Great Lakes Graphite Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED

For the nine months ended July 31,		2019		2018
CASH (USED IN) PROVIDED BY:				
OPERATING ACTIVITIES				
Net loss for the period	$	**(1,460,684)**	$	(3,721,411)
Items not affecting cash:				
Share-based payments		**-**		285,580
Accretion of convertible debenture and debenture payable		**280,160**		177,027
Accrued interest on convertible debenture and debenture payable		**301,343**		290,501
Accrued interest on NOHFC loan facility		**7,755**		5,846
Loss on sale of marketable securities		**5,251**		3,750
Loss on disposal of exploration and evaluation assets				316,415
Write-down of exploration and evaluation expenses				139,133
Unrealized foreign exchange		**(58,364)**		-
Net change in non-cash working capital:				
HST/QST recoverable		**(73,454)**		(42,599)
Inventory		**-**		(182,260)
Prepaid expenses		**2,422**		(9,228)
Accounts payable and accrued liabilities		**584,261**		(219,039)
		(411,310)		(2,956,285)
INVESTING ACTIVITIES				
Restricted cash		**(40,780)**		(14,440)
Proceeds from sale of marketable securities		**20,999**		-
Exploration and evaluation assets				(59,133)
		(61,779)		(44,729)
FINANCING ACTIVITIES				
Proceeds from debenture payable		**-**		2,550,190
NOHFC loan facility		**-**		(200,000)
Shareholder loan payable		**31,651**		650,824
Issuance of common shares		**590,000**		-
		621,651		3,001,014
CHANGE IN CASH		**-**		-
CASH, BEGINNING OF PERIOD		**-**		-
CASH, END OF PERIOD	**$**	**-**	$	-

1. NATURE OF BUSINESS AND GOING CONCERN

Great Lakes Graphite Inc. (the "Company") is an industrial minerals company focused on bringing carbon properties and products to a well-defined market. To date the Company has not earned significant revenue and is considered to be in the exploration stage. Great Lakes Graphite Inc. is a TSX Venture Tier 2 Company listed under the symbol "GLK". Owing to the Company's disposition of its former resource property and the Company's stated intention to refocus its business to meeting customers needs in a highly technical area of the graphite business, the TSX-Venture Exchange (the "Exchange") has halted the Company's shares from trading on the Exchange and relegated them to the NEX, alleging a Change of Business and need for shareholder and Exchange approval thereof. In January 2015, the Company's shares were listed for trading on the Frankfurt Stock Exchange, under the symbol "8GL". The Company's registered office is at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

On January 18, 2018, the Company's shares approved for trading on the OTCQB Market in the United States, with trading commencing at the opening on January 16, 2018, under the ticker symbol "GLKIF". Owing to the Halt on the trading of its shares on the TSX-Venture and the Company's present financial stress, this trading has been relegated to the OTCBB Pink Sheets.

On February 28, 2018, the Company announced it would be seeking shareholder approval for a change in business. Accordingly, a special meeting of the shareholders was to be convened to seek approval for a Change of Business in accordance with its shift away from mining and towards the high purity processing, marketing and sales of clean technology minerals. That meeting has not yet been convened owing to the Company's increasingly constrained financial resources.

These condensed interim consolidated financial statements (consolidating the Company's financial results with those of its subsidiary Novocarbon Inc. incorporated in the United States) have been prepared on the basis of accounting principles applicable to a "going concern", which assumes the Company will continue in operation for the foreseeable future and it will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as explained in the following paragraph.

The Company has incurred a loss of $1,460,684 during the nine months ended July 31, 2019 (nine months ended July 31, 2018 - a loss of $3,721,411). The Company has $1,498,323 in unspent flow-through commitments. The Company has not met the required spending requirements within the prescribed period. As at July 31, 2019, the Company has an accumulated deficit of $20,184,222 (October 31, 2018 - $18,723,538). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations, exploration, and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

The Company currently does not have sufficient cash on hand to meet operational expenses for the 2019 fiscal year. The Company plans to raise additional capital to execute its business plan, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

The condensed interim consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the

(EXPRESSED IN CANADIAN DOLLARS)

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim consolidated financial consolidated statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2018.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on September 30, 2019.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and all of its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain variable benefits from its power over the entity's activities. Subsidiaries are included in the unaudited condensed interim consolidated financial results of the Company from the effective date of acquisition of control up to the effective date of disposal or loss of control. The Company's subsidiaries are as follows:

Name of Subsidiary	Country of Incorporation	Ownership Percentage	Functional Currency
Novocarbon Inc..	USA	100%	US Dollar

Basis of Presentation

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

In the preparation of these unaudited condensed interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

Accounting Pronouncements

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's consolidated financial statements:

(i) There have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

(ii) Leases -- In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined, but is not expected to be material to the Company.

3. SHAREHOLDER LOAN PAYABLE

As at July 31, 2019, a shareholder advanced $688,725 (US$513,093) (October 31, 2018 - $657,074 (US$499,980)) to the Company for working capital purposes. The loan is non-interest bearing, due on demand, and has no fixed terms of repayment.

4. CONVERTIBLE DEBENTURES

(i) On June 25, 2015, the Company entered into an agreement with F2 Capital of Lincoln, Massachusetts to provide project funding for the recommissioning of the Matheson Graphite Micronization Facility. The financing has been structured as a debenture that provides the Company with debt financing of $750,000. The terms of Note 1 with F2 Capital are: an interest rate of 8.5% per annum, for a term of four years; a 4% Gross Overriding Royalty on the gross sales price received by the Company on the first 30,000 tons produced from the micronization plant; the option of either the Company or the lender to convert the principal amount under Note 1 into common shares of GLK at a conversion price of $0.10. The Company also has the option to convert the interest into common shares of the Company. In addition, the lender has also been issued 1,875,000 warrants, with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of four years. These warrants have now expired unexercised.

As at July 31, 2019, the Gross Overriding Royalty was assigned a fair value of $nil (October 31, 2018 - $nil). Operations at the Matheson facility were discontinued during fiscal 2017, at which time it had not reached the point where it was commissioned.

As the debenture was considered to be an equity instrument, the face value of $750,000, less costs of $11,752 and $137,813 allocated to warrants, has been allocated to the conversion option and is included in shareholders' equity in the Company's statement of financial position. During the nine months ended July 31, 2019, the Company recorded interest expense of $31,613, (nine months ended July 31, 2018 - $31,613) which is included in accounts payable and accrued liabilities.

In connection with this financing, 1,875,000 warrants, issued under the terms of the agreement were assigned an aggregate fair value of $137,813 using the Black-Scholes valuation model with the following assumptions: share price $0.08 dividend yield 0%, expected volatility 179%, risk-free rate of return 0.68% and expected life of 4 years.

(ii) On October 20, 2015, the Company closed a convertible debenture financing to provide project funding for the recommissioning of the Matheson Graphite Micronization Facility. The financing raised gross proceeds of $933,631.

The convertible debentures have the following terms: maturity date of September 15, 2019; an interest rate of 8.5% per annum, which will be accrued and become payable on maturity of the Note; 4% Gross Overriding Royalty on the first $90,000,000 in revenues produced from the Matheson Micronization Facility; and, the option of the lenders to convert the principal amount under Note 2 into common shares of GLK at a conversion price of $0.10. In addition, the convertible debenture holders have been issued a total of 2,334,078 warrants with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per share until September 15, 2019. In addition the Company incurred costs of issue of $10,775 and issued 70,000 finder's warrants, with each warrant exercisable into a common share of the Company at an exercise price of $0.10 per share for a period of two years (warrants expired unexercised). As at April 30, 2019, the Gross Overriding Royalty was assigned a fair value of $nil (October 31, 2018 - $nil). Operations at the Matheson facility were discontinued during fiscal 2017, at which time it had not reached the point where it was commissioned.

As the debenture was considered to be a compound financial instrument, the liability component and the equity components (the conversion right and the warrants) were presented separately, as determined at October 20, 2015 (date of issue), using the residual method. The liability component was determined by shareholders' equity in the Company's statement of financial position. A deferred tax liability of $107,497 was recorded on the conversion option on the date of issue.

(EXPRESSED IN CANADIAN DOLLARS)

4. CONVERTIBLE DEBENTURES (Continued)

ii) Continued

The debenture is being accreted to its face value at maturity over the term of the debt, plus accrued and unpaid interest by way of a charge to interest expense.

A summary of the movement is as follows:

Balance, liability component, October 31,2017	$	730,023
Add: accretion charges for the year ended October 31,2018		154,607
Add: interest on face value accrued for the year ended October 31,2018		79,026
Balance, liability component, October 31,2018	$	963,656
Add: accretion charges for the nine months ended July 31, 2019		173,448
Add: interest on face value accrued for the nine months ended July 31, 2019		58,903
Balance, liability component, July 31, 2019	**$**	**1,196,007**

5. DEBENTURE PAYABLE

On November 10, 2017, the Company closed an interest-bearing secured non-convertible debenture for US$2 million ($2,536,660) to fund the Company's operations and expansion plans. The debenture bears interest at 10% per annum and matured May 10, 2019 and is subordinate to any and all other indebtedness of the Company, current or contemplated, but remains senior to any future debt of the Company.

The Company granted 3,386,667 warrants to the Lender, a face value equal to 10% of the aggregate amount of the loan. The warrants shall be exercisable by the holder thereof, for a period of 36 months from the Closing Date to purchase one common share at $0.075 per share. During the nine months ended July 31, 2019, accretion of $68,053 and interest of $199,693 (nine months ended July 31, 2018 - accretion of $60,786 and interest of $183,754) were recorded in the Company's statement of operations.

In connection with this financing, 3,386,667 warrants, issued under the terms of the loan were assigned an aggregate fair value of $177,461 using the Black-Scholes valuation model with the following assumptions: share price $0.075 dividend yield 0%, expected volatility 117.68%, risk-free rate of return 1.51% and expected life of 3 years.

Balance, liability component, October 31,2017	$	-
Add: initial debenture funding		2,536,660
Less: fair value of warrants issued to lender		(177,461)
Add: accretion charges for the year ended October 31,2018		107,533
Add: interest on face value accrued for the year ended October 31,2018		250,367
Add: foreign exchange		89,203
Balance, October 31,2018	$	2,806,302
Add: accretion charges for the nine months ended July 31, 2019		68,053
Add: interest on face value accrued for the nine months ended July 31, 2019		183,754
Balance, July 31, 2019	**$**	**3,058,109**

6. NOHFC LOAN FACILITY

On December 31, 2015, the Company received approval for financial assistance from the Northern Ontario Heritage Fund Corporation ("NOHFC") for an aggregate of $412,360 provided by way of:

a) a term loan of $288,652; and

b) a conditional contribution in an amount not to exceed $123,708

The total amount of the financial assistance may not exceed 50% of the actual eligible project costs related to the refurbishment of the Company's Matheson facility.

A General Security Agreement, ranking in first priority with respect to prior encumbrances has been provided in favour of the NOHFC on all property, except consumer goods.

The term loan is pre-payable in whole or in part at any time, bearing interest at a rate of 3.7% per annum. The Company is required to make interest-only monthly payments on the outstanding principal balance of the loan until such time as the loan is fully drawn down, after which the Company was required to make 108 consecutive monthly blended payments of $3,146.

On May 3, 2017, the Company announced an agreement with Northfil Resources Limited to conclude all contractual arrangements stated in the Facilities Use Agreement for the use and operation of the Matheson Micronization Facility. As a result of this agreement, the Company concluded operations at the Matheson Facility, resulting in a write-down of leasehold improvements of $822,964, and has accrued $140,000, due on settlement.

On October 10, 2017, the Company and the NOHFC entered into a forbearance agreement conditional upon the Company making three payments of $100,000 on November 15, 2017, December 15, 2017 and February 15, 2018, followed by a final payment of $96,485 to be made on April 15, 2018. During the year ended October 31, 2018, the Company remitted the first two installments as stipulated in the agreement. The February 15, 2018 and the April 15, 2018 installments have not been paid to date, leaving the Company in default of the agreement. The Company was granted forbearance to December 31, 2018 under two separate forbearance agreements dated June 14, 2018 and October 26, 2018 and has undertaken negotiations with the NOHFC with respect to extending the term of forbearance as the Company remains in default of its final two payments.

(EXPRESSED IN CANADIAN DOLLARS)

7. SHARE CAPITAL

(a) AUTHORIZED

Unlimited number of common shares

Unlimited number of preferred shares, issuable in series and classes as may be determined by the Directors of the Company.

Unlimited number of special, non-voting shares, issuable in series and classes as may be determined by the Directors of the Company.

(b) ISSUED

	Shares		Amount
Balance, October 31, 2017 and April 30, 2018	**125,656,830**	**$**	**6,130,534**
Balance, October 31,2018	132,656,830	$	6,410,534
Issued for shares under private placement	11,800,000		590,000
Fair value of warrants issued	-		(221,840)
Balance, July 31, 2019	**144,456,830**	**$**	**6,778,694**

On April 16, 2019, the Company closed a non-brokered private-placement offering for a total of 11,800,000 units of Company for proceeds of $590,000. Each Unit consisted of one common share of the Company and one common share-purchase warrant (the “Warrants”); each Warrant entitles the holder to purchase one additional common share at a price of $0.07 for a period of three years after the closing of the Offering.

The 11,800,000 warrants were ascribed a fair value of $221,840 using the Black-Scholes pricing model with the following assumptions: share price of $0.07; expected dividend yield of 0%; expected volatility of 109%; a risk-free interest rate of 1.64% and an expected life of 3 years.

(c) SHARES TO BE ISSUED

As at April 30, 2019, the Company is committed to issue the equivalent of $80,000 (October 31, 2018 - $80,000) in common shares for certain Lochaber land access rights and $18,577 (October 31, 2018 - $18,577) pertaining to funds received for a future share issuance.

8. STOCK OPTIONS

The shareholders have approved a Stock Option Plan (the “Plan”) that provides for the issue of up to 10% (the “Threshold”) of the number of issued and outstanding common shares of the Company to eligible employees, directors, officers and consultants of the Company (“Participants”). The issuance of stock options may exceed the Threshold if the Company receives the permission of the stock exchange.

The Plan authorizes the granting of options to purchase common shares of the Company at a price that is not less than that permitted under the rules of any stock exchange or exchanges on which the Company’s shares are then listed. The vesting and duration of options is determined by the board of directors, but cannot exceed a maximum term of 10 years.

The number of options granted to any one consultant in a twelve month period shall not exceed 2% of the total number of issued and outstanding common shares.

The aggregate number of common shares reserved for issuance to any one Participant of the Plan shall not exceed 5% of the total number of issued and outstanding common shares of the Company in any twelve month period unless the Company receives the permission of the stock exchange.

(EXPRESSED IN CANADIAN DOLLARS)

The following table reflects the continuity of stock options for the periods ended July 31, 2019 and 2018:

	Number of Stock Options Outstanding		Weighted Average Exercise Price
Balance, October 31,2017	6,110,000	$	0.09
Granted (i)	5,450,000	$	0.075
Balance - April 30, 2018, October 31, 2018 and July 31, 2019	**11,560,000**	**$**	**0.08**

The following table reflects the stock options outstanding as at July 31, 2019:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Options Outstanding
August 6, 2019	$ 0.12	0.01 years	700,000
November 7, 2020	0.075	1.27 years	5,450,000
January 26, 2021	0.10	1.49 years	1,450,000
January 17, 2022	0.08	2.46 years	3,710,000
	$ 0.08	**1.57 years**	11,310,000

As at July 31, 2019, 10,410,000 of the 11,310,000 issued and outstanding stock options were fully vested and exercisable.

9. WARRANTS

The following table reflects the continuity of warrants for the periods ended July 31, 2019 and 2018:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, October 31,2017	26,583,697	$ 0.10
Warrants issued (Note 4)	3,386,667	$ 0.075
Expired	(3,514,396)	$ 0.10
Balance - April 30, 2018	**26,455,968**	**$ 0.09**
Balance - October 31, 2018	**23,247,968**	**$ 0.09**
Warrants issued	11,800,000	$ 0.07
Expired	(14,859,843)	$ 0.10
Balance – July 31, 2019	**20,188,125**	**$ 0.077**

The following table reflects the warrants outstanding as at July 31, 2019:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding
September 15, 2019	0.100	0.12years	2,334,078
April 16, 2022	0.070	2.71years	11,800,000
November 10, 2020	0.075	1.28 years	3,386,667
	$ 0.077	**1.79 years**	**17,520,745**

(EXPRESSED IN CANADIAN DOLLARS)

period. Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of warrants, stock options, and convertible debentures is the same as basic loss per share for the six months ended July 31, 2019 and 2018, as it would be anti-dilutive.

11. RESTRICTED CASH

As of July 31, 2019, the Company was committed to spend $1,498,323 (October 31, 2018 - $1,498,323), representing the remaining proceeds of flow-though share issuances resulting from private placements completed through fiscal 2017. As of December 31, 2017, the required date the funds were to be spent, the expenditure commitment had not been met.

12. FLOW-THROUGH SHARE LIABILITY

The Company was committed to spend $500,000 in regard to the November 2016 flow-through private placement consisting of 5,882,352 flow through units at $0.085 per unit by December 31, 2017. The Company was committed to spend $631,450 in regards to the June 2016 flow-through private placement consisting of 8,419,333 flow through units at $0.075 per unit by December 31, 2017. As at July 31, 2019, the Company had an unspent amount of $1,031,458.

The Company was committed to spend a total of $522,750 in regards to the April 2015 flow-through private placement consisting of 7,700,000 flow through units at $0.05 and the December 2015 flow-through private placement consisting of 3,253,570 flow-through units at $0.07 per unit by December 31, 2016. The Company had an unspent amount of $466,865.

As of July 31, 2019, Company has recorded an accrual of $1,174,868 (October 31, 2018 - $1,174,868) for Part XII.6 tax, interest, penalties and potential indemnifications of shareholders.

There is no guarantee that the Company’s exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Canadian taxation authorities flow-through regulations. When applicable, this tax is accrued as Part XII.6 expense until paid.

13. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the condensed consolidated interim consolidated financial statements during the six months ended July 31, 2019:

		2019		2018
Management fees charged by the Chief Financial Officer	**$**	**12,000**	$	18,000
Management fees charged by the former Chief Executive Officer		**91,213**		135,000
Management fees charged by a company controlled by the current Chief Executive Officer		**119,808**		-
Consulting fees charged by the former Chief Marketing Officer who is a Director		**-**		112,206
Consulting fees charged by a company controlled by the Senior Vice-President of Sales		**133,122**		116,510
Stock-based compensation		**-**		120,520
Subscriptions for Private Placement		**500,000**		-
	$	**856,143**	**$**	**451,236**

As at July 31, 2019, accounts payable and accrued liabilities include $588,418 (October 31, 2018 - $514,038) owing to related parties of the Company.

controlling the activities of the Company and consists of its Directors, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Sr. VP of Sales. Total compensation paid to the Company's key management personnel during the nine months ended July 31, 2019 amounted to $356,1431 (nine months ended July 31, 2018 - $676,354).

During the nine months ended July 31, 2019, the Company accrued or paid $nil (nine months ended July 31, 2018 - $241,208) in consulting fees to a Company with which a Director is managing partner. As at July 31, 2019, $nil was included in accounts payable and accrued liabilities (October 31, 2018 -$nil)

During the nine months ended July 31, 2019, the Company expensed $82,794 (nine months ended July 31, 2018 - $65,004) to Marrelli Support Services Inc. ("Marrelli Support") for:

I. Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO") of the company;
II. Bookkeeping and office support services;
III. Regulatory filing services
IV. Corporate secretarial services

The Marrelli Group is also reimbursed for out of pocket expenses.

As of July 31, 2019, the Marrelli Group was owed $91,901****** (October 31, 2018 - $64,467). These amounts are included in accounts payable and accrued liabilities.

During the six months ended July 31, 2019 the Black-Scholes fair value of stock-based compensation granted to officers and directors amounted to $nil (nine months ended July 31, 2018 - $120,520).

The Company's Chief Executive officer and two directors participated in the April 16, 2019 private placement, subscribing to 4,750,000 and 5,200,000 units respectively, representing $497,500 in aggregate proceeds.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(EXPRESSED IN CANADIAN DOLLARS)

14. SEGMENTED INFORMATION

The Company's assets, liabilities and loss by geographic area were as follows:

July 31, 2019 –UPDATE REQUIRED

		Canada		United States		Total
Assets	**$**	**172,279.00**	**$**	**125,487**	**$**	**297,766**
Liabilities	**$**	**6,811,191.00**	**$**	**1,179,535**	**$**	**7,990,726**
Net (loss)	**$**	**(647,357.00)**	**$**	**(417,042)**	**$**	**(1,064,399)**

October 31, 2018

		Canada		United States		Total
Assets	$	104,095.00	$	4,723	$	108,818
Liabilities	$	6,240,183.00	$	1,060,446	$	7,300,629
Nine Months Ended July 31, 2018						
Net (loss)	$	(2,171,667.00)	$	(495,747)	$	(2,667,414)

15. Subsequent Events

On June 6, 2019, the Company received conditional approval for the issuance of 6,400,000 in settlement of $320,000 in debt. The shares will be legended with a hold period of four months plus one day and will be held in escrow until released by the TSX Venture Exchange.

Subsequent to July 31, 2019, 700,000 $0.12 options and 2,334,078 warrants with exercise prices of $0.10 expired without exercise following the resignations on August 2, 2019 of all of the Officers and Directors of the Company except Mr. Paul Ferguson who continued as sole Director and Chief Executive Officer (“CEO”). Subsequently, Mr. James Richardson was appointed as CEO and Chief Financial Officer and elected as a Director. No Option grants have been made pursuant to those appointments.

During September 2019, remaining graphite inventory which had already been written off was sold for approximately $90,000 U.S.