



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 2019
(Unaudited – Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Pure Energy Minerals Limited have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the six months ended December 31, 2019 have not been reviewed or audited by the Company's independent auditors.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
ASSETS			
CURRENT			
Cash		\$ 368,972	\$ 683,774
GST receivable		3,119	11,872
Amounts receivable		31,900	19,631
Prepaid expenses		25,176	33,963
		429,167	749,240
Property and equipment		1,690	2,253
Reclamation bond	5	142,673	143,761
Exploration and evaluation assets	5	34,263,743	34,271,235
TOTAL ASSETS		\$ 34,837,273	\$ 35,166,489
LIABILITIES			
CURRENT			
Accounts payable	6	\$ 59,795	\$ 201,365
Accrued liabilities	6	98,605	114,171
Asset retirement obligation	5	142,673	143,761
		301,073	459,297
SHAREHOLDERS' EQUITY			
Share capital	8	58,044,976	57,981,094
Reserves	8	4,362,205	5,429,713
Accumulated other comprehensive income		24,857	28,535
Deficit		(27,895,838)	(28,732,150)
TOTAL SHAREHOLDERS' EQUITY		34,536,200	34,707,192
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 34,837,273	\$ 35,166,489

Nature of Business and Going Concern (note 1)

Subsequent Events (note 8)

Approved and authorized for issue on behalf of the Board on February 24, 2020

"Frank Wells"
 Director

"Mary Little"
 Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited – Expressed in Canadian dollars)

	Notes	Three months ended December 31, 2019	Three months ended December 31, 2018	Six months ended December 31, 2019	Six months ended December 31, 2018
EXPENSES					
Amortization		\$ 281	\$ 281	\$ 563	\$ 563
Bank charges and interest		339	18,587	552	23,363
Business development		-	-	-	9,889
Consulting		184	3,201	3,881	13,007
Investor relations		455	5,597	1,130	58,374
Management fees and salaries	6	53,092	116,539	152,419	291,150
Office and rent		13,122	11,178	22,283	49,824
Professional fees		44,769	75,321	82,468	158,596
Project evaluation		2,654	107	2,670	157
Share based compensation	6, 7	-	28,287	-	114,730
Transfer agent and filing fees		8,443	25,676	15,935	32,701
Travel		-	7,736	-	18,713
LOSS BEFORE OTHER ITEM		(123,339)	(292,510)	(281,901)	(771,067)
OTHER ITEM:					
Accretion		-	(16,693)	-	(24,002)
Change in value of derivative liability		-	106,048	-	57,853
Gain on extinguishment of debt		-	-	53,097	-
Foreign exchange gain (loss)		(5,839)	(18,020)	(2,392)	(19,016)
TOTAL OTHER ITEM		(5,839)	71,335	50,705	(14,835)
NET LOSS FOR THE PERIOD		\$ (129,178)	\$ (221,175)	\$ (231,196)	\$ (756,232)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified subsequently to loss for the period					
Foreign currency translation adjustment		\$ (15,519)	\$ (6,954)	\$ (3,678)	\$ (9,963)
COMPREHENSIVE LOSS FOR THE PERIOD		\$ (144,697)	\$ (228,129)	\$ (234,874)	\$ (766,195)
Loss per share, basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding					
		191,593,206	148,912,067	191,553,311	148,502,442

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian dollars)

	Share capital		Reserves	Accumulated Other Comprehensive Income		Deficit	Total Shareholders' Equity
	Number of Common Shares without Par Value	Amount					
Balance, June 30, 2018	146,597,551	\$ 54,684,409	\$ 5,667,313	\$ 36,900	\$ (28,055,247)	\$	32,333,375
Shares issued for property acquisition	2,750,000	403,750	-	-	-		403,750
Share-based compensation	-	-	114,730	-	-		114,730
Reclassification of fair value of expired/cancelled stock options	-	-	(107,056)	-	107,056		-
Net loss and comprehensive loss for the period	-	-	-	(9,963)	(756,232)		(766,195)
Balance, December 31, 2018	149,347,551	55,088,159	5,674,987	26,937	(28,704,423)		32,085,660
Shares issued for property acquisition	2,500,000	425,000	-	-	-		425,000
Shares issued for cash:							
Private placement, net of issuance costs	32,421,737	1,841,911	-	-	-		1,841,911
Shares issued to extinguish accounts payable	887,626	84,670	-	-	-		84,670
Issuance of convertible debt	-	-	49,557	-	-		49,557
Conversion of convertible debt, net of issuance costs	5,523,707	541,354	(49,557)	-	-		491,797
Share-based compensation	-	-	1,168	-	-		1,168
Reclassification of fair value of expired/cancelled stock options	-	-	(246,442)	-	246,442		-
Net loss and comprehensive loss for the period	-	-	-	1,598	(274,169)		(272,571)
Balance, June 30, 2019	190,680,621	57,981,094	5,429,713	28,535	(28,732,150)		34,707,192
Shares issued to extinguish debt	912,595	63,882	-	-	-		63,882
Reclassification of fair value of expired/cancelled stock options and warrants	-	-	(1,067,508)	-	1,067,508		-
Net loss and comprehensive loss for the period	-	-	-	(3,678)	(231,196)		(234,874)
Balance, December 31, 2019	191,593,216	\$ 58,044,976	\$ 4,362,205	\$ 24,857	\$ (27,895,838)	\$	34,536,200

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended December 31, 2019 and 2018

(Unaudited – Expressed in Canadian dollars)

	December 31, 2019	December 31, 2018
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (231,196)	\$ (756,232)
Items not involving cash:		
Amortization	563	564
Share-based compensation	-	114,730
Gain on extinguishment of debt	(53,097)	-
Convertible debt accretion	-	24,002
Change in value of derivative liability	-	(57,853)
	(283,730)	(674,789)
Net changes in non-cash working capital items:		
GST receivable and amounts receivable	(3,516)	(480)
Prepaid expenses	8,787	38,147
Accounts payable and accrued liabilities	(35,385)	590,660
Net cash used in operating activities	(313,844)	(46,462)
INVESTING ACTIVITIES		
Deposits	-	714
Exploration and evaluation expenditures	(2,116)	(385,344)
Net cash used in investing activities	(2,116)	(384,630)
FINANCING ACTIVITY		
Issuance of convertible debt	-	393,263
Net cash provided by financing activity	-	393,263
Effect of exchange rate changes on cash	1,158	(23,491)
Change in cash, during the period	(314,802)	(61,320)
Cash, beginning of the period	683,774	72,539
Cash, end of the period	\$ 368,972	\$ 11,219

Supplementary cash flow information and non-cash transactions (note 11)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Pure Energy Minerals Limited ("Pure Energy") was incorporated on May 10, 2007 under the British Columbia *Business Corporations Act*. The Company's principal business activities are the acquisition, exploration and development of mineral properties. The Company is domiciled in Canada and is a reporting issuer with its common shares publicly traded on the TSX Venture Exchange (the "Exchange") under the stock symbol "PE". The address of its head office is 2100 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3.

At December 31, 2019, the Company had not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete development and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties. Under the terms of the Earn-in Agreement, SLB is responsible for all costs associated with the CV project and pilot plant.

For the six months ended December 31, 2019, the Company incurred a net loss of \$231,196 (2018 - \$756,232) increasing the accumulated deficit to \$27,895,838 (June 30, 2019 - \$28,732,150). The loss was funded by the issuance of equity. At December 31, 2019, the Company has a working capital of \$128,094 (June 30, 2019 – \$289,943). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The above factors and the necessity that the Company raise sufficient funds to carry out its exploration and development plans is conditional in part on the continuation of SLB under the terms of the Earn-in Agreement. These condensed consolidated interim financial statements do not give effect to any adjustments, which would be necessary, should the Company be unable to continue as a going concern. In such circumstances, the Company would be required to realize its assets and discharge its liabilities outside of the normal course of business, and the amounts realized could differ materially from those reflected in the accompanying condensed consolidated interim financial statements.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the fiscal year ended June 30, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements were authorized for issue by the Company's Audit committee on behalf of the Board of Directors on February 24, 2020.

b) Basis of presentation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

c) Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its 100% wholly owned subsidiaries, 0891884 B.C. Ltd., Esmeralda Minerals, LLC, Pure Energy Argentina S.A., 1056625 B.C. Ltd., 1061582 B.C. Ltd., and LT Capital Holdings, LLC (collectively referred to as the “Company” or “Group”). Subsidiaries are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions are eliminated on consolidation.

d) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates.

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Critical accounting estimates

- The inputs used in valuing share-based payments;
- The fair values assigned to assets and liabilities in the purchase price allocation related to an asset acquisition (note 5); and
- The timing and amount of the asset retirement obligation.

Critical accounting judgments

- The assessment of indications of impairment of the exploration and evaluation assets;
- The determination of the functional currency of each entity within the Group;
- The assessment of whether an acquisition meets the definition of a business or whether assets are acquired; and
- The assessment of the Company’s ability to continue as a going concern.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

e) Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity enters transactions. The functional currency of the Company, 0891884 B.C. Ltd., 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC is the Canadian dollar ("CAD"). The functional currency of Esmeralda Minerals, LLC and Pure Energy Argentina S.A. is the US dollar ("US"). The presentation currency of the consolidated entity is the Canadian dollar.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the statement of financial position, while non-monetary assets and liabilities are translated at historical rates.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of profit or loss in the period in which they occur.

The results of operations and financial position of each subsidiary where the functional currency is different from the presentation currency are translated as follows: assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position; expenses are translated at the average exchange rate for the year, all resulting exchange differences are recognized in other comprehensive income or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

With the exception of the recently adopted accounting policy (note 4), these condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual consolidated financial statements for the fiscal year ended June 30, 2019.

4. RECENT ACCOUNTING PRONOUNCEMENTS**Changes in significant accounting policies and adoption of a new accounting standard**

The following new accounting policy was adopted during the six months ended December 31, 2019:

IFRS 16 Leases

The Company adopted the requirements of IFRS 16 effective July 1, 2019. 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. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. 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 the current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets.

Upon adoption, the Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight-line basis for short-term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term leases.

Upon the adoption of IFRS 16, the Company was not required to recognize any right-of-use assets and lease liabilities, as the Company had no leases outstanding.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

4. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

For any new contracts entered into on or after July 1, 2019, the Company considers whether a contract is or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Company assesses whether the contract meets three key evaluations, which are whether:

- i. The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- ii. The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- iii. The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the statement of financial position. The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease, if that rate is readily available. If the interest rate implicit in the lease is not readily available, the Company discounts using the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included under non-current assets and lease liabilities have been included under current and non-current liabilities.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

*(Unaudited – Expressed in Canadian dollars)***5. EXPLORATION AND EVALUATION ASSETS**

	Clayton Valley Claims	Terra Cotta Claims	Total
Acquisition costs			
Balance, June 30, 2018	\$ 18,461,766	\$ 50,000	\$ 18,511,766
Shares issued	828,750	-	828,750
Cash option payment	493,290	-	493,290
Write-down	-	(50,262)	(50,262)
Impact of foreign exchange	(549)	263	(286)
Balance, June 30, 2019	\$ 19,783,257	\$ 1	\$ 19,783,258
Impact of foreign exchange	(670)	-	(670)
Balance, December 31, 2019	\$ 19,782,587	\$ 1	\$ 19,782,588
Exploration and evaluation			
Balance, June 30, 2018	\$ 14,031,111	\$ -	\$ 14,031,111
Assay and laboratory	3,611	-	3,611
Claims renewal and maintenance costs	292,354	-	292,354
Environmental	86,778	-	86,778
Processing and engineering	65,699	-	65,699
Legal	38,405	-	38,405
Other	4,448	1,132	5,580
Asset retirement obligation	(31,133)	-	(31,133)
Write-down	-	(1,132)	(1,132)
Impact of foreign exchange	(3,296)	-	(3,296)
Balance, June 30, 2019	\$ 14,487,977	\$ -	\$ 14,487,977
Reimbursements	(2,656)	-	(2,656)
Impact of foreign exchange	(4,166)	-	(4,166)
Balance, December 31, 2019	\$ 14,481,155	\$ -	\$ 14,481,155
Total June 30, 2019	\$ 34,271,234	\$ 1	\$ 34,271,235
Total December 31, 2019	\$ 34,263,742	\$ 1	\$ 34,263,743

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims**Schlumberger Transaction

The Company entered into an Earn-In Agreement (the "Transaction") with Schlumberger Technologies Corporation, a subsidiary of Schlumberger Limited ("SLB" or the "Investor") on May 28, 2019 for the option (the "Option") of, and if completed, the sale of the Clayton Valley Project (the "Project") to SLB. The Transaction proposal received greater than a two-thirds majority vote of shareholders at the Annual General and Special Meeting of Shareholders convened on the above date in Vancouver, British Columbia.

Under the Transaction, the Company has granted SLB an option in favour of SLB to acquire all of the Company's interests in the Project. The Investor may earn into the Option by constructing a pilot plant for the processing of lithium brine at its cost and expense, and complete testing of the brines to meet certain criteria. The Investor has a three-year period in which to exercise the Option (commencing on the receipt of the final federal and state permits required to construct the pilot plant) and may only exercise the Option if it has completed construction of the pilot plant and test work that achieves required parameters.

During the Option period, SLB will assume all project-related property, permitting and development costs and will act as operator of the Project.

Upon exercise of the Option, the Company will be entitled to receive a 3.0% net smelter returns royalty ("NSR") on minerals produced at the Project and an advance minimum royalty payment of US\$400,000 per year starting January 1, 2021 for a period of five years or until the Project achieves commercial production.

Concurrently, SLB undertook a private placement in the Company for US\$1,500,000, representing 32,421,737 shares (note 8) and converted convertible debt of US\$400,000 and interest of \$19,765 representing 5,523,707 shares (note 8) of Pure Energy. These transactions resulted in a 19.90% interest in Pure Energy held by SLB at June 30, 2019.

CV and DB claims in Clayton Valley Esmeralda County, Nevada

On May 12, 2014, the Company entered into a definitive option agreement with GeoXplor to earn a 100% interest in the CV and DB claims in Clayton Valley Esmeralda County, Nevada (the "Property"). Under the agreement, GeoXplor was the operator, and the Company had an option to earn a 100% interest for the following consideration:

Date	Cash Payment US\$	Expenditure Requirement US\$	Share Issuance
Effective date (paid/issued)	100,000	-	1,000,000
Within one year (paid/issued)	250,000	750,000	176,912
Within two years (paid/issued)	250,000	1,000,000	176,912
Within three years (superseded)	250,000	2,000,000	176,912
Within four years (superseded)	250,000	Pre-feasibility study or commercial production	176,912
Total	1,100,000	3,750,000	1,707,648

The agreement was subject to a gross overriding royalty of 5%, which could have been reduced to 2.5% upon cash payment of US\$7,000,000 to the vendor.

On May 10, 2017, the Company entered into a new option agreement with GeoXplor (described below under "LIX Claims"). The new option agreement supersedes the May 12, 2014 agreement mentioned above.

GeoXplor is a private company that holds the CV and DB mineral claims, subject to the option agreement described above. Prior to this new agreement, GeoXplor also provided contract exploration services to Pure Energy at the Project.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)****CV and DB claims in Clayton Valley Esmeralda County, Nevada (continued)**

On May 31, 2015 (the “Effective date”), the Company entered into an option and lease agreement whereby the Company acquired an exclusive lease and exploration license to conduct exploration and evaluation work on certain unpatented placer mining claims located in Esmeralda County, Nevada. Consideration for this acquisition is as follows:

Date	Cash Payment	Share Issuance
Effective date (paid/issued)	\$35,000	226,620
Within one year (paid/issued)	\$35,000	14,277
Within two years (paid/issued)	\$35,000	15,382
Within three years (paid/issued)	\$35,000	38,215
Within four years (paid by SLB, issued subsequently)	\$35,000	129,915
Within five years and each year thereafter	US \$75,000	-

The Company can acquire a 100% interest in the property by making payment to the optionor of US\$500,000 or shares of the Company of equal value. The Optionor will retain a 3% NSR on the property.

LIX Claims

On May 10, 2017, the Company entered into an agreement to acquire Lithium X Energy Corp.’s (“Lithium X”) subsidiaries holding certain Clayton Valley properties and property options. The transaction resulted in 100% acquisition of three new subsidiaries, 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC. The acquired subsidiaries did not meet the definition of businesses in accordance with IFRS 3 *Business Combinations* and, as such, this transaction was accounted for under IFRS 2 *Share-based Payments* and IFRS 6 *Exploration for and Evaluation of Mineral Resources*. The Company determined that the fair value of the subsidiaries could not be estimated reliably, and therefore, were to be measured with reference to the fair value of the equity instruments granted. The fair value of the shares and warrants issued, along with the costs incurred to complete the transaction, were capitalized in accordance with the Company’s accounting policy over its evaluation and exploration assets.

The Company issued 20,038,182 common shares at a fair value of \$12,022,909 and 2,022,290 share purchase warrants measured at a fair value of \$724,223. On acquisition, the Company also assumed and recognized an asset retirement obligation, measured at a fair value of \$81,381.

In addition, Lithium X acquired 3,571,429 units of the Company at a cash purchase price of \$0.56 per unit for gross proceeds of \$2,000,000. Each unit consists of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of \$0.75 per share for a period of three years. There are acceleration provisions attached to the warrants.

On May 10, 2017, the Company also entered into a new option agreement with GeoXplor, closing June 5, 2017. The new option agreement superseded the May 12, 2014 agreement (CV and DB claims). Under the new option agreement, the Company decreases its royalty obligations and assumes operatorship over an expanded group of optioned mineral claims. The Company also entered into amending agreements dated June 8, 2018, August 10, 2018 and October 1, 2018. Consideration under the amended option agreement includes:

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)****LIX Claims (continued)***Cash consideration:*

- (i) US\$375,000 on the closing date of the May 10, 2017 agreement (paid);
- (ii) US\$37,500 within five days of the June 8, 2018 amendment (paid);
- (iii) US\$75,000 on or before November 1, 2018 (paid);
- (iv) US\$300,000 on or before February 21, 2019 (paid); and
- (v) US\$250,000 on or before May 30, 2019 (paid by SLB).

Share consideration:

- (vi) 1,250,000 common shares on the closing date of the May 10, 2017 agreement (issued);
- (vii) 1,250,000 common shares on or before May 30, 2018 (issued);
- (viii) 750,000 common shares within five days of the August 10, 2018 amendment (issued);
- (ix) 750,000 common shares within five days following the date of acceptance of the October 1, 2018 amendment by the Exchange (issued); and
- (x) Issuance of 2,500,000 common shares on or before December 31, 2018 (issued).

Other consideration:

- (xi) Pay maintenance fees on mineral claims on or before August 20, 2018 (paid);
- (xii) Preparation and filing of a feasibility study by December 31, 2019 and payment of US\$250,000 (paid subsequently) or issuance of common shares with a value of US\$250,000; and
- (xiii) Payment of US\$4,500,000 or issuance of common shares with a value of US\$4,500,000 after the earlier of either securing debt or equity financing of at least US\$20,000,000 related to the optioned mineral claims or 18 months after the date of filing the feasibility study on SEDAR.

The new terms of the royalty obligation with GeoXplor are as follows:

- (xiv) A 3% royalty on all minerals produced and extracted from the property;
- (xv) Payment of an advance royalty of US\$250,000 on the fourth and fifth anniversaries of the May 10, 2017 option agreement (creditable against the production royalty in (xiv) above); and
- (xvi) Payment of an advance royalty of US\$500,000 on each anniversary thereafter (creditable against the production royalty in (xiv) above).

The royalty can be purchased by the Company for US\$10,000,000 at any time after the eighth anniversary and prior to the ninth anniversary of the closing date.

Under the Bureau of Land Management of the United States (the "Bureau"), the Company is required to hold reclamation bonds that cover the estimated cost to reclaim the disturbed ground. As at December 31, 2019, the Company has recorded reclamation bonds of \$142,673 (June 30, 2019 - \$143,761) relating to its Clayton Valley claims. The total asset retirement obligation has been estimated as the value of reclamation bond requirements, which total \$142,673 (June 30, 2019 - \$143,761) as at December 31, 2019. Management believes that the value of the reclamation bonds as calculated by the Bureau is an accurate representation of the limited ground disturbance that has been caused to date, and the costs to remediate such is appropriate.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)****NE Claims**

On November 8, 2017, the Company entered into an asset purchase agreement (the “Agreement”) with Advantage Lithium Corp. (“Advantage”) and Nevada Sunrise Gold Corporation (“Nevada Sunrise”, and together, the “Vendors”) to acquire the Clayton NE claim blocks (the “Acquired Claims”) located in Esmeralda County, Nevada.

Pursuant to the Agreement, Pure Energy issued to the Vendors an aggregate of 7,000,000 common shares (the “Consideration Shares”), with 4,900,000 Consideration Shares issued to Advantage and 2,100,000 Consideration Shares issued to Nevada Sunrise. In addition, in respect of certain of the Acquired Claims, the Company has agreed to assume a 3% gross overriding royalty granted in favour of a prior owner.

The Agreement required that the Vendors would not, directly or indirectly, sell or transfer any of the Consideration Shares, except in accordance with a release schedule whereby 25% of the Consideration Shares may be sold after 18 months from closing and a further 25% every three months thereafter. The Vendors have also agreed to vote the Consideration Shares at the Company’s shareholders’ meetings in favour of the certain matters recommended by management for a period of 24 months. The Company and each of the Vendors are at arm’s length. No finder’s fees were paid or are payable in connection with the transaction.

Terra Cotta Claims

On March 9, 2017, and as amended on September 26, 2017 and May 3, 2018, the Company entered into a property option agreement to acquire up to a 100% interest in a property on the Pocitos Salar in Salta, Argentina (the “Terra Cotta project”). Consideration for a 100% interest in the claims (first option) is:

- (i) Cash payment of US\$25,000 (paid);
- (ii) Cash payment of US\$175,000 (paid), within five days of the Agreement;
- (iii) Cash payment of US\$200,000 (paid) and issuance of 600,000 common shares (issued) within five days of Exchange approval;
- (iv) Issuance of 900,000 common shares within seven days of the September 26, 2017 amendment (issued);
- (v) Cash payment of US\$150,000 on October 2, 2017 (paid);
- (vi) Cash payment of US\$450,000 on December 2, 2017 (paid in addition to interest and deferral charges of US\$100,000 for late payment);
- (vii) Cash payment of US\$250,000 (paid) and issuance of 800,000 common shares (issued) within five days of the May 3, 2018 amendment;
- (viii) Cash payment of US\$750,000 and issuance of 700,000 common shares within 90 days of the May 3, 2018 amendment ⁽¹⁾; and
- (ix) Cash payment of US\$2,000,000 and issuance of 3,000,000 common shares within 24 months of the agreement⁽¹⁾.

⁽¹⁾ On July 16, 2018, the Company entered into an amending agreement to delay the payments under (viii) and (ix) above for a period of one year.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Terra Cotta Claims (continued)**

The Company also entered into a finder's fee agreement whereby the Company was required to pay and issue the following:

- (i) \$20,000 (paid) and 100,000 finder's common shares (issued) within five days of Exchange approval; and
- (ii) 200,000 finders' common shares (issued) to be issued in subsequent stages.

Upon full execution of the option, the Company will obtain a 100% beneficial interest in the property, and if the Company elects to proceed with a feasibility study or to commence production, an additional cash bonus payment of US\$1,000,000 will be paid to the vendors.

During the year ended June 30, 2019, management recorded an impairment loss of \$51,394 on the Terra Cotta project in profit or loss. While management still believes that the project is of merit and warrants continued development, lack of projected activity and budget, due to market conditions, warranted a write-down. The write-down was calculated in accordance with Level 3 of the fair value hierarchy.

6. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties consist of the directors, executive officers and companies owned in whole or in part by them. Transactions are measured at the exchange amount, which is the amount agreed to by the parties.

Compensation of Key Management Personnel

For the six months ended	December 31, 2019	December 31, 2018
Management fees and salaries	\$ 152,419	\$ 291,083
Share-based compensation – officers	-	42,146
Share-based compensation – directors	-	51,382
Total	\$ 152,419	\$ 384,611

At December 31, 2019, accounts payable and accrued liabilities include \$78,649 (June 30, 2019 - \$50,477) owing to directors and officers of the Company for accrued and unpaid management fees, salaries and expense reimbursements. These amounts are unsecured, non-interest-bearing and due on demand.

7. CONVERTIBLE DEBT

For convertible debt, under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability. The Company allocated the net proceeds to the debt liability and derivative liability components based on the prorated fair value of the debt liability and derivative components.

For the six months ended December 31, 2019, there were no convertible promissory note transactions.

For the year ended June 30, 2019, the following convertible promissory note transactions took place:

- i) On August 10, 2018, the Company closed a private placement offering of a \$295,042 (US\$225,000) senior convertible promissory note with a related party. The outstanding principal of the promissory note shall be paid to the holder on or before the maturity date of October 4, 2019, unless previously prepaid or converted, at the option of the holder, into fully paid and non-assessable shares at US\$0.10 per share. The promissory note carried interest at 10% per annum, accruing daily and payable in quarterly instalments on November 15, 2018, February 15, 2019, May 15, 2019 and at the maturity date of October 4, 2019.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

*(Unaudited – Expressed in Canadian dollars)***7. CONVERTIBLE DEBT (continued)**

The initial fair value of the derivative component was determined using the Black-Scholes option pricing model using the following assumptions: US\$0.08 stock price, US\$0.10 exercise price, 1.15 years of expected life, 70.54% annualized volatility and a 2.08% discount rate. The fair value of the derivative component was prorated as a percentage of the total convertible debt and was determined to be \$55,053. The debt liability portion was valued using a discount rate of 25% and was determined to have a prorated value of \$239,989.

The promissory note was repaid on June 14, 2019 with accrued interest of US\$19,942 (CAD\$26,397).

- ii) On November 7, 2018, the Company entered into a \$98,220 (US\$75,000) senior convertible promissory note with a related party. The outstanding principal of the promissory note shall be paid to the holder on or before the maturity date of November 15, 2019, unless previously prepaid or converted, at the option of the holder, into fully paid and non-assessable shares at US\$0.10 per share. The promissory note carried interest at 10% per annum, accruing daily and payable in quarterly instalments on February 15, 2019, May 15, 2019, August 15, 2019 and at the maturity date of November 15, 2019.

The initial fair value of the derivative component was determined using the Black-Scholes option pricing model using the following assumptions: US\$0.08 stock price, US\$0.10 exercise price, 1.02 years of expected life, 103.31% annualized volatility and a 2.32% discount rate. The fair value of the derivative component was prorated as a percentage of the total convertible debt and was determined to be \$21,666. The debt liability portion was valued using a discount rate of 25% and was determined to have a prorated value of \$76,554.

The promissory note was repaid on June 14, 2019 with accrued interest of US\$4,550 (CAD\$6,023).

- iii) On February 19, 2019, the Company entered into a \$527,840 (US\$400,000) senior convertible promissory note with a placee unrelated to the Company. The outstanding principal shall be repaid on or prior to the maturity date of February 19, 2020, unless previously prepaid by the Company or converted, at the option of the holder, into fully paid and non-assessable shares at \$0.10 per share. Pursuant to the offering, the note carried interest at the rate of 13.95% per annum, compounded monthly and payable in arrears on the maturity date.

The initial fair value of the liability component was determined using a discount rate of 25% and was determined to be \$475,779, with the remaining \$49,557 being allocated to equity. A finder's fee of US\$24,000 was allocated to deferred financing fees and share issue costs on a prorated basis using the relative values of the equity portion and liability portion of the convertible note.

On May 30, 2019, the convertible note was converted into common shares of the Company (note 8).

Interest expense related to convertible debt for the year ended June 30, 2019 was \$54,001. The following table presents the reconciliation of the beginning and ending balances of the components of the convertible debt:

	Liability	Derivative Liability	Total
Balance, June 30, 2018	\$ -	\$ -	\$ -
Issuance of debt	792,323	126,275	918,598
Accretion of liability	53,611	-	53,611
Revaluation of conversion option	-	(77,472)	(77,472)
Repayment of convertible debt	(401,550)	-	(401,550)
Conversion of convertible debt	(491,797)	(49,557)	(541,354)
Change in foreign exchange	47,413	754	48,167
Balance, June 30, 2019 and December 31, 2019	\$ -	\$ -	\$ -

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

8. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

Share capital activity for the six months ended December 31, 2019 is described as follows:

- (i) On July 9, 2019, the Company issued 912,595 common shares with a fair value of \$63,882 to settle accounts payable of \$118,637 owed to former officers for unpaid salaries and reimbursable expenses. A gain on the extinguishment of debt totaling \$53,097 and a gain on foreign exchange of \$1,658 was recognized.

Share capital activity for the year ended June 30, 2019 is described as follows:

- (ii) On July 3, 2018, the Company issued 1,250,000 common shares at a fair value of \$0.20 pursuant to a property option agreement (note 5).
- (iii) On August 29, 2018, the Company issued 750,000 common shares at a fair value of \$0.11 pursuant to a property option agreement (note 5).
- (iv) On November 23, 2018, the Company issued 750,000 common shares at a fair value of \$0.095 pursuant to the Clayton Valley claims agreement (note 5).
- (v) On January 10, 2019, the Company issued 2,500,000 common shares at a fair value of \$0.17 to GeoXplor pursuant to the terms of the Option Agreement dated May 10, 2017, as amended (note 5).
- (vi) On January 23, 2019, the Company issued 262,530 common shares with a fair value of \$26,253 to settle accounts payable of \$35,015 with a contractor. A gain of \$8,762 on the extinguishment of debt was recognized.
- (vii) On February 22, 2019, the Company issued 420,481 common shares with a fair value of \$42,048 to settle accounts payable of \$53,882 with a contractor. A gain of \$11,834 on the extinguishment of debt was recognized.
- (viii) On April 4, 2019, the Company issued 204,615 common shares with a fair value of \$16,369 to settle accounts payable of \$25,780 with a contractor. A gain of \$9,411 on the extinguishment of debt was recognized.
- (ix) On May 30, 2019, the Company issued 32,421,737 common shares to Schlumberger Canada Ltd. as part of a private placement for US\$1,500,000 (CAD\$1,993,637). The Company paid cash commissions of US\$90,000 (CAD\$114,555) related to the private placement and other share issuance costs of \$37,171.
- (x) On May 30, 2019, the Company issued 5,523,707 common shares due to the conversion of a convertible debt of US\$400,000 (CAD\$532,000) and accrued interest of \$19,765.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

*(Unaudited – Expressed in Canadian dollars)***8. SHARE CAPITAL (continued)**

c) Stock options

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan"), which complies with the rules and policies of the Exchange. Under the Plan, the exercise price of each option may not be less than the discounted market price (as defined). The aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares. The options are subject to vesting provisions as determined by the Board of Directors. The maximum term is 10 years.

The continuity of stock options for the six months ended December 31, 2019 and year ended June 30, 2019 is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, June 30, 2018	9,345,000	0.49
Expired/Cancelled	(1,800,000)	(0.46)
Balance, June 30, 2019	7,545,000	0.49
Expired/Cancelled	(2,450,000)	(0.59)
Balance, December 31, 2019	5,095,000	0.45
Fully vested and exercisable at December 31, 2019	5,095,000	0.45

A summary of the Company's options outstanding as at December 31, 2019 is as follows:

Expiry Date	Exercise Price (\$)	Options Outstanding	Weighted Average Remaining Life of Options (Years)	Options Exercisable
March 11, 2020	0.27	270,000	0.19	270,000
October 23, 2020	0.67	300,000	0.81	300,000
February 4, 2021	0.57	400,000	1.10	400,000
April 19, 2022	0.50	325,000	2.30	325,000
July 11, 2022	0.57	1,200,000	2.53	1,200,000
February 26, 2023	0.37	2,350,000	3.16	2,350,000
May 21, 2023	0.27	250,000	3.39	250,000
		5,095,000	2.51	5,095,000

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

*(Unaudited – Expressed in Canadian dollars)***8. SHARE CAPITAL (continued)**

d) Share-based payments

During the six months ended December 31, 2019 and the year ended June 30, 2019, the Company did not grant any stock options.

During the six months ended December 31, 2019, the Company expensed \$nil (2018 - \$114,730) relating to options granted and vested. At December 31, 2019, share-based payment expense to be recognized on unvested options is \$nil (2018 - \$1,168).

The options were valued using the following weighted average Black-Scholes option pricing model assumptions:

	December 31, 2019	December 31, 2018
Risk-free interest rate	N/A	1.83%
Expected dividend yield	N/A	-
Stock price volatility	N/A	73%
Expected life of options	N/A	2 years
Forfeiture rate	N/A	-
Share price	N/A	\$0.34
Exercise price	N/A	\$0.36

Expected stock price volatility was calculated based solely on historical volatility.

e) Warrants

A summary of the changes in the Company's warrants for the six months ended December 31, 2019 and the year ended June 30, 2019, is presented below.

	Agent Warrants		Financing Warrants	
	Number of Warrants	Weighted Average Exercise Price (\$)	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, June 30, 2018	1,410,160	0.50	30,989,406	0.68
Expired	(642,060)	(0.57)	(1,072,000)	(0.75)
Balance, June 30, 2019	768,100	0.44	29,917,406	0.68
Expired	(96,950)	(0.75)	(12,364,402)	(0.80)
Balance, December 31, 2019	671,150	0.40	17,553,004	0.59

A summary of the Company's warrants outstanding as at December 31, 2019 is as follows:

Expiry Date	Exercise price (\$)	Warrants outstanding
May 30, 2020	0.75	3,808,004
February 6, 2021	0.40	671,150
February 6, 2021	0.55	13,745,000
		18,224,154

Financing warrants granted are valued using the residual value method. No financing warrants were granted during the six months ended December 31, 2019 and 2018.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

f) Reserves

As at December 31, 2019 and June 30, 2019, reserves consisted of the following:

	December 31, 2019		June 30, 2019
Loan forgiveness	\$ 2,449,536	\$	2,449,536
Stock options	1,088,384		1,889,962
Warrants issued pursuant to property option agreements	724,223		724,223
Finders' warrants	100,062		365,992
Total reserves	\$ 4,362,205	\$	5,429,713

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company considers the items in shareholders' equity as capital. There has been no change to what the Company considers capital from the prior year. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares, dispose of assets or adjust the amount of cash. There has been no change to how capital is managed from the prior year.

10. FINANCIAL INSTRUMENTS*Fair value*

As at December 31, 2019, the Company's financial instruments consist of cash, amounts receivable, reclamation bond, accounts payable and accrued liabilities.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The reclamation bond, amounts receivable, accounts payable and accrued liabilities all have carrying amounts that approximate their fair values, due the short-term nature of these instruments, or the attached market rate of interest.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk, the Company places these instruments with high quality financial institutions.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2019

(Unaudited – Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (continued)*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (see note 1). The Company manages liquidity risk through the management of its capital structure, as outlined in note 9. The Company is working diligently to seek financing to meet its cash needs.

The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through share issuance when required. The Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company's asset retirement obligation would become due in the event the Company chose to abandon its held claims, giving rise to the obligation to reclaim any disturbance. The reclamation bonds are held to satisfy the asset retirement obligation in the event it were to be triggered. The Company currently has no plans to drop such claims. The Company does not have investments in any asset-backed securities.

Foreign exchange risk

The Company is exposed to currency fluctuations. From time to time, the Company has US dollar, Argentine peso ("ARS") and UK pound balances in cash, amounts receivable, reclamation bonds, accounts payable and accrued liabilities and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar, Argentine peso and/or UK pound could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations at December 31, 2019.

At December 31, 2019, the Company, through its wholly owned subsidiaries, had a foreign currency cash balance of US\$234,791, accrued receivables of US\$9,561, refundable deposit of US\$15,000, reclamation bonds of US\$109,850, asset retirement obligation of US\$109,850, and accounts payable and accrued liabilities in foreign currencies of US\$80,265 and ARS\$243,353. The Company is committed to certain property payments and exploration and evaluation expenditures that are denominated in US dollars. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately \$13,789, based on the Company's current net exposure. A 10% change in the Argentine peso or UK pound would have an immaterial impact on the Company's net credit exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be material. Management considers foreign exchange to be a significant risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. At December 31, 2019, the Company does not hold any liabilities that are subject to interest.

Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

11. SUPPLEMENTARY CASH FLOW INFORMATION

	December 31, 2019	December 31, 2018
Non-cash Financing and Investing Activities		
Shares issued for exploration and evaluation asset option payment	\$ -	\$ 403,750
Shares issued to extinguish debt	63,882	-
Fair value of options and warrants expired/cancelled	1,067,508	107,056
Exploration and evaluation costs included in accounts payable	-	434,826

There were no cash flows for interest and taxes during the six months ended December 31, 2019 and 2018.