INFINITE LITHIUM CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED OCTOBER 31, 2019 AND 2018

(Unaudited – Prepared by Management)

EXPRESSED IN CANADIAN DOLLARS

Registered Head Office
1240 – 789 West Pender Street
Vancouver, BC
V6C 1H2

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 financial statements have not been reviewed by an auditor.

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

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

INFINITE LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(UNAUDITED – PREPARED BY MANAGEMENT)
EXPRESSED IN CANADIAN DOLLARS
AS AT

	October 31, 2019	January 31, 2019
ASSETS		
Current		
Cash and cash equivalents	$ 37,957	$ 286,758
Commodity tax recoverable	13,252	72,663
Prepaids	10,060	37,075
Marketable securities (Note 5)	15,515	59,500
	76,784	455,996
Exploration advances (Note 6)	47,450	47,450
Exploration and evaluation assets (Note 6)	4,436,991	4,420,035
	$ 4,561,225	$ 4,923,481
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 179,084	$ 164,004
Shareholders' Equity		
Share capital (Note 8)	20,583,474	20,583,474
Share-based payment reserve (Note 8)	3,943,088	3,943,088
Deficit	(20,144,421)	(19,767,085)
	4,382,141	4,759,477
	$ 4,561,225	$ 4,923,481

Nature of Operations and Going Concern (Note 1)
Subsequent events (Note 11)

Approved on behalf of the Board of Directors:

"Michael England", Director *"John Masters"*, Director

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

INFINITE LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED – PREPARED BY MANAGEMENT)
EXPRESSED IN CANADIAN DOLLARS

	Three months ended October 31, 2019	Three months ended October 31, 2018	Nine months ended October 31, 2019	Nine months ended October 31, 2018
OPERATING EXPENSES				
Consulting fees	$ 26,060	$ 58,262	$ 125,934	$ 532,810
Foreign exchange loss (gain)	(7,105)	1,723	(21,148)	4,239
Management fees (Note 10)	26,600	27,000	80,100	80,000
Office and administration (Note 10)	21,750	40,577	66,365	109,292
Professional fees	24,888	(2,715)	59,307	64,811
Shareholder communication and promotion	3,936	36,833	34,859	79,914
Share-based compensation (Note 8)	-	-	-	278,300
Transfer agent and filing fees	5,186	9,618	16,159	48,025
Travel and accommodation	-	15,710	11,675	38,592
	(101,315)	(187,008)	(373,251)	(1,235,983)
Realized gain (loss) on marketable securities (Note 5)	(5,559)	46,762	(11,294)	63,830
Unrealized gain (loss) on marketable securities (Note 5)	(2,645)	27,413	(17,791)	32,570
Decommissioning and restoration provision	25,000	-	25,000	-
Gain on property sales option agreement (Note 6)	-	-	-	8,671
Gain on settlement of debt	-	-	-	5,478
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (84,519)	$ (112,833)	$ (377,336)	$ (1,125,434)
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED	58,250,603	58,250,603	58,250,603	58,193,123

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

INFINITE LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED – PREPARED BY MANAGEMENT)
EXPRESSED IN CANADIAN DOLLARS

	Number of shares	Share capital	Share-based payment reserve	Subscriptions receivable	Deficit	Total shareholders' equity
January 31, 2018	57,637,478	$ 20,426,449	$ 3,652,588	$ (33,000)	$ (18,404,627)	$ 5,641,410
Shares issued for exploration and evaluation assets	600,000	150,000	-	-	-	150,000
Share-based compensation	-	-	278,300	-	-	278,300
Warrants exercised	13,125	7,025	(4,400)	-	-	2,625
Subscriptions receviable	-	-	-	33,000	-	33,000
Loss for the period	-	-	-	-	(1,125,434)	(1,125,434)
October 31, 2018	58,250,603	20,583,474	3,926,488	-	(19,530,061)	4,979,901
Share-based compensation	-	-	16,600	-	-	16,600
Loss for the period	-	-	-	-	(237,024)	(237,024)
January 31, 2019	58,250,603	20,583,474	3,943,088	-	(19,767,085)	4,759,477
Loss for the period	-	-	-	-	(377,336)	(377,336)
October 31, 2019	58,250,603	$ 20,583,474	$ 3,943,088	$ -	$ (20,144,421)	$ 4,382,141

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

INFINITE LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED – PREPARED BY MANAGEMENT)
EXPRESSED IN CANADIAN DOLLARS

	Nine months ended October 31, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (377,336)	$ (1,125,434)
Items not affecting cash:		
Share-based compensation	-	278,300
Realized loss (gain) on marketable securities	11,294	(63,830)
Unrealized loss (gain) on marketable securities	17,791	(32,570)
Gain on foreign exchange	(13,038)	(5,478)
Gain on property sales option agreement	-	(8,671)
Change in non-cash working capital items:		
Increase (decrease) in commodity tax recoverable	59,411	(136,780)
Increase (decrease) in prepaid expenses	27,015	(34,866)
Decrease (increase) in accounts payable and accrued liabilities	15,080	(72,833)
Cash flows used in operating activities	(259,783)	(1,202,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(16,956)	(2,458,884)
Exploration advances	-	(271,175)
Proceeds from sale of marketable securities	27,938	339,540
Cash flows provided by (used in) investing activities	10,982	(2,390,519)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	33,000
Proceeds from warrants exercised	-	2,625
Repayment of loans payable and loan interest	-	(25,000)
Cash flows provided by financing activities	-	10,625
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(248,801)	(3,582,056)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	286,758	4,433,852
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 37,957	$ 851,796

SUPPLEMENTAL INFORMATION	2019	2018
Shares issued for interest in exploration and evaluation assets	$ -	$ 150,000
Allocation of advances to exploration and evaluation assets	-	420,384
Accrued exploration and evaluation assets costs in accounts payable	-	41,395
Fair value of warrants exercised	-	4,400

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Infinite Lithium Corp. (the "Company") is incorporated under the Business Corporations Act of British Columbia.

The Company is a mineral exploration company focused on acquiring and exploring exploration and evaluation assets in North America.

These condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

As at October 31, 2019, the Company had working capital deficiency of $102,300, recorded a net loss of $377,336 for the period ended, and had accumulated a total deficit of $20,144,421. The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. The Company will need to raise additional funds to further its exploration and development programs. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the condensed interim consolidated financial statements are presented below and are based on IFRS' issued and outstanding as of December 18, 2019, the date the Board of Directors approved the condensed interim consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Alix Alaska Inc., a company incorporated under the laws of Alaska, USA, Alix resources de Mexico S.A. de C.V and Exploradora Cobre de Banconoras de R.L.C.V. companies incorporated under the laws of Mexico. At October 31, 2019, the principal activity of the Company's subsidiaries was that of holding companies. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity as to obtain benefits from its activities. All inter-company balances have been eliminated upon consolidation.

Use of estimates and judgments

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

The carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Share-based compensation - The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Changes in the input assumptions can materially affect the fair value estimate of stock options.

Recovery of deferred tax assets - Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates and judgments (continued)

Decommissioning restoration provision - The provision for decommissioning and restoration provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

As of October 31, 2019, the Company has no decommissioning and restoration provision.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" management determined that the functional currency of the parent Company as well as the Company's subsidiaries is the Canadian dollar.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for all entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Earnings (loss) per share ("EPS")

The Company presents basic EPS for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS does not adjust the income (loss) attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and development costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation asset is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as gain on option agreement in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for environmental rehabilitation (continued)

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the year.

Share-based compensation

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

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

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

Valuation of equity units issued in private placements

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

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

Flow-through shares

Canadian Income Tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby any premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to flow-through premium liability and included in profit or loss at the same time the qualifying expenditures are made.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

The Company completed an assessment of its financial assets and liabilities as at February 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets and Liabilities	Original Classification IAS 39	New Classification IFRS 9
Cash and cash equivalents	Fair value through profit and loss	Fair value through profit and loss
Marketable securities	Fair value through profit and loss	Fair value through profit and loss
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The adoption of IFRS 9 did not result in any material changes to the Company’s financial statements.

(i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets’ classification, as described below:

Fair value through profit or loss (“FVTPL”): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include cash.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include accounts payable and accrued liabilities, and loans payable.

Fair value through other comprehensive income ("FVOCI"): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

(ii) Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities, and loans payable are classified as other financial liabilities. The Company does not currently have any FVTPL financial liabilities.

(iii) *Impairment of financial assets*

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets.

IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

Financial instruments that are measured at fair value using inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

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

On February 1, 2019, the Company adopted all of the requirements of IFRS 16 – Leases.

IFRS 16 Leases was issued by the IASB in January 2016 (effective February 1, 2019) and has not yet been adopted by the Company. IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The adoption of this new accounting standard had no material impact on the Company's condensed interim consolidated financial statements for the current period.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consist of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended October 31, 2019. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements other than identified in Note 8.

4. FINANCIAL RISK FACTORS

The carrying value of cash and cash equivalents, marketable securities, loans payable and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the consolidated statement of financial position are summarized in levels of fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 37,957	$ -	$ -	$ 37,957
Marketable securities	$ 15,515	$ -	$ -	$ 15,515

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

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, and commodity tax recoverable. Cash and cash equivalents are held in large financial institutions. Commodity tax recoverable is due from a government agency.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. With the exception of a loan payable, the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity risk.

Market risk

(a) Interest rate risk

The Company is currently in a positive working capital position and some of its accounts payable and accrued liabilities are subject to interest on unpaid balances.

4. FINANCIAL RISK FACTORS (continued)

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The Company has limited foreign currency exposure.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

5. MARKETABLE SECURITIES

As at October 31, 2019, the Company holds 65,695 (January 31, 2019 – 170,000) shares of Walker Lane Exploration, Inc. (WKLN; OTC US). The market value of the remaining shares at October 31, 2019 was $15,515 (January 31, 2019 – $59,500).

The valuation of the remaining shares at October 31, 2019 resulted in an unrealized loss of $17,791 (2019 – gain of $38,525) during the period ended October 31, 2019.

During the period ended October 31, 2019, the Company sold 104,305 shares for proceeds of $27,938 and recorded a realized loss of $11,294.

6. EXPLORATION AND EVALUATION ASSETS

Period Ended October 31, 2019	Jackpot Property	LaCorne Property	Cross Lake Property	Total 31-Oct-19
Acquisition Costs:				
Balance, beginning of period	$ 422,625	$ 357,163	$ 49,089	$ 828,877
Cash and shares	-	-	-	-
Balance, end of period	422,625	357,163	49,089	828,877
Deferred Exploration Costs:				
Balance, beginning of period	3,514,603	12,031	64,524	3,591,158
Field work	16,956	-	-	16,956
Balance, end of period	3,531,559	12,031	64,524	3,608,114
Total	$ 3,954,184	$ 369,194	$ 113,613	$ 4,436,991

EXPRESSED IN CANADIAN DOLLARS

6. EXPLORATION AND EVALUATION ASSETS (continued)

Year Ended January 31, 2019	Jackpot Property	LaCorne Property	Cross Lake Property	Total 31-Jan-19
Acquisition Costs:				
Balance, beginning of year	$ 231,000	$ 357,163	$ 49,089	$ 637,252
Cash and shares	191,625	-	-	191,625
Balance, end of year	422,625	357,163	49,089	828,877
Deferred Exploration Costs:				
Balance, beginning of year	141,511	12,031	10,751	164,293
Assay	185,838	-	2,201	188,039
Drilling	2,855,977	-	-	2,855,977
Field work	164,229	-	5,748	169,977
Geological consulting	51,213	-	28,125	79,338
Travel	115,835	-	17,699	133,534
Balance, end of year	3,514,603	12,031	64,524	3,591,158
Total	$ 3,937,228	$ 369,194	$ 113,613	$ 4,420,035

As of October 31, 2019, the Company had $47,450 (January 31, 2019 - $47,450) in advances for future exploration expenditures.

Jackpot Property, Ontario, Canada

During the year ended January 31, 2017, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Jackpot Property in Thunder Bay, Ontario for the following consideration:

i) issuance of 300,000 shares (issued at a value of $156,000); and
ii) issuance of 375,000 shares by March 28, 2017 (issued at a value of $75,000).

In addition, a 1.5% NSR will be granted to the vendors. The Company has the option to purchase back 1% of the NSR for $1,000,000.

During the year ended January 31, 2019, the Company paid $41,625 cash and issued 600,000 shares valued at $150,000 as consideration for acquisition of additional claims surrounding its 100% owned Jackpot Property.

Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec, Canada

In June 2016, the Company entered into an option agreement to acquire a portfolio of lithium properties in the Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec for the following consideration:

i) cash payment of $10,000 (paid); and
ii) issuance of 1,250,000 shares (issued).

An aggregate of 109,615 shares were issued as finders’ fees with a total fair value of $41,683. In addition, a 1.0% NSR was granted to the vendors. The Company has the option to purchase back 0.5% of the NSR for $500,000.

EXPRESSED IN CANADIAN DOLLARS

6. EXPLORATION AND EVALUATION ASSETS (continued)

Preissac-Lacorne complex of Abitibi Greenstone Belt, Quebec, Canada(continued)

During the year ended January 31, 2018, the Company entered into an option agreement with Jourdan Resources Inc. ("Jourdan") whereby Jourdan has the right to acquire up to a 75% interest in the LaCorne Property for the following consideration.

i) cash payment of $50,000 on or before May 15, 2017 (received);
ii) issuance of 600,000 Jourdan shares on or before May 15, 2017 (received at a value of $96,000);
iii) cash payment of $75,000 on or before May 16, 2019; and
iv) issuance of 600,000 Jourdan shares on or before May 16, 2019.

The Company expects the option payments from Jourdan will be received subsequent to October 31, 2019, and consider the agreement to be in good standing.

Cross Lake Lithium Property, Manitoba

During the year ended January 31, 2017, the Company acquired the Cross Lake Lithium property located north of Winnipeg, Manitoba. As consideration the Company issued 125,000 shares (valued at $32,500) and paid $10,000 in cash.

Electra Project, Sonora, Mexico

During the year ended January 31, 2016, the Company entered into a purchase agreement to acquire 100% of the issued and outstanding shares of Exploradora Cobre de Bancanora S, de R.L.C.V. ("ECB"), the owner of a 100% interest in concession applications in Sonora, Mexico, called the Electra Project. As consideration, the Company issued 1,000,000 common shares valued at $160,000, plus granted a 1.5% net smelter returns royalty ("NSR"), 1% of which may be purchased back by the Company for $1,000,000 up to 10 years. The Company has treated this as an asset acquisition with 100% of the consideration being attributed to the mineral property.

During the year ended January 31, 2017, the Company entered into an agreement with Lithium Australia NL ("LIT") whereby LIT can acquire up to a 65% interest in the Electra Property.

As of January 31, 2018 and 2019, LIT has earned a cumulative 54% interest in the Electra Project by issuing 1,468,000 LIT shares to the Company and paying AUD$78,125 and incurred exploration expenditures of AUD$400,000. LIT also granted the Company a 10% interest in net revenues on any future production.

LIT may earn an additional 11% interest in the project through the issuance of 1,031,250 fully paid ordinary LIT shares, expending AUD$756,250 on the project within 24 months of signing of the agreement, and paying $171,875.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2019	January 31, 2019
Trade accounts payable	$ 133,272	$ 136,254
Accrued liabilities	45,812	27,750
	$ 179,084	$ 164,004

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Authorized: unlimited common shares without par value

a) Share capital

During the year ended January 31, 2019, the Company:

i) issued 600,000 shares with a value of $150,000 pursuant to the acquisition of additional claims surrounding its 100% owned Jackpot Property.

ii) issued 13,125 shares pursuant to the exercise of warrants for proceeds of $2,625, and accordingly, the Company reallocated $4,400 of share-based payment reserve to share capital.

b) Stock options and warrants

Stock options

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the Plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting provisions are set at the discretion of the Company's Board of Directors except where dictated by legislation.

During the year ended January 31, 2019, the Company:

i) granted 1,050,000 stock options to consultants of the Company, exercisable at a price of $0.25 per share, expiring on February 28, 2019. The estimated fair value of these options was $132,500 or $0.126 per option.

ii) granted 100,000 stock options to a consultant of the Company, exercisable at a price of $0.20 per share, expiring on April 22, 2020. The estimated fair value of these options was $11,600 or $0.116 per option.

iii) granted 650,000 stock options to directors, officers and consultants of the Company, exercisable at a price of $0.13 per share, expiring on July 24, 2020. The estimated fair value of these options was $55,200 or $0.085 per option.

iv) granted 1,025,000 stock options to consultants of the Company, exercisable at a price of $0.13 per share, expiring on July 27, 2020. The estimated fair value of these options was $79,300 or $0.077 per option.

v) granted 250,000 stock options to consultants of the Company, exercisable at a price of $0.14 per share, expiring on November 21, 2019. The estimated fair value of these options was $16,600 or $0.066 per option.

EXPRESSED IN CANADIAN DOLLARS

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at January 31, 2018	2,349,250	$ 0.33
Granted	3,075,000	0.17
Cancelled/Expired	(1,161,750)	0.25
Outstanding as at January 31, 2019	4,262,500	0.21
Cancelled/Expired	(1,062,500)	0.36
Outstanding as at October 31, 2019	3,200,000	$ 0.20

As at October 31, 2019 the following options were outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date
250,000	$0.14	21-Nov-19*
1,175,000	$0.30	22-Dec-19
100,000	$0.20	22-Apr-20
650,000	$0.13	24-Jul-20
1,025,000	$0.13	27-Jul-20
3,200,000		

* subsequently expired

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period ended October 31:

	2019	2018
Risk-free interest rate	-	1.79 %
Expected life of options	-	1.11 years
Expected annualized volatility	-	158.30%
Expected dividend rate	-	-

EXPRESSED IN CANADIAN DOLLARS

8. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

b) Stock options and warrants (continued)

Warrants

A summary of changes in warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price	
Balance, at January 31, 2018	43,705,625	$	0.31
Warrants exercised	(13,125)		0.20
Warrants expired	(1,057,500)		0.39
Balance, at January 31, 2019	42,635,000		0.21
Warrants expired	(2,422,500)		0.40
Balance, at October 31, 2019	40,212,500	$	0.20

As at October 31, 2019, the following warrants were issued and outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,075,000	$0.24	29-Jun-20
37,500	$0.24	15-Jul-20
100,000	$0.24	31-Jul-20
34,000,000	$0.20	22-Dec-20
5,000,000	$0.20	22-Dec-20
40,212,500		

9. SEGMENTED INFORMATION

The Company primarily operates in one reportable segment, being the acquisition and exploration of exploration and evaluation assets in North America. Refer to Note 6 for geographic information.

10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the period ended October 31, 2019, the Company:

a) paid or accrued management fees of $80,100 (2018 - $80,000) to a company owned by an officer and director for management services provided by the officers.

b) paid or accrued office and administration expenditures, including rent, of $53,400 (2018 - $54,000) to a company owned by a director and officer.

Included in accounts payable and accrued liabilities at October 31, 2019 is $26,500 (January 31, 2019 - $Nil) owed to a company owned by an officer of the Company.

11. SUBSEQUENT EVENTS

Subsequent to October 31, 2019, the Company:

a) entered into an option agreement with an arms-length vendor to acquire 100% interest in the claims comprising the Eastern Vision Property located in the Red Lake District, Ontario for the following considerations:

Cash payments

i) cash payment of $8,000 on or before December 10, 2019;
ii) cash payment of $12,000 on or before December 10, 2020;
iii) cash payment of $16,000 on or before December 10, 2021; and
iv) cash payment of $36,000 shares on or before December 10, 2022.

Shares issuance

i) issuance of 400,000 shares on or before December 9, 2019;
ii) issuance of 200,000 shares on or before December 9, 2020; and
iii) issuance of 200,000 shares on or before December 9, 2021.

The vendor retains a 1.5% Net Smelter Royalty (“NSR”), 50% of which is purchasable by the Company for $1,000,000 at any time.

b) entered into an option agreement with an arms-length vendor to acquire 100% interest in the claims comprising the North Buffy Lake Property located in the Red Lake District, Ontario for the following considerations:

Cash payments

i) cash payment of $22,000 on or before December 10, 2019;
ii) cash payment of $22,000 on or before December 10, 2020;
iii) cash payment of $33,000 on or before December 10, 2021; and
iv) cash payment of $44,000 shares on or before December 10, 2022.

Shares issuance

i) issuance of 500,000 shares on or before December 10, 2019; and
ii) issuance of 300,000 shares on or before December 10, 2020.

The vendor retains a 1.5% Net Smelter Royalty (“NSR”), 50% of which is purchasable by the Company for $1,000,000 at any time.