders' equity (deficiency)
(Expressed in Canadian dollars)

	Share capital		Share subscription Advance	Reserves			Total
	Number of shares	Amount		Stock-based reserve	Revaluation of financial assets	Deficit	
Balance at February 1, 2016	20,007,651	\$ 19,063,822	\$ 34,050	\$ 602,193	\$ (5,136)	\$ (19,766,040)	\$ (71,111)
Loss for the period	-	-	-	-	-	(78,869)	(78,869)
Other comprehensive income	-	-	-	-	619	-	619
Total comprehensive loss for the period	-	-	-	-	619	(78,869)	(78,250)
Shares issued for cash							
- Private placement	9,155,000	352,650	(170,550)	-	-	-	182,100
Share issue costs	90,800	(16,916)	-	11,076	-	-	(5,840)
Stock based payment	-	-	-	2,051	-	-	2,051
Balance at April 30, 2016	29,253,451	\$ 19,399,556	\$ (136,500)	615,320	\$ (4,517)	\$ (19,844,909)	\$ 28,950
Balance at February 1, 2017	35,400,951	\$ 19,717,994	\$ 10,000	\$ 686,992	\$ (7,690)	\$ (20,374,136)	\$ 33,160
Loss for the period	-	-	-	-	-	(189,340)	(189,340)
Other comprehensive income (loss)	-	-	-	-	(161)	-	(161)
Total comprehensive loss for the period	-	-	-	-	(161)	(189,340)	(189,501)
Shares issued for cash							
- private placement	9,350,000	467,500	(10,000)	-	-	-	457,500
- warrants	250,000	15,000	-	-	-	-	15,000
Share issue costs	-	(21,891)	-	13,141	-	-	(8,750)
Share-based payment	-	-	-	3,798	-	-	3,798
	9,600,000	460,609	-	16,939	-	-	467,548
Balance at April 30, 2017	45,000,951	\$ 20,178,603	\$ -	\$ 703,931	\$ (7,851)	\$ (20,563,476)	\$ 311,207

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

	Three months ended	
	April 30, 2017	January 31, 2016
Operating activities:		
Net loss for the period:	\$ (189,340)	\$ (78,869)
Adjustments for non-cash items:		
Amortization	167	185
Interest on promissory note	9,581	-
Share-based payments	3,798	2,051
Changes in non-cash items:		
Receivables	(3,105)	(3,275)
Prepaid expenses	(5,849)	(70,763)
Trade payables and accrued liabilities	(11,640)	98,022
Due from related parties	(26,420)	(18,414)
Net cash flows from (used in) operating activities	(222,808)	(71,063)
Investing Activities		
Expenditures on exploration and evaluation assets	(42,591)	(44,362)
Net cash flows from (used in) investing activities	(42,591)	(44,362)
Financing activities		
Shares and warrants issued for cash	482,500	346,810
Share subscription	(10,000)	(170,550)
Share issuance costs - cash	(8,750)	-
Promissory notes	(68,092)	-
Net cash flows from (used in) financing activities	395,658	176,260
(Decrease) Increase in cash	130,259	60,835
Cash and equivalents, beginning	9,046	19,344
Cash and equivalents, ending	\$ 139,305	\$ 80,179

Non – cash transactions (Note 13)

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars - unaudited)
For the three months ended April 30, 2017

1. Nature and continuance of operations

Belmont Resources Inc. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of lithium in its Kibby Basin property in Nevada, USA. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BEA".

The corporate head office and principal place of business of the Company is 625 Howe Street, Suite 600, Vancouver, British Columbia, Canada, V6C 2T6.

Going concern

The consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$20,563,476. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue on June 29, 2017 by the Board of Directors.

Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 31 January 2017.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

2. Significant accounting policies and basis of preparation (cont'd)

Significant estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning 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 assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the recoverability and measurement of deferred tax assets, and the provisions for restoration and environmental obligations.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification and allocation of exploration and evaluation expenditures.

Exploration and evaluation assets

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

Government tax credits received are recorded as a reduction to the cumulative costs incurred on the related property.

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 a 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.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain mineral claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral claims. The Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its claims are in good standing.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

2. Significant accounting policies and basis of preparation (cont'd)***Share-based payments***

The Company grants stock options to purchase 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. When the stock options are forfeited or expire, the amount previously recognized in the reserve is transferred to deficit.

In situations where stock options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, they are measured at the fair value of goods or services received.

Financial instruments

The Company's financial instruments consist of cash, marketable securities, due from related parties, investment, reclamation bond, trade payables and due to related parties.

Cash, reclamation bond, and due from related parties are classified as loans and receivables are recorded at amortized cost using the effective interest rate method. In addition, any impairment of loans and receivables are deducted from the amortized costs.

Marketable securities and investment 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.

Accounts payable and due to related parties are classified as other financial liabilities, and recorded at amortized cost using the effective interest rate method.

Impairment of non-financial assets

The carrying amount of the Company's assets is 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.

The recoverable amount is the greater of the fair value less cost to sell and value in use. In assessing 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 specific to an asset. For the 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.

If, in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the cost less accumulated depreciation would have been had the impairment not been recognized.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

2. Significant accounting policies and basis of preparation (cont'd)***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 the 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.

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 sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Equipment

Equipment is stated at historical cost less accumulated depreciation and impairment charges.

Amortization is calculated on the declining balance basis at the following annual rates:

Computer equipment	30%
Office equipment	20%
Exploration equipment	30%

One-half the normal rate is recorded in the year of acquisition.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

The cost of replacing part of a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Foreign currency translation

The consolidated financial statements of the Company are prepared in the currency of the primary economic environment in which the Company operates (its functional currency). The functional and presentation currency of the Company is the Canadian dollar.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

2. Significant accounting policies and basis of preparation (cont'd)***Foreign currency translation (cont'd)***

In preparing the financial statements, transaction in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, necessary items denominated in foreign currencies are retranslated at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

Warrants issued in equity financing transactions

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and to explore and evaluate mineral properties. These equity financing transactions may involve the issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of common share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued based on the residual value method. The warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Basic and diluted loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

3. Accounting standards issued but not yet adopted

At the date of the approval of the financial statements, a number of standards and interpretations were in issue but not effective. The Company considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

4. Marketable securities and investments***Marketable securities***

The Company holds portfolio interests in Canadian publicly traded companies classified as available-for-sale financial assets.

At January 31, 2016	\$ 35,309
Disposals	(626)
At January 31, 2017	\$ 34,683
Disposals	\$ -
At April 30, 2017	\$ 34,683
Fair value adjustments	
At January 31, 2016	\$ (5,136)
Change for the year	(2,554)
At January 31, 2017	(7,690)
Change for the period	(177)
At April 30, 2017	\$ (7,867)
Accumulated impairment as at January 31, 2017 and April 30, 2017	\$ (20,817)
Net Book Value	
At January 31, 2017	\$ 6,176
At April 30, 2017	\$ 5,999

The Company did not dispose of any marketable securities during the period ended April 30, 2017. During the year ended January 31, 2017, the Company disposed certain marketable securities for proceeds of 1,015 resulting in a gain of \$372.

5. Receivables

	April 30, 2017	January 31, 2017
Goods and services sales tax recoverable	\$ 4,472	\$ 1,367

6. Prepaid expenses and deposits

	April 30, 2017	January 31, 2017
Current prepaid expenses	\$ 17,466	\$ 11,618
Non-current rent deposits	4,150	4,150
	\$ 21,616	\$ 15,768

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

7. Exploration and evaluation assets

	USA		Canada	Total
	Kibby Basin		Other	
Property acquisition costs				
Balance, January 31, 2017	\$	180,884	\$ 2	\$ 180,886
Balance, April 30, 2017		180,884	2	180,886
Exploration and evaluation costs				
Balance, January 31, 2017		67,381	-	67,381
Costs incurred during period				
Geological consulting		4,800	-	4,800
Camp office & accommodation		4,103	-	4,103
Drilling		33,688	-	33,688
		42,591	-	42,591
Balance, April 30, 2017		109,972	-	109,972
Total	\$	290,856	\$ 2	\$ 290,858

	USA		Canada	Total
	Kibby Basin		Other	
Property acquisition costs				
Balance, January 31, 2016	\$	-	\$ 2	\$ 2
Additions				
Cash payments		25,000	-	25,000
Claim fees and staking costs		88,384	-	88,384
Payments with issuance of shares		67,500	-	67,500
Balance, January 31, 2017		180,884	2	180,886
Exploration and evaluation costs				
Balance, January 31, 2016		-	-	-
Assays and testing		448	-	448
Geological consulting		31,093	-	31,093
Camp office and accommodation		2,146	-	2,146
Geophysics		33,694	-	33,694
Balance, January 31, 2017		67,381	-	67,381
Total	\$	248,265	\$ 2	\$ 248,267

a) Kibby Basin, Nevada, USA

On March 29, 2016 the Company entered into a Property Purchase Agreement (the "Agreement") with Zimtu Capital Corp. ("Zimtu") to acquire 100% interest of 16 mineral claims, the Kibby Basin Property, located north of Clayton Valley, Nevada, U.S.A. Terms of the Agreement are:

- (i) Pay to Zimtu the sum of \$25,000 (paid); and,
- (ii) Issue 1,000,000 common shares to Zimtu (issued).

The property is subject to a 1.5% net smelter returns ("NSR") of which the Company has the right to purchase half of the NSR from Zimtu, at any time, for \$1,000,000. As of April 30, 2017, a reclamation bond of \$13,983 (January 31, 2017 - \$13,983) is held in trust for the Company at the Bureau of Land Management. The Agreement is in good standing and the Kibby Basin Property title is in Zimtu's name as they are holding it in trust for the Company.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars - unaudited)
For the three months ended April 30, 2017

8. Trade payables and accrued liabilities

	April 30, 2017	January 31, 2017
Trade payables	\$ 12,438	\$ 29,726
Accrued liabilities	16,500	14,000
	\$ 28,938	\$ 43,726

9. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Share Issuances

During the period ended April 30, 2017, the Company issued 250,000 common shares at a price of \$0.06 per share for proceeds of \$15,000 in connection with the exercise of 250,000 warrants.

On March 15, 2017, the Company issued 2,000,000 units at \$0.05 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one two year transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.08 in the first year and \$0.10 in the second year.

On March 1, 2017, the Company issued 3,140,000 units at \$0.05 per unit for gross proceeds of \$157,000. Each unit consists of one common share and one two year transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.08 in the first year and \$0.10 in the second year. The Company paid finder's fees of \$8,500 in cash and issued 170,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of \$0.08 per share in the first year and at \$0.10 per share in the second year. The brokers' warrants were valued at \$10,299 using the Black-Scholes option pricing model with a volatility of 147.31%, expected life of 2 years, discount rate of 0.78% and a dividend rate of 0%.

On February 22, 2017, the Company issued 4,210,000 units at \$0.05 per unit for gross proceeds of \$210,500. Each unit consists of one common share and one two year transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.08 in the first year and \$0.10 in the second year. The Company paid finder's fees of \$250 in cash and issued 43,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of \$0.08 per share in the first year and at \$0.10 per share in the second year. The brokers' warrants were valued at \$2,842 using the Black-Scholes option pricing model with a volatility of 147.31%, expected life of 2 years, discount rate of 0.78% and a dividend rate of 0%.

During the year ended January 31, 2017, the Company issued 1,910,000 common shares pursuant to the exercise of 1,910,000 warrants for proceeds of \$115,600.

On November 25, 2016, the Company issued 500,000 common shares valued at \$35,000 pursuant to the Agreement (Note 7).

On October 18, 2016, the Company issued 262,000 common shares with a fair value of \$14,438 as bonus shares in consideration of promissory notes issued.

On June 6, 2016, the Company issued 100,000 common shares pursuant to the exercise of stock options at \$0.05 per share for proceeds of \$5,000. The fair value of \$3,476 was transferred from stock based reserve to share capital.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended April 30, 2017

9. Share capital (cont'd)***Share Issuances (cont'd)***

On June 2, 2016, the Company issued 2,750,000 units at a price of \$0.05 per unit for gross proceeds of \$137,500. Each unit consists of one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company for a period of two years following the closing of the financing at a price of \$0.10 per share in the first year and at \$0.15 per share in the second year on or before June 2, 2018. The Company paid finder's fees of \$13,100 in cash and issued 55,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of \$0.10 per share in the first year and at \$0.15 per share in the second year. The brokers' warrants were valued at \$4,298 using the Black-Scholes option pricing model with a volatility of 148.70%, expected life of 2 years, discount rate of 0.57% and a dividend rate of 0%.

On May 26, 2016 the Company issued 500,000 common shares valued at \$32,500 pursuant to the Agreement. (Note 7)

On May 5, 2016, the Company issued 125,000 common shares at price of \$0.05 per share for proceeds of \$6,250 in connection with the exercise of 125,000 stock options. The fair value of \$4,345 was transferred from stock based reserve to share capital.

On April 28, 2016, the Company issued 3,900,000 units at \$0.05 per unit for gross proceeds of \$195,000. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share for a period of two years following the closing of the financing at a price of \$0.10 per share in the first year and at \$0.15 per share in the second year. The Company paid finder's fees of \$9,500 cash and issued 150,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of \$0.10 per share in the first year and at \$0.15 per share in the second year. The broker's warrants were valued at \$11,605 using the Black-Scholes option pricing model with a volatility of 147.31%, expected life of 2 years, discount rate of 0.68% and a dividend rate of 0%.

On April 19, 2016, the Company issued 1,135,000 units at \$0.03 per unit for gross proceeds of \$34,050. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.06 per share in the first year and at \$0.10 per share in the second year. The Company issued 90,800 common shares valued at \$8,172 as consideration of finder's fees.

On March 3, 2016, the Company issued 2,870,000 units at \$0.03 per unit for gross proceeds of \$86,100. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.06 per share in the first year and at \$0.10 per share in the second year. The Company paid finder's fees of \$10,140 in cash and issued 128,000 brokers' warrants. Each brokers' warrant entitles the holder to acquire one additional share at a price of \$0.06 per share in the first year and at \$0.10 per share in the second year. The brokers' warrants were valued at \$3,944 using the Black-Scholes option pricing model with a volatility of 146.76% expected life of 2 years, discount rate of 0.51% and a dividend rate of 0%.

On February 23, 2016, the Company issued 1,250,000 units at \$0.03 for gross proceeds of \$37,500. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.06 per share in the first year and at \$0.10 per share in the second year.

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9. Share capital (cont'd)**Stock options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. The options vest at the discretion of the Board of Directors.

The changes in stock options are as follows:

	Number of options	Weighted average exercise price
Balance, January 31, 2016	1,125,000	\$ 0.05
Granted	1,425,000	0.08
Exercised	(225,000)	0.05
Expired	(250,000)	0.05
Balance, January 31 and April 30, 2017	2,075,000	\$ 0.06
Exercisable, April 30, 2017	2,025,000	\$ 0.07

As at April 30, 2017, stock options were outstanding as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
650,000	0.08	June 24, 2018	1.15
150,000	0.05	March 29, 2019	1.91
775,000	0.05	June 22, 2019	2.15
500,000	0.08	November 17, 2019	2.55
2,075,000			

During the period ended April 30, 2017, stock-based payments recognized on stock options vested were \$3,797 (2016 - \$2,062). The fair value of the stock options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

January 31, 2017	
Expected life	3 years
Annualized volatility	130.60%
Risk-free interest rate	0.62%
Dividend rate	0%

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9. Share capital (cont'd)**Warrants**

Changes in warrants are as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2016	5,715,000	0.11
Issued	12,238,000	0.08
Exercised	(1,910,000)	0.06
Expired	(1,840,000)	0.12
Balance, January 31, 2017	14,203,000	\$ 0.09
Issued	9,562,000	0.09
Exercised	(250,000)	0.06
Balance, April 30, 2017	23,515,000	\$ 0.11

The warrants outstanding at April 30, 2017 are as follows:

Number outstanding	Weighted average exercise price	Weighted average remaining life (years)	Expiry date
1,865,000	\$ 0.10	0.18	July 6, 2017
250,000	\$ 0.10	0.82	February 23, 2018
2,448,000	\$ 0.10	0.84	March 3, 2018
1,135,000	\$ 0.10	0.97	April 19, 2018
4,050,000	\$ 0.15	0.99	April 28, 2018
2,805,000	\$ 0.13	1.09	June 2, 2018
4,252,000	\$ 0.09	1.82	February 22, 2019
3,310,000	\$ 0.09	1.84	March 1, 2019
1,400,000	\$ 0.09	1.85	March 7, 2019
2,000,000	\$ 0.09	1.87	March 15, 2019
23,515,000	\$ 0.11	1.32	

10. Related party transactions**Related party balances**

The following balances are due from related parties:

	April 30, 2017	January 31, 2017
Companies with directors and officers in common	\$ 19,866	\$ -

During the year ended January 31, 2017, the Company recorded a bad debt expense of \$120,703 in connection of impairment of the balance due from the companies with common directors and officers.

The following amounts are due to related parties:

	April 30, 2017	January 31, 2017
Company with directors and officers in common	\$ 1,679	\$ 1,679
Directors	125,647	129,055
	\$ 127,326	\$ 130,734

Amounts due to and from related parties are unsecured, non-interest bearing and with no specific terms of repayment.

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10. Related party transactions (cont'd)***Related party transactions***

The Company recovered the following amounts from companies with common directors.

	Three months ended April 30,	
	2017	2016
Rent recoveries	\$ 14,100	\$ 14,100
Administration services recoveries	3,420	3,420
	\$ 17,520	\$ 17,520

Key management personnel compensation

	Three months ended April 30,	
	2017	2016
Management fees	\$ 15,000	\$ 15,000
Salaries and benefits	16,529	16,227
	\$ 31,529	\$ 31,227

11. Financial instruments, risk and capital management

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies.

Foreign Exchange 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 exchange risk as its mineral property interest is located in the United States and transactions are conducted in the US dollar.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this risk by careful management of its working capital. 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 is no assurance of continued access to significant equity funding. The Company has working capital of \$5,978 as at April 30, 2017, and as discussed in Note 1: Going Concern, the Company requires additional funding to continue with its ongoing operations and exploration commitments.

BELMONT RESOURCES INC.

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11. Financial instruments, risk and capital management (cont'd)**Price Risk**

The Company is exposed to price risk in relation to the listed marketable securities held. A 10% change in the market would result in a change of approximately \$620 to other comprehensive loss. Management regularly reviews the expected returns from holding such investment on an individual basis.

Capital Management

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the year.

Fair value

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.

Marketable securities which are based on level 1 inputs. The investment has been recorded at \$1, which management has estimated as the recoverable value based on level 3 inputs.

12. Promissory notes

On October 6, 2016, the Company entered into promissory notes whereby the Company agreed to pay the promissory notes of \$105,000 any time after September 30, 2017 subject to a monthly interest rate of 1.5%. In consideration for the promissory notes, the Company issued 262,500 common shares with a fair value of \$14,438. During the year ended January 31, 2017, the Company repaid a balance of \$12,000 and recorded \$10,952 in interest expenses. During the period ended April 30, 2017 repaid a balance of \$63,000 and recorded \$9,581 in interest expenses.

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13. Non-cash transactions

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	April 30, 2017	April 30, 2016
Fair value of brokers' warrants issued	\$ 13,141	\$ 11,076
Fair value of shares issued as finder's fee	-	8,172

14. Arbitration Agreements

On March 5, 2014, the Company entered into an agreement with EuroGas in respect of EuroGas' international arbitration against the Slovak Republic in connection with the soapstone talc mineral deposit located near Gemerska Poloma, Slovak Republic. The Company has agreed to provide a power of attorney to a law firm which is acting on behalf of both the Company and EuroGas in filing an action for damages against the Slovak Federal Republic.

The Company terminated the March 5, 2014 agreement with EuroGas and on April 7, 2017 the Company entered into a new agreement whereby the Company shall be entitled to receive its share of any final award corresponding to the losses incurred in proportion to the Company's 57% holding in Rozmin S.R.O. subject to legal fees incurred, financing and associated payments and other necessary adjustments and deductions.

During the year ended January 31, 2015, the Company issued 1,400,000 share purchase warrants to EuroGas whereby each warrant may be exercised for the purchase of one common share at a price of \$0.12 per share for a period of five years. The number of warrants that may be exercised by EuroGas will be based on the remuneration received by the Company pursuant to the arbitration.

15. Subsequent events

On May 16, 2017, the Company issued 150,000 common shares at a price of \$0.05 and \$0.08 for proceeds of 8,250, in connection with the exercise of 125,000 and 25,000 stock options, respectively.

On May 19, 2017, the Company issued 370,000 common shares to settle the balance of \$25,900 payable by the Company to American CuMo Mining Corporation.

On June 27, 2017, the Company issued 4,000,000 units at \$0.05 per unit for gross proceeds of \$200,000. Each unit consists of one common share and one two year transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.08 in the first year and \$0.10 in the second year. The Company paid finder's fees of \$2,500 in cash.