

BELMONT RESOURCES INC.



Financial Statements

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**Management Discussion & Analysis
for the Quarter Ended
July 31, 2018**

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BELMONT RESOURCES INC.

FORM 51-102F1

**Management's Discussion & Analysis
for the 2nd Quarter Ended July 31, 2018 (and containing information as of September 24, 2018)**

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BELMONT RESOURCES INC.
(the “Company”)

FORM 51-102F1

Management’s Discussion & Analysis
for the 2nd Quarter Ended – July 31, 2018
(and containing information as of September 24, 2018)

Item 1: INTERIM MD&A

Introduction

Management’s Discussion and Analysis (“MD&A”) focuses on significant factors that affected Belmont Resources Inc.’s performance and factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the unaudited financial statements of the Company and the notes thereto for the period ended July 31, 2018 with comparatives to July 31, 2017; copies of which are filed on the SEDAR website: www.sedar.com.

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s financial statements and the MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation.

Forward-Looking Statements

This MD&A contains “forward-looking information” and “forward-looking statements” which include, but are not limited to, statements or information concerning the future financial or operating performance of Belmont Resources Inc. and its business. Forward-looking statements are projections of events, revenues, income, future economic performance or management’s plan and objective for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company’s business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; and government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions; fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgments regarding the direction of Belmont Resources Inc.’s business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements or conform these statements to actual results.

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources: This discussion may use the terms “measured resources” and “indicated resources”. The Company advises investors that while those terms are recognized and required by Canadian regulators, the U.S. Securities and Exchange Commission does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

NATURE OF BUSINESS:

Belmont Resources Inc. (the “Company”) was incorporated January 18, 1978 under the laws of the Province of British Columbia. The Company is listed on the TSX Venture Exchange as a Tier 2 mining exploration issuer, and is primarily engaged in the acquisition, exploration and development of resource properties. The shares of the Company trade on the TSX-V under the symbol “BEA”.

1.1 DATE: – SEPTEMBER 24, 2018

The following discussion and analysis was approved by the Directors of the Company and should be read in conjunction with the unaudited Financial Statements for the periods ended July 31, 2018 and 2017 and the accompanying notes thereto. All figures are in Canadian dollars unless otherwise noted.

1.2 OVERALL PERFORMANCE AND DEVELOPMENT:

(a) Crackingstone River (“CRR”) –Uranium City area, Northern Mining District, Northern Saskatchewan

On **April 11, 2006** the Company, Montoro and a non-related third party vendor entered into a property option agreement to acquire 100% interest (each as to 50%) in one Mineral Claim in northern Saskatchewan near Uranium City. The CRR claim comprises approx. 750 hectares.

On **April 5, 2007** the Companies acquired 100% interest (each as to 50%) in an additional 232-hectare claim adjoining the CRR from a non-related third party vendor for \$5,000 cash (\$2,500 each from the Company and Montoro).

From **2006 to 2008**, the Companies have completed the following exploration work in a number of successive programs:

- A NI 43-101 geological report dated **July 11, 2006**;
- An 87 km line-cutting program consisting of establishing grid lines and a Mag/VLF-EM ground geophysical survey over the 750 ha Crackingstone claim –**February 2007**;
- Channel (278) and grab (12) sampling program from 18 of 32 known uranium showings with samples assaying over 0.58% up to a high of 1.24% U₃O₈ –**August-October 2007**
- Radon Gas survey covering approx. 4.65 km at 50 meter sample intervals (93 samples), around the intersection point of the Crackingstone and Boom Lake faults –**August-October 2007**.
- MPX Geophysics Ltd. conducted 1,391 km of helicopter airborne magnetic and radiometric survey - 100 meter flight line spacing – **October 2007**
- A 20-hole diamond drill program totaling 3,075 meters, confirming the presence of uranium mineralization for a strike distance of 1800 meters. See news releases July 22, 2008, October 9 & 23, 2008, and November 6, 2008 on the Company website and SEDAR – **July – October 2008**

No significant exploration programs were conducted on the properties during 2009, 2010 and 2011. Assessment work completed has been filed with and accepted by the Saskatchewan Ministry of Energy and Resources. The claims have work credits available to keep the properties in good standing for the next 20+ years. During the year ended January 31, 2012, the Company assessed that impairment has occurred due to inactivity on the property. An impairment charge of \$534,832 has been recorded to record it at its recoverable amount, being the estimated fair value from the sale of the property interest. We estimated the fair value in relation to current estimates of consideration and historical property transfers in the area.

The technical portion of the above information has been reviewed and approved by Raymond A. Bernatchez, P. Eng., Consulting Geologist.

During the year ended January 31, 2013, the Company assessed the likelihood of funding exploration activities and the ability to attract a suitable joint venture partner to participate on its property as very low due to global concerns of uranium use and overall market conditions. Accordingly, the Company has charged an additional impairment of \$199,999 to the property reducing it to a nominal \$1.

(b) Orbit Lake, Uranium City area, Northern Mining District, Northern Saskatchewan

During **October 2006** the Company together with Montoro (50/50 J. V.) arranged the staking of three additional claim blocks totaling 11,109 hectares adjacent to and surrounding the Crackingstone claim block. See the Companies’ news release dated **October 24, 2006** and **March 26, 2007** as filed on SEDAR for more specific details on the merits of this staking area.

From 2006 to 2008, the Companies have completed the following exploration work:

- Additional grab and chip sampling conducted during the Crackingstone program abovementioned, conducted over 3 separate locations. 5 samples returned from 0.23% - 0.81% U₃O₈ near historical sampling conducted in 1951 which returned up to 2.88% U₃O₈. Two samples were taken from a showing which Orbit Uranium Development (1951) reported 21 small select grab samples containing veining pitchblende assaying from 2.42% to 22.12% U₃O₈. See further details in the February 1, 2008 news release as filed on SEDAR – **October 2007** program;
- The MPX Geophysics Ltd. helicopter airborne magnetic and radiometric survey abovementioned was conducted over the Crackingstone and Orbit claims –**October 2007**;
- Aeroquest Airborne magnetic/electromagnetic survey. Consisted of 1,391 line km's using the Aerotem IV system. Confirmed 19 electromagnetic conductors of which 6 have significant strike length from 1 to 3.5 km. Four of the conductors are coincident with significant radioactive zones detected in the 2007 airborne survey above, and historical showings –**April 2008**.

No exploration programs were conducted on the properties during 2009 and 2010. Assessment work completed has been filed with and accepted by the Saskatchewan Ministry of Energy and Resources. The Orbit claims have work credits available to keep the properties in good standing for the next 10+ years.

On September 22, 2011 the Company and Montoro announced they have returned to the Orbit-Crackingstone properties to conduct a further sampling program. The airborne radiometric surveys previously completed outlined several NE linear radiometric (U) anomalies. Three of the anomalies transect the property from the southwest corner at Orbit Bay to the northeast corner of the claim group at Orbit Lake. Further details of the objective of the sampling program and various locations being sampled can be reviewed in the news release as posted on the Company website and filed on SEDAR.

On December 5, 2011 the Company and Montoro announced the results of the sampling program, including numerous Rare Earth Elements encountered. Further details of the sample assay highlights can be reviewed in the news release on the Company website or as filed on SEDAR. The complete results of all the samples are posted in Tables 1-6 – titled '*2011 Sampling Program*' on the Crackingstone/Orbit property pages on the website.

The technical portion of the above information has been reviewed and approved by Raymond A. Bernatchez, P. Eng., and Consulting Geologist.

The Companies are pursuing other potential joint ventures to continue exploration on these properties.

During the year ended January 31, 2013, the Company recorded \$31,743 as impairment due to inactivity on this property and a write-down to a nominal value of \$1.

(c) Kibby Basin – Esmeralda County, Nevada-U.S.A.

On March 29, 2016 the Company entered into a Property Purchase Agreement (the "Agreement") with Zimtu Capital Corp. ("Zimtu") to acquire a 100% interest in the Kibby Basin Property (the "Property") located 65 km north of Clayton Valley, Nevada-U.S.A. Terms of the Agreement are:

- Pay to Zimtu the sum of \$25,000 as follows:
 - (i) \$5,000 upon signing of the Agreement (**paid**);
 - (ii) \$20,000 upon regulatory approval of the Agreement (**paid**).
- Issue 1,000,000 common shares of Belmont to Zimtu as follows:
 - 500,000 common shares upon regulatory approval (**issued**) and
 - 500,000 common shares at six months from regulatory approval (**issued**).

The Agreement is subject to a 1.5% NSR of which the Company has the right to purchase half (50%) from Zimtu, at any time for \$1,000,000

On **May 26, 2016** the Company the TSX Venture Exchange (the “Exchange”) has accepted for filing the Property Purchase Agreement (the “Agreement”) to acquire a 100% interest in the Kibby Basin Property (the ‘Property’) located 65 km north of Clayton Valley, Nevada-U.S.A.

In addition the Exchange has accepted for filing the NI 43-101 Technical Report dated May 26, 2016. Further information on the Technical Report can be reviewed as filed on SEDAR and on the Company’s website Project page at www.BelmontResources.com

On **June 10, 2016** the Company announced receipt of a Geophysical Review and Work Proposal Report from James L. Wright, M.Sc. of Wright Geophysics on the Kibby Basin Property. Further details of the report can be reviewed in the news release as filed on SEDAR and on the Company website.

On **June 23, 2016** the Company announced that Magee Geophysical Services LLC (“Magee”) of Reno, Nevada has completed the detailed gravity survey on the Kibby Basin property. The data has been forwarded to Wright Geophysics for interpretation.

On **July 5, 2016** the Company announced that Wright Geophysics Inc. has completed the three-dimensional interpretation of the gravity survey. The results of the survey are integrated with an earlier airborne magnetic survey completed by the USGS and reported upon by Wright (2016).

The detailed gravity survey confirms the large scale structural hypothesis of a pull-apart basin and also added considerable structural detail. A basin model is generated which reveals the basin to be on the order of 4000m deep with an east-west asymmetry, the east side being steeper than the west. This asymmetry is similar to the Clayton Valley basin as described by Zampirro (2003).

For further details review the news release on the Company website and as filed on www.SEDAR.com.

July 11, 2016. Further to recommendations of James Wright –Wright Geophysics and Mr. Hunsaker III, Consulting Geologist; the Company has arranging the staking of 213 x 20 acre additional placer mineral claims totaling approx. 4,260 acres (1,724 ha), increase the total Kibby Basin land position (the “Property”) to 6,820 acres (2,760 ha).

October 5, 2016 – Bob Cuffney recently visited the Kibby Basin property to review road access and locate drill sites for the proposed drilling program. While on site Mr. Cuffney flagged the various drill sites and collected ten (10) samples of the playa sediments for lithium assaying.

A Notice of Intent to drill up to 10 exploration holes has been submitted to the Bureau of Land Management (“BLM”) office in Tonopah, Nevada for review and approval.

October 27, 2016 – The Company reports that the lithium assay results as reported collected on October 5, 2016 above; were about what was to be expected for preliminary sampling of source rocks. The abundance of lithium in the continental crust is about 35 ppm Li, according to recent studies.

Some of the samples were as much as 2 times the crustal average with a high of 73.8 ppm Li. For further details, please review the news release as filed on www.Sedar.com and on the Company’s website.

November 9, 2016 - Belmont Resources Inc. and its wholly owned subsidiary, Belmont Nevada Inc.(“BNI”) is pleased to report that the BLM, Tonopah field office has completed its review of the Kibby Basin – Notice of Intent (“NOI”) to drill up to nine (9) holes (200-500 feet in depth).

November 21, 2016 – BNI is pleased to report that the BLM has issued its drilling permit for the Kibby Basin, Nevada project. The drill holes will require only minimal pad and access road construction, with a limited disturbance area of approximately 3.46 acres. A reclamation bond of \$10,245 USD has been posted.

On May 29, 2017 the Company reported that Harris Drilling completed the 1st Phase HQ (3.875”) core drilling program commencing Hole #1 on April 23, 2017. Hole KB-1c was drilled to a depth of 548 feet on the eastern basin-bounding fault, and Hole KB-2c was drilled to a depth of 1,498 feet in the playa, about 5000 feet southwest of Hole KB-1c.

June 27, 2017 – Further to the news release of May 29, 2017, Belmont confirms the presence of up to 200 ppm Lithium in Drill Core Samples on Kibby Basin Sediments.

Hole KB-2c was advanced in the playa (dry lake bed) area and encountered fine-grained clay-rich sediments: silts and muds punctuated by thin gravel intervals and some thicker fine-grained sand zones typical of playa lake sediments. Layers containing ground water were encountered at numerous depths. Core was logged, photographed, and sampled in the field and at Belmont's field office facility in Mina, NV. Samples of clay-rich core intervals were transported to ALS Labs in Sparks, NV for analysis. The Company was pleased with the core sample assays, ranging from 70 ppm to 200 ppm Li with 13 of 25 core samples assaying over 100 ppm Li; indicating that the sediments could be a potential source of lithium for the underlying aquifers.

Hole KB-1c targeted the approximate location of the basin-bounding fault as defined by a gravity survey, and was drilled east of the playa. The hole encountered unconsolidated alluvial sand and gravel deposits with minor occurrences of silt, clay, and water courses. Three samples of thin clay-rich zones in the gravels were analyzed for lithium, but were not anomalous (20-40 ppm) Li.

Further details of the drilling can be reviewed in the news release on the Company's website www.BelmontResources.com and as filed on SEDAR.

December 14, 2017 – Belmont reviews satellite data on the Kibby Basin and identifies significant anomalies. For further details review the full news release as filed on www.SEDAR.com and the Company's website.

January 16, 2018 – Belmont Secures Quantec Geoscience Limited ("Quantec"). Quantec of Toronto, Canada has been contracted and is mobilizing to be on site at Belmont's Kibby Basin property this week to commence the SPARTAN AMT/MT survey.

Quantec's SPARTAN AMT/MT is a full tensor magnetotelluric technology that acquires resistivity data in the 10kHz to 0.001Hz frequency band. The result is a measurement that is applicable from near-surface to potential depths of 3km or more.

March 1, 2018 - The Company received results of the MT survey. The survey and 3D inversion report clearly mapped a more conductive zone at many of the survey stations.

April 6, 2018 – The Company has initiated discussions with companies in the lithium extraction space that have requested samples from the Kibby Basin for testing our soils and brine. This is a very positive step in establishing the company's long term strategy.

April 18, 2018 – Belmont CEO/President Jim Place, P.Geo., has returned from Nevada where he met with the company's geologist, Bob Cuffney and other person's critical to the project, including a visit to the Kibby Basin Lithium brine property

Drill sites and proposed access roads were marked on the ground and surveyed in order to provide information for BLM inspection and permit approval. Several surface samples of the playa soils were taken at the same time to be shipped to a company that has developed technology to recover lithium from soils and has asked Belmont to allow them to evaluate the Kibby materials.

While in Carson City, Nevada the Belmont team had a very informative and productive meeting with senior Administrators and Program Managers with the State of Nevada Commission on Mineral Resources, Division of Minerals who presented the new dissolved mineral regulations and exploration well drilling rule changes as well as the process for water rights application. The information received during this meeting will significantly streamline Belmont's permitting process for the next phase of exploration.

Belmont has submitted the NOI application for test hole drilling at Kibby to the US Bureau of Land Management (BLM) office in Tonapah, Nevada.

Place and Cuffney also met with a drilling contractor to discuss specialized methods of drilling and sampling for the up-coming work at Kibby. In order to comply with recently adopted State of Nevada requirements Belmont is pleased that the drilling contractor selected has on staff, State licenced well drillers who will be on location at all times that work is carried out.

April 30, 2018 – The Company has entered into a consultanting contract with Nevada Water Solutions LLC (NWS) of Reno to file for water rights to support future potential groundwater (brine) development for the extraction of lithium in the Monte Cristo Valley Groundwater Basin in Esmeralda County, Nevada. The permit application will cover Belmont’s Kibby Basin property.

The initial application has been filed to establish a priority date in Belmont’s favor. These approvals will represent a significant investment and component in the operation and possible expansion plans of Belmont in Kibby Basin.

As per previous news releases, Belmont is planning on drilling mineral exploration holes in the basin and, as part of this program may wish to drill and develop up to two new wells for the project.

May 23, 2018 - Belmont Resources Inc.’s wholly owned subsidiary, Belmont Nevada Inc. reported that the United States Department of the Interior Bureau of Land Management (BLM), Tonopah field office has completed its review of our Notice of Intent to Conduct Exploration (NOI) for the Kibby Basin Lithium Project. This confirms the evaluation and acceptance of the Company’s plans to carry out exploration drilling plus water well installation and testing. Bonding funds have been arranged and already delivered to the BLM office in Reno.

June 14, 2018 - Permit applications for the Notices of Intent to drill ‘Exploration boreholes’ in the Kibby Basin have been submitted to the Manager of the Dissolved Minerals Program of the Nevada Division of Minerals on behalf of Belmont Nevada Inc. by the company’s consulting geologist, Bob Cuffney. Boreholes may be converted to ‘Exploration Wells’ for testing of brine aquifers, upon successful completion of the boreholes.

June 20, 2018 - The Company is in receipt of the borehole drill permits for its proposed exploration drill holes on its Kibby Basin, Nevada property.

July 13, 2018 – The Company has entered into a Property Option Agreement with MGX Minerals Inc. (“MGX”) to acquire an initial 25% interest in return for exploration funding of up to \$300,000 for drilling and testing the first deep hole in the anomaly indicated in the MT Survey. MGX can obtain an additional 25% (total 50%) interest, by funding a further \$300,000 in the drilling of a second deep test hole into the anomaly.

Also included in the Agreement is the provision of \$200,000 by MGX in the form of a non-brokered private placement for 4 million units of Belmont (the ‘Units’) at a price of \$0.05 per Unit. Each Unit will consist of one common share of Belmont and one transferable share purchase warrant (a ‘Warrant’). Each whole warrant will permit the holder to acquire one additional share of the Company at a price of \$0.08 in the first year and at \$0.10 in the second year after closing.

Additionally MGX will be granted warrants to purchase up to 10 million shares of Belmont, at a price of \$0.20 per share, exercisable for a period three (3) years following Exchange approval of all filings required to be made in respect of this Agreement. Further details of the agreement can be reviewed in the news release as filed on SEDAR and posted on the Company website.

July 26, 2018 – The Company engaged Harris Exploration Drilling and Associates Inc. (“Harris Drilling”), a California company, to mobilize equipment and to commence drilling with an anticipated start date of July 28, 2018. Further details of the proposed drilling and drilling equipment being mobilized can be reviewed in the news release as filed on SEDAR and posted on the Company website.

See Subsequent Event Notes Section 1.14 (C) (ii) following for further updates.

(d) Mid Corner/Johnson Croft Property, northwest of Saint John, New Brunswick

November 21, 2017 - Belmont Resources Inc. announced that that entered into a Purchase Agreement (the “MC Agreement”) to acquire up to 100% interest in the Mid Corner/Johnson Croft Property (the “MC Property”) northwest of Saint John, New Brunswick. Under the MC agreement, the Company is required to make the following payments under two options:

Option One

In consideration for a 80% interest in the MC Property, the Company will make the following payments:

- Issue 1,500,000 common shares (issued 1,500,000 common shares with a fair value of \$67,500); and
- \$10,000 (paid \$3,500). The Company requested extension on the balance of \$6,500 due May 28, 2018 and has not been served a notice of default.

Option Two

As the option of the Company, the Company may acquire additional 20% interest in the MC property by making the following payments:

- Issue 500,000 common shares by November 21, 2018; subject to the Company obtaining a report prepared by a person who is a “qualified person” for the purposes of National Instrument 43-101 recommending exploration expenditures aggregating not less than \$50,000 on an exploration program on the MC property.

1.3 SELECTED ANNUAL INFORMATION:

The following table sets forth selected audited financial information of Belmont Resources Inc. for the last three completed financial years.

	<i>FISCAL YEARS ENDED</i>		
	January 31, 2018	January 31, 2017	January 31, 2016
Net Sales or Total Revenues	(\$Nil)	(\$Nil)	(\$Nil)
Total Comprehensive (Loss)	*(\$647,425)	**(\$615,269)	***(\$515,034)
Loss Per Share	(\$0.01)	(\$0.02)	(\$0.03)
Total Assets	\$855,574	\$297,134	\$80,991
Total long-term financial liabilities	\$Nil	\$89,514	\$Nil
Cash dividends declared per share	\$Nil	\$Nil	\$Nil

***During the year-ended January 31, 2018** the Company recorded Bad debt recovery of \$32,993 and a Loss on Debt Settlement of \$3,700. Operating expenses during the year increased by \$181,755 over the previous twelve months ended January 31, 2017. The largest increases were in Travel & Promotion, and Salaries & Admin. services as the Company accrued the release and settlement payable to the former CEO/President.

**** During the year-ended January 31, 2017** the Company recorded Unrealized Gains on financial assets of \$2,554. Operating expenses during the year increased by \$222,787 over the previous twelve months ended January 31, 2016.

*****During the year-ended January 31, 2016** the Company recorded impairments of \$224,985. In addition the Company recorded a gain on disposal of marketable securities of \$3,740.

1.4 DISCUSSION OF OPERATIONS UP TO AND INCLUDING THE SIX MONTHS ENDED JULY 31, 2018:

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s MD&A is presented in Canadian dollars and is intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation. A significant part of the Company’s value is in Resource Property Interests relating to the Kibby Basin property in Nevada, USA.

For the six months ended July 31, 2018, the Company reported in its Statement of Comprehensive Loss a Total Comprehensive loss including other items of (\$505,227) compared to a Total Comprehensive loss of \$404,428 for the six months ended July 31, 2017. Total operating expenses before Other Items increased by **\$108,954 (27.07%)** for same comparable periods. **The majority of this increase is due to an increase in stock based payments recognized in the period.**

The Company has no producing properties, and consequently no sales or revenues.

Increases were in:

- Amortization increased to \$ 1,621 in 2018 (335 in 2017) due to asset additions in the previous year.
- Legal, Audit, and Accounting increased to \$37,963 (\$21,652 in 2017) due to further preparation and filing of additional private placement subscriptions, warrants exercising, preparation of property option agreements, and other legal filing requirements.
- Office and miscellaneous combined with Rent, Telephone and internet a marginal increase to \$15,181 in 2018 (\$13,178 in 2017).
- Transfer agent fees also increased to \$6,978 (\$6,838 in 2017) as a result of more share issuance activity relating to private placements, warrants & options exercising.
- Stock based payment expense **(a non-cash item)** increased to \$176,504 (\$5,542 in 2017) as a result of 4,725,000 options granted during the period.

Decreases were in:

- Consulting Fees were \$60,000 (\$81,612 in 2017) for review and recommendations of property acquisitions, new marketing proposals, advertising, and financing opportunities.
- Regulatory fees decreased marginally to \$11,608 in 2018 (\$13,185 in 2017).
- Shareholder Relations combined with Travel and promotion decreased to \$139,033 (\$181,287 in 2017). The Company presented at the Vancouver Resources Investment Conference (January 21-24, 2018 as well as the AMEBC Roundup immediately following); the PDAC in Toronto, Ontario (March 4-7, 2018); the Mines & Money-New York, U.S.A. (May 3-4, 2017); incurring costs of travel, accommodation and printing information for distribution. The main reason for the decrease is a delay in the renewal of the Zimtu Capital Corp. consulting agreement.
- Salaries and administrative services decreased to \$58,596 (\$66,542 in 2017).
- Loan interest and accretion was \$4,027 (\$11,756 in 2017), decreased as a result of the Company paying down three promissory note loans totaling \$105,000 from September 2016. A remaining \$35,000 from August 2017 is still outstanding with interest being paid in the amount of \$525 monthly. The loan and interest was paid out in August 2018

1.5 SUMMARY OF QUARTERLY RESULTS:

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	QUARTERS ENDED			
	July 31, 2018	April 30, 2018	January 31, 2018	October 31, 2017
Total Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net (Loss) Gain	*(\$270,851)	**(\$235,396)	***(\$189,839)	****(\$52,346)
(Loss) per Share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)

	July 31, 2017	April 30, 2017	January 31, 2017	October 31, 2016
Total Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net (Loss) Gain	*(\$213,185)	**(\$189,430)	***(\$231,367)	****(\$126,436)
(Loss) per Share	(\$0.00)	(\$0.00)	(\$0.005)	(\$0.005)

*The major difference in the second quarter ended July 31, 2018 compared with July 31, 2017 was recognition of stock based payment expense of \$108,321.

** The major difference in the first quarter ended April 30, 2018 compared with April 30, 2017 was recognition of stock based payment of \$68,183 and travel and promotion costs of \$84,017.

***The major difference in the year ended January 31, 2018 compared with January 31, 2017 was in the Bad debt recovery of \$32,993 compared to a expense of \$120,703 in the prior year fourth quarter).

****The major differences in the third quarter ended October 31, 2017 compared with October 31, 2016 was in travel, promotion and shareholder relations expense of \$12,534 (\$34,207 - 2016) and recovery of bad debt of \$15,278 (\$nil – 2016).

1.6 LIQUIDITY:

At July 31, 2018 the Company had working capital of \$286,408 compared to January 31, 2018 working capital deficiency of \$245,877. The Company expended \$430,849 on operating activities during the period ending July 31, 2018. The Company raised gross proceeds of \$1,057,600 through the issuance of securities during the quarter ended July 31, 2018; through private placements and the exercise of warrants and options. The Company has sufficient working capital to continue administrative operations and to provide care and maintenance on its mineral properties, and anticipates additional warrants being exercised to raise further financing in order to continue developing its properties.

1.7 CAPITAL RESOURCES:

The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company obtains financing by the issuance of share capital or from the disposition of its mineral prospects. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing in the near future may result in the delay of exploration on new acquisitions.

During the first quarter ended April 30, 2018 the following share issuances occurred to raise share capital:

- **February 28, 2018** – 200,000 common share stock options were exercised at \$0.05 for gross proceeds of \$10,000.
- **March 8, 2018** – The Company issued 2,800,000 units (the “Units”) at a price of \$0.04 per Unit for gross proceeds of \$112,000. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a “Warrant”). Each whole Warrant will permit the holder to acquire one additional share of the Company at a price of \$0.05 for two years (up to March 8, 2020). Five (5) placees participated.

The Common Shares and Warrants have been issued having a hold period until July 9, 2018.

- **March 16, 2018** – 1,000,000 common share stock options were exercised at \$0.06 for gross proceeds of \$60,000.
- **March 19, 2018** – 200,000 common share stock options were exercised at \$0.05 for gross proceeds of \$10,000.
- **March 21, 2018** - The Company issued 2,800,000 units (the “Units”) at a price of \$0.05 per Unit for gross proceeds of \$140,000. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a “Warrant”). Each whole Warrant will permit the holder to acquire one additional share of the Company at a price of \$0.05 for two years (up to March 21, 2020). Three (3) placees participated.

The Common Shares and Warrants have been issued having a hold period until July 22, 2018. No finder's fee was payable.

- **April 5, 2018** – The Company advises that it has now issued a further 1,160,000 units (the “Units”) at a price of \$0.05 per Unit for gross proceeds of \$58,000. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a “Warrant”). Each whole Warrant will permit the holder to acquire one additional share of the Company at a price of \$0.06 for two years (up to April 5, 2020).

The Common Shares and Warrants have been issued having a hold period until August 6, 2018. No finder's fee was payable.

- **April 16, 2018** – 200,000 Warrants were exercised at \$0.05 for gross proceeds of \$10,000.

During the second quarter ended July 31, 2018 the following share issuances occurred to raise share capital:

- **June 12 through to July 31, 2018** – The Company issued:
-800,000 common shares at \$0.05 from the exercising of options for gross receipts of \$40,000;

-3,148,000 common shares at \$0.05 from the exercising of warrants for receipts of \$157,400;
 -1,420,000 common shares at \$0.06 from the exercising of warrants for receipts of \$85,200

- July 23, 2018 – issued 7.5 million Units at a price of \$0.05 for gross proceeds of \$375,000. Each unit consisted of one common share of the Company and one transferable share purchase warrant (a “Warrant”). Each whole Warrant will permit the holder to acquire one additional share of the Company at a price of \$0.08 until July 23, 2019; and after July 23, 2019 at a price of \$0.10 until July 23, 2020. The common shares and warrants have a hold period until November 24, 2018.

See Subsequent Event Notes Section 1.14 (C) (i) following for further details of financial matters.

1.8 OFF-BALANCE SHEET ARRANGEMENTS:

The Company has no other long-term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no undisclosed off-Balance Sheet Arrangements.

1.9 TRANSACTIONS BETWEEN RELATED PARTIES:

The Company entered into the following transactions with and had balances due to and from related parties as at the period ended July 31, 2018 (with comparative to July 31, 2017) as follows:

Transactions between related parties during the periods are summarized below:

- Salaries and benefits \$30,000 in 2018 (\$31,529 in 2017)
- Management fees \$30,000 in 2018 (\$30,000 in 2017)
- Rent recovery¹ 28,200 in 2018 (\$28,200 in 2017)
- Office supplies and administrative services recovery¹ \$6,840 in 2018 (\$6,840 in 2017)

¹ In the normal course of operations, the Company shares administrative, staff, occupancy and management costs with a group of related companies (International Montoro Resources Inc. and Highbank Resources Ltd.).

Effective September 1, 2012 the Company signed an Amended Office Services Agreement with the Chief Financial Officer increasing his salary from \$4,000 per month to \$5,000 per month for a further two year term. This was automatically renewed for an additional two year term.

The Company entered into a settlement agreement with the Company’s Chief Executive Officer who retired as of January 31, 2018. The compensation includes one-time severance payment of \$60,000 as well as a bonus of 10% of any award the Company receives from the legal action against the Slovak Republic within the next five years up to a maximum of \$300,000.

Effective February 1, 2018, the Company entered into a Management Services agreement with Geomorph Consulting, a company owned by the Company’s new Chief Executive Officer, for a monthly fee of \$5,000 for a term of two years.

(i) Amounts due from related parties at the period ended July 31, 2018:

- Companies with directors and officers in common \$97,107 in 2018 (\$35,040 in 2017). During the year ended January 31, 2017, the Company recorded a bad debt expense of \$120,703 in connection of impairments of the balances due from the companies with common directors and officers.

(ii) Amounts due to related parties at the period ended July 31, 2018 were:

- A total of \$197,500 is due to officers and directors of the Company for management fees, salaries and expenses incurred; compared to \$134,800 as at July 31, 2017. A total of \$1,313 is due to a company with common directors for expenses.

Related party transactions have been recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to and from related parties are non-interest bearing, unsecured, and have no specified terms of repayment.

1.10 PROPOSED TRANSACTIONS/COMMITMENTS:

- (i) **On September 17, 2015** the Company negotiated an office lease renewal for a five year period expiring November 30, 2020 (the “Fifth Renewal Term”), at a basic rent increase from \$3,029 to \$3,228.75 per month until November 30, 2017; \$3,382.50 from December 1, 2017 to November 30, 2019; and \$3,536.25 from December 1, 2019 to November 30, 2020.

All other terms of the Fifth Renewal Term remain the same as per the original lease and the new rates become **effective December 1, 2015**. However, the Company shall not be responsible for the payment of Basis Rent for the 1st, 13th, 25th, 37th, 38th, 49th and 50th months of the extension terms, being December 2015, December 2016, December 2017, December 2018, January 2019, December 2019 and January 2020 (the “Basic Rent Free Period”).

The Company is committed to paying its proportionate share of all property taxes, operating costs and other charges as outlined in the lease agreement. These costs are estimated to total \$2,736 per month.

- (ii) **On March 5, 2014** the Company and EuroGas, Inc. entered into a Funding Agreement with La Francaise IC FUND, SICAV-FIS (the “fund”) regarding EuroGas, Inc. and the Company claims against the Slovak Republic. The Parties specifically agree that the Fund shall finance a joint Arbitration proceeding before International Arbitration (“ICSID”). The Funding Agreement defines the terms and conditions under which EuroGas and the Company, with the assistance of the Fund, will pursue the Claim in the framework of ICSID and/or settlement negotiations with the Slovak Republic.

The Company and EuroGas, Inc. have also agreed that subject to TSX Venture Exchange (“TSXV”) approval, Belmont shall grant to EuroGas 1,400,000 share purchase warrants (the “Warrants”) and each, a “Warrant”) exercisable at the price of \$0.12 per share, whereby upon the occurrence of both: (1) an award or settlement in favour of EuroGas in relation to the ICSID Arbitration; and (2) Belmont’s entitlement to a portion of the award or settlement (net of legal fees and financial charges which EuroGas will incur and in addition to the amounts owing to the Company in relation to the share purchase agreement between the parties for the purchase of Rozmin, or \$810,000 USD. Also, as consideration for the Company assisting EuroGas in the ICSID Arbitration against the Slovak Republic and for the granting of the Warrants, EuroGas will pay to Belmont an undivided 3.5% interest in any award or settlement received from the ICSID Arbitration by EuroGas (net only of the legal fees and financial charges which EuroGas will incur) with respect to the ICSID Arbitration.

On March 7, 2014 the TSX Venture Exchange (the “TSXV”) accepted for filing an amended and restated agreement dated November 18, 2013, and amended February 21, 2014, between EuroGas Inc., Rozmin s.r.o. and Belmont Resources Inc. whereby Belmont will grant to EuroGas 1.4 million non-transferable share purchase warrants that are exercisable into common shares for a period of five years at the price of \$0.12 per share.

April 10, 2017- The Company and EuroGas retained a law firm in France, under a legal retainer and funding arrangement (the “Funding Agreement”); to pursue legal action by filing a claim for damages against the Slovak Republic through the International Centre for Settlement of Investment Disputes (ICSID). As reported on a United Nations website (see: <http://investmentpolicyhub.unctad.org/ISDS/Details/594>) the summary of Case No. ARB/14/14 is as follows: Claims arising out of the revocation of claimants’ exclusive rights for mining activities at the Gemerska Poloma talc deposit allegedly without compensation, despite three decision of Slovakia’s Supreme Court declaring such action illegal. Pursuant to such Funding Agreement, the Company terminated its agreement with EuroGas to receive 3.5% of any final award, subject to legal fees and financing charges.

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% holdings in Rozmin S.R.O.; subject to legal fees incurred, financing and associated payments, and other necessary adjustments and deductions.

August 22, 2017 - The Company has been informed of the decision by the Tribunal of the International Centre for Settlement of Investment Disputes (ICSID) in reviewing the dispute involving the Company, EuroGas Inc. (“EuroGas”), and the Slovak Republic in connection with Rozmin S.R.O. and its ownership of the Gemerska

Poloma talc deposit. The Tribunal, comprised of 3 members, in a majority decision with one (1) member dissenting, has declined to accept jurisdiction for the review and determination of the dispute on technical grounds related to the inter-jurisdictional treaty between Canada and Slovakia. The Company is very disappointed given the length of time, effort and expense incurred by all parties that were seeking a proper determination of the dispute itself and is in discussion with its legal counsel in regards to a judicial review of the Tribunal's decision to decline jurisdiction.

November 21, 2017 - the Company engaged its legal counsel to pursue annulment proceedings against the August 18, 2017 decision. The annulment application has been submitted and is pending review.

1.11 CRITICAL ACCOUNTING ESTIMATES:

Our financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, the fair value of investments and share-based compensation, and the recoverability of future income tax assets. Financial results as determined by actual events could differ materially from those estimates.

Risk management:

The Company's mineral property holdings and exploration activities create potential exposure to environmental liabilities, including site reclamation. The Company is currently in the initial exploration stages on its United States property interests and management has not determined whether significant site reclamation costs will be required. The Company records liability for site reclamation when determinable on a systematic accrual basis in the period in which such costs can be reasonably determined.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. Due to current economic conditions in capital markets the Company has a high risk associated with liquidity. The Company does not hold complex financial instruments or significant long-term assets.

1.12 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after February 1, 2018 or later periods.

The Company has adopted the following new and revised accounting pronouncements.

New standard IFRS 9 "Financial Instruments" - This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company adopted this standard February 1, 2018 and does not expect the implementation of IFRS 9 to have a material impact on the accounting for its financial assets.

New standard IFRS 15 "Revenue from Contracts with Customers" - This new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 was adopted by the Company on February 1, 2018. Overall, the Company does not expect the implementation of IFRS 15 to have a significant impact on its revenue or have any impact on its consolidated financial statements.

Accounting standard issued and not yet adopted

New standard IFRS 16 "Leases" - This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet

accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Overall, the Company does not expect the implementation of IFRS 17 to have a significant impact to profit or loss. The Company continues to assess the impact of the disclosure requirements under IFRS on the Company's consolidated financial statements.

1.13 FINANCIAL AND OTHER INSTRUMENTS:

The Company's financial instruments consist of cash, marketable securities, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

1.14 OTHER MD&A REQUIREMENTS:

Additional information relating to the Company's operations and activities can be found by visiting the Company's website www.BelmontResources.com as well as numerous news releases and NI 43-101 reports filed on SEDAR at www.sedar.com

April 28, 2017 - DTC Eligible:

Belmont Resources Inc. has been made eligible for book-entry delivery and depository services of the Depository Trust Company (DTC) to facilitate electronic settlement and transfer of its common shares on the U.S. stock exchange OTC.

The Depository Trust Company is one of the world's largest securities depositories. While there is no requirement that any security be held at DTC to trade, many brokerage firms and issuers want to take advantage of the efficiencies and cost benefits that DTC offers.

Once a security becomes eligible, DTC, through its nominee Cede & Co., is the registered holder of the securities, routinely managing the electronic, book-entry transfers of interests in securities among participants.

This electronic method of clearing securities accelerates the receipt of stock and cash, and thus streamlines the settlement process for investors and brokers, enabling the stock to be traded over a much wider selection of brokerage firms by coming into compliance with their requirements.

On **January 31, 2018** Vojtech Agyagos retired as CEO/President, and remains as Chairman of the Board of Directors. James H. Place, P.Geo was appointed CEO/President and Director. The Company entered into a management agreement with a company wholly owned by Mr. Place for a monthly fee of \$5,000 per month effective February 1, 2018.

July 16, 2018 - The Annual General Meeting ("AGM") of Belmont Resources Inc. was held and at the meeting the shareholders re-elected Vojtech Agyagos, Gary Musil, Roger Agyagos, and newly elected James H. Place for the upcoming year. Dusan Berka did not stand for re-election. The scrutineer reported that there were a total of 12 shareholders holding 5,335,218 common shares represented in person or by proxy at the meeting. This represents 7.62% of the total 69,927,620 shares issued and outstanding at record date.

On a show of hands, the Chairman declared that the shareholders ratified the election of directors for all nominees listed until the next annual meeting of shareholders or until their successors are duly elected or appointed. Other resolutions submitted by management to shareholders for consideration were approved as presented, including the approval of the Company's Stock Option Plan as summarized in the Information Circular.

At the Directors Meeting following the AGM; the directors appointed James H. Place as President/Chief Executive Officer, and Gary Musil as Corporate Secretary/Chief Financial Officer. The Audit Committee appointees are: Gary Musil, Roger Agyagos & Vojtech Agyagos. The Board of Directors would like to thank Dusan Berka for the past 3 years of support and service as a Director.

Stock Option Plan – Rolling:

On July 17, 2018 the TSX Venture Exchange accepted for filing the Company’s annual renewal of its Rolling 10% Stock Option Plan (the “Plan”) for 2018, which was approved by the Company’s shareholders at its AGM that was held on July 16, 2018.

Shareholder and Investor Relations:

On **March 29, 2016** the Company entered into an Investor Relations Agreement (“IR Agreement”) with 360 Aviation Services Inc. (“360”) of Vancouver, B.C. to conduct investor relations on behalf of the Company for a six month contact. Compensation to 360 will be Cdn. \$2,500 + GST per month for the first six months and increased to \$3,500 per month upon a negotiated renewal. 360 will also be granted an option to purchase 150,000 common shares, exercisable at the price of \$0.05 for three years. The stock option granted will be in accordance with the Company’s Stock Option Plan, will have the required four (4) month hold period, and will have vesting provisions attached. The transaction is subject to the approval of the TSX Venture Exchange (the “Exchange”)

On **April 14, 2016** the Exchange accepted for filing the IR Agreement dated March 29, 2016 between the Company and 360. In addition to the above mentioned remuneration, the Exchange acknowledges that 360 had been granted 150,000 incentive stock options.

October 31 – November 4, 2016 – Mr. Gary Musil, CFO/Director of Belmont joined Zimtu Capital Corp. along with several other Zimtu associated companies on its European roadtrip. Mr. Musil was networking with industry experts and financial analyst in Geneva & Zurich –Switzerland, and Frankfurt –Germany; as well as showcasing the Company for the final two days at the International Precious Metals & Commodities (Edelmetall & Rohstoffmesse) Show in Munich – see <http://www.zimtu.com/s/Roadtrip.asp>

On May 3 & 4, 2017 the Company presented its Kibby Basin, Nevada-lithium project at Mines & Money – New York, U.S.A.

On May 17, 2017 the Company presented its Kibby Basin, Nevada-lithium project at a Luncheon held at Zimtu Capital Corp’s, (“Zimtu”) head office, to interested shareholders and investors.

On May 28 & 29, 2017 the Company again presented its Kibby Basin, Nevada-lithium project with Zimtu at the International Metal Writers Conference in Vancouver, B.C., Canada.

On **January 3, 2018** the Company signed a one year Client Services Agreement with Stockhouse Publishing Ltd. to provide dissemination of Company news releases through their news links, ticker targeting ads, bullboard news spotlights and other associated social media marketing.

On **January 21-24, 2018** the Company presented at the annual Vancouver Resources Investment Conference, and the AME BC Roundup.

On March 4-7, 2018 the Company presented at the annual Prospectors & Developers Conference (PDAC) in Toronto, Ontario.

On April 3, 2018 the Company signed a one year Services Agreement with Dig Media Inc. DBA Investing News Network (“INN”). INN provides an investor marketing and lead generation campaign on Lithium Investing News, Energy Investing News, and Resource Investing News.

On May 15 and 16, 2018 – The Company presented at the International Investment Conference in Vancouver, BC.

Other:

May 17, 2018 – The Company appointed Ian Graham, B.Sc. (Geology) to its Advisory Board. Mr. Graham is an accomplished mining executive with over 20 years of international experience exploring for and developing mineral deposits. He has spent over half of his career working for major mining companies, including roles at Rio Tinto and Anglo American. Mr. Graham possesses industrial minerals experience and is well known for his successes within the diamond sector.

See Subsequent Event Notes Section 1.14 (c) (ii) for further information.

A. Authorized and Issued Share Capital as at September 24, 2018:

Authorized: Unlimited common shares without par value.

Issued and outstanding: **85,465,620 common shares post-consolidated, (November 8, 2011 – Consolidated 8 old for 1 new).**

B. Options, Warrants & Convertible Securities Outstanding as at September 24, 2018:

The following options, warrants, and convertible securities were outstanding:

<u>Options Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
150,000	\$0.05	March 29, 2019
750,000	\$0.08	June 22, 2019
500,000	\$0.08	November 17, 2019
800,000	\$0.06	March 9, 2021
600,000	\$0.05	May 17, 2021
1,925,000	\$0.06	July 9, 2021
600,000	\$0.05	September 11, 2021
5,325,000		

-During the 1st quarter-ended April 30, 2018 – 1,400,000 options were exercised.

-During the 2nd quarter-ended July 31, 2018 – 800,000 options were exercised

<u>Warrants Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
4,409,267	\$0.05	December 8, 2018
2,170,000	\$0.06	February 22, 2019
1,042,000	\$0.10	February 22, 2019
2,140,000	\$0.06	March 1, 2019
170,000	\$0.10	March 1, 2019
1,400,000	\$0.12	March 7, 2019
2,000,000	\$0.06	March 15, 2019
4,000,000	\$0.06	June 27, 2019
2,600,000	\$0.05	March 8, 2020
2,800,000	\$0.06	March 21, 2020
1,160,000	\$0.06	April 5, 2020
7,500,000	\$0.08	July 23, 2019
	\$0.10	July 23, 2020
10,000,000	\$0.20	August 24, 2021
41,391,267		

-During the 1st quarter-ended April 30, 2018 – 200,000 warrants were exercised at \$0.05 per share.

-During the 2nd quarter-ended July 31, 2018 - 3,148,000 warrants were exercised at \$0.05 per share;
- 1,420,000 warrants were exercised at \$0.06 per share.

C. Subsequent Events following July 31, 2018 to September 24, 2018:**Other Transactions and News Releases:****(i) Share Capital Transactions:****Financings:**

- **August 1, 2018** – 300,000 options were exercised at a price of \$0.05 for gross proceeds of \$15,000.
- **August 2, 2018** – 740,000 warrants were exercised at a price of \$0.05 for gross proceeds of \$37,000.
- **August 7, 2018** - 100,000 warrants were exercised at a price of \$0.05 for gross proceeds of \$5,000.

- **August 8, 2018** – 380,000 warrants were exercised at a price of \$0.05 for gross proceeds of \$19,000.
- **August 21, 2018** – 350,000 warrants were exercised at a price of \$0.05 for gross proceeds of \$17,500.
- **August 21, 2018** – 500,000 warrants were exercised at a price of \$0.06 for gross proceeds of \$30,000.
- **September 4, 2018** – 300,000 options were exercised at a price of \$0.05 for gross proceeds of \$15,000.
- **September 13, 2018** – 1,000,000 warrants were exercised at a price of \$0.05 for proceeds of \$50,000.
- **September 17, 2018** – 300,000 warrants were exercised at a price of \$0.05 for proceeds of \$15,000.
- **September 17, 2018** – 120,000 warrants were exercised at a price of \$0.06 for proceeds of \$7,200.
- **September 20, 2018** – 541,000 warrants were exercised at a price of \$0.05 for proceeds of \$27,050.

Options:

- **September 10, 2018** – 600,000 options exercisable at a price of \$0.05 expired unexercised.
- **September 11, 2018** – 600,000 options were granted at a price of \$0.05 expiring September 11, 2021.

Warrants:

- **August 24, 2018** – 10,000,000 warrants were issued at a price of \$0.20 expiring August 24, 2021.

(ii) News Releases and other Transactions:

- **August 2, 2018** – Harris Exploration Drilling and Associates commenced drilling on the Kibby Basin property.
- **August 7, 2018** - Belmont enters into a one year Consulting Agreement with Zimtu Capital Corp. (“Zimtu”). Zimtu administers a cooperative marketing opportunity generation program, including the provision of limited strategic services, on a cost-sharing basis. Further details of the services being provided by Zimtu are included in the news release as filed on SEDAR and on the Company website.
- **August 24, 2018** – The TSX Venture Exchange accepted for filing the property option agreement between Belmont and MGX Minerals Inc. dated July 12, 2018 as previously described in detail in Section 1.2 (c) – Kibby Basin property.
- **August 27, 2018** – Belmont encounters multiple brine prospective layers in drilling KB-3 to 1798 feet in the Kibby Basin, Nevada lithium project. Further details of the drilling update are included in the news release as filed on SEDAR and on the Company website.

D. Evaluation of Disclosure Controls and Procedures

An internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company operates with a small executive board and internal staff. Accordingly, lack of segregation of duties is an identified internal control weakness. There have been no significant changes in the Company’s system of internal financial controls over the past year.

The Company’s interim and annual filings and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

E. Corporate Governance Disclosure

The Company has submitted to its members and shareholders details in the Information Circular dated **June 16, 2017** Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company’s business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company’s internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by

applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Company's Information Circular can be reviewed on www.Sedar.com

F. Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

The Company has no producing properties, no significant sources of operating cash flows and consequently no sales or revenues from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Property interests in whom the Company owns are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

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 major banks that are 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's functional currency is the Canadian dollar. There is minimal foreign exchange risk to the Company as its mineral property interests are located in Canada.

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 can be no assurance of continued access to significant equity funding. The Company has a working capital deficiency of \$96,559 as at April 30, 2018, and as discussed in Note 1: Going Concern, will require additional funding for ongoing operations and exploration.

Price Risk:

The Company is exposed to price risk in relation to its listed marketable securities held. A 10% change in the market would result in a change of approximately \$345 to comprehensive loss. Management regularly reviews the expected returns from holding such investment on an individual basis.

BELMONT RESOURCES INC.

CORPORATE DATA

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Gary Musil, Secretary/CFO/Director
Vojtech Agyagos, Director
Roger Agyagos, Director

Registrar and Transfer Agent

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Listing

TSX Venture Exchange
Symbol: **BEA**
Frankfurt Stock Exchange
Symbol: **L3L1**