CBLT Inc.

Condensed Interim Financial Statements

Three and Nine Months ended February 28, 2018

(Expressed in Canadian Dollars)

(Unaudited)

Notice of No Auditor Review of Condensed Interim Financial Statements

The accompanying unaudited condensed 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 condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CBLT INC.

TABLE OF CONTENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Green Swan Capital Corp. were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Brian Crawford
Brian Crawford, Chief Financial Officer

/s/ Peter M. Clausi
Peter M. Clausi, Chief Executive Officer

CBLT INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	February 28, 2018	May 31, 2017
ASSETS		
Current		
Cash	**$ 172,111**	$ 61,716
Investments	**209,514**	93,046
Sundry receivables	**17,479**	10,762
Prepaid expenses	**16,724**	48,796
	415,828	214,320
Non-current assets		
Exploration and evaluation assets (Note 4)	**878,393**	918,531
	$ 1,294,221	$ 1,132,851
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 161,856**	$ 286,563
Liability for flow-through shares	**88,053**	22,810
Current portion promissory notes payable (Note 5)	**31,000**	31,000
	280,909	340,373
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	**3,547,626**	3,059,571
Contributed surplus	**693,867**	703,529
Deficit	**(3,228,181)**	(2,970,622)
	1,013,312	792,478
	$ 1,294,221	$ 1,132,851

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

Nature of business and going concern (Note 1)
Subsequent events (Note 12)

APPROVED BY THE BOARD
(s) Peter Clausi Director

(s) Brian Crawford Director

CBLT INC.
Condensed Interim, Statements of Net Income and Comprehensive Income
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended February 28,		Nine months ended February 28,	
	2018	2017	**2018**	2017
Expenses				
General and administrative	**$ 62,913**	$ 44,165	**$ 286,735**	$ 225,877
Share based compensation	**-**	43,696	**-**	62,610
Professional fees	**8,556**	5,830	**29,190**	20,583
Filing and transfer agent fees	**5,449**	7,709	**22,959**	24,411
	76,918	101,400	**338,884**	333,481
Other income				
Unrealized gain on investments	**66,568**	-	**66,568**	-
Loss before income taxes	**(10,350)**	(101,400)	**(273,316)**	(333,481)
Deferred tax benefit	**1,627**	6,679	**14,757**	33,130
Net loss and comprehensive loss for the period	**$ (8,723)**	$ (94,721)	**$ (257,559)**	$ (300,351)
Income (loss) per share-basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of shares outstanding	**48,792,813**	38,094,540	**48,166,281**	36,647,587

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

CBLT INC.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares	Contributed Surplus	Deficit	Total
Balance, May 31, 2016	2,236,164	496,313	(2,457,481)	274,996
Shares issued for cash	419,803	-	-	419,803
Cost of issue – cash	(18,808)	-	-	(18,808)
Cost of issue – compensation warrants	(13,592)	13,592	-	-
Liability for flow-through shares	(45,509)	-	-	(45,509)
Debt conversion	85,424	-	-	85,424
Share based compensation		62,610	-	62,610
Shares issued on exercise of options	3,150	-	-	3,150
Equity portion of convertible debenture (Note 6)	1,300	(1,300)	-	-
Transfer from contributed surplus on exercise of options	3,000	(3,000)	-	-
Shares issued – mining claims	30,250	-	-	30,250
Loss for the period	-	-	(300,351)	(300,351)
Balance, February 28, 2017	$ 2,701,182	$ 568,215	$ (2,757,832)	$ 511,565
Shares issued – cash	84,999	-	-	84,999
Shares issued – mining claims	55,500	-	-	55,500
Cost of issue – cash	(6,230)	-	-	(6,230)
Cost of issue – compensation warrants	(4,397)	4,397	-	-
Liability for flow-through shares	(14,200)	-	-	(14,200)
Debt conversion (Note 8)	32,000	-	-	32,000
Options exercised	32,600	-	-	32,600
Warrants exercised	140,125	-	-	140,125
Transfer from contributed surplus on exercise of options	37,992	(37,992)	-	-
Share based compensation		77,924	-	77,924
Warrants issued – mining claims		51,085	-	51,085
Warrants issued on debt conversion		39,900	-	39,900
Net loss and comprehensive loss		-	(212,790)	(212,790)
Balance, May 31, 2017	$ 3,059,571	$ 703,529	$ (2,970,622)	$ 792,478
Cancellation of shares issued	(10,000)	-	-	(10,000)
Exercise of option	7,400	-	-	7,400
Shares issued for cash	560,000	-	-	560,000
Cost of issue – cash	(22,750)	-	-	(22,750)
Liability for flow-through shares	(80,000)	-	-	(80,000)
Transfer from contributed surplus on exercise of options	9,662	(9,662)	-	-
Shares issued for debt	6,823	-	-	6,823
Shares issued-mining claims	16,920			16,920
Net loss and comprehensive loss	-	-	(257,559)	(257,559)
Balance, February 28, 2018	$ 3,610,706	$ 693,867	$ (3,228,181)	$ 1,013,312

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

CBLT INC.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended February 28,	
	2018	2017
Cash provided by (used in)		
OPERATING ACTIVITIES		
Net income (loss) for the period	**$ (257,559)**	$ (300,351)
Items not affecting cash and cash equivalents		
Accretion	**-**	1,300
Share based compensation	**-**	62,610
Unrealized gain on investments	**(66,568)**	-
Deferred income taxes	**(14,757)**	(33,130)
Changes in non-cash working capital items		
Sundry receivables	**(6,717)**	(13,622)
Prepaid expenses	**32,072**	(3,411)
Accounts payable and accrued liabilities	**(124,707)**	47,087
	(438,236)	(239,511)
INVESTING ACTIVITIES		
Exploration and evaluation assets	**(12,386)**	(37,860)
Deferred exploration costs	**(47,408)**	(58,017)
	(59,794)	(86,677)
FINANCING ACTIVITIES		
Share offering	**564,223**	422,953
Cost of issue	**(22,750)**	(18,808)
Proceeds of sale of exploration and evaluation assets	**66,952**	-
	608,425	404,145
Change in cash	**110,395**	(31,434)
Cash, beginning of period	**61,716**	38,131
Cash, end of period	**$ 172,111**	$ 6,697

Supplemental schedule of non-cash transactions		
Mineral property acquisition	$ **16,920**	$ 30,250
Settlement of debt with shares	**6,823**	85,000

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

1. NATURE OF BUSINESS AND GOING CONCERN

Green Swan Capital Corp. (the "Company"), was incorporated under the Canada Business Corporations Act on April 28, 2008.

The Company's shares are listed on the TSX Venture Exchange. The head office, principal address and records office of the Company are located at 855 Brant Street, Burlington, Ontario, Canada L7R 2J6.

The condensed interim financial statements of the Company for the nine months ended February 28, 2018 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 26, 2018.

The Company is primarily engaged in the business of acquiring, exploring and dealing in mineral properties in Canada. There has been no determination whether properties held contain economically recoverable mineral resources.

The Company needs equity capital and financing for its working capital and for the costs of exploration and development of its properties. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of Presentation

These condensed interim financial statements have been prepared on the basis of accounting policies consistent with those applied in the Company's May 31, 2017 annual financial statements except for the new accounting pronouncements adopted during the period and disclosed below.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the applications of policies and reported amounts of assets and liabilities, income and expenses. Actual results may

2. SIGNIFICANT ACCOUNTING POLICIES – continued

differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

The condensed interim financial statements have been prepared on a historical cost basis.

Future changes in accounting standards

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after June 1, 2017. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following will be adopted when they become effective:

(i) IFRS 9 Financial instruments ("IFRS 9") is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS is effective for annual periods beginning on or after January 1, 2018. The Company does not anticipate a significant impact on the financial results from adopting the standard.

(ii) IFRS 15 Revenue from Contracts with Customers ("IFRS 15") presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. The Company does not anticipate a significant impact on the financial results as it has no revenue.

(iii) IFRS 16 Leases ("IFRS 16") eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early adopts IFRS 15 as well. The Company does not anticipate a significant impact on its financial results from adopting this standard.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Future changes in accounting standards - continued

(iv) IFRS 2 *Share-based Payments* ("IFRS 2") has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in June 2016. The amendments provide guidance on the accounting for:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
- The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company is evaluating the impact this new standard will have on its financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Fair value

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and

c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value

3. FINANCIAL RISK FACTORS – continued

measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The Company's financial instruments include cash and cash equivalents, accounts payable and accrued liabilities and promissory note payable. The carrying values of these financial instruments approximate their fair value due to their short-term maturity.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with a reputable Canadian chartered bank.

Management believes that the credit risk concentration with respect to financial instruments included is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at February 28, 2018, the Company had cash of $172,111 (May 31, 2017 - $61,716). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity (Note 1).

Market risk

(a) Interest rate risk

The Company has a cash balance and no interest-bearing debt. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(Expressed in Canadian Dollars)

3. FINANCIAL RISK FACTORS – continued

(c) Equity price risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's available-for-sale investments are exposed to significant equity price risk due to the potentially volatile and speculative nature of the business in which the investment is held.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to gold to determine the appropriate course of action to be taken.

4. EXPLORATION AND EVALUATION ASSETS

	Copper Prince	Dryden Cobalt	Chilton Cobalt	Gowganda Cobalt	Otto Lake	Geneva Lake	MacTrack	British Columbia Properties	Total
May 31, 2016	$ -	$ -	$ -	$ -	$ -	$ 341,360	$ -	$ 155,205	$ 496,565
Acquisition costs	35,056	19,050	-	-	-	-	-	-	54,106
Deferred exploration costs	172,207	-	-	-	-	-	-	-	172,207
February 28, 2017	$ 207,263	19,050	-	-	-	$ 341,360	$ -	$ 155,205	$ 722,878
Acquisition costs	-	-	-	-	-	-	-	-	-
Deferred exploration costs	325	-	42,213	153,115	-	-	-	-	195,653
May 31, 2017	$ 207,588	$ 19,050	$ 42,213	$153,115	$ -	$ 341,360	$ 41,788	$ 155,205	$ 918,531
Acquisition costs	2,176		164	-	46	-	26,920	-	29,306
Deferred exploration costs	99	3,606	22,599	19,766	175	-	1,163	-	47,408
Proceeds on sale	-	-	-	(116,852)	-	-	-	-	(116,852)
February 28, 2018	$ 209,863	$ 22,656	$ 64,976	$ 56,029	$ 221	$ 341,360	$ 28,083	$ 155,205	$ 878,393

Copper Prince

On June 14, 2016, the Company acquired a 100% interest in the Copper Prince property. As consideration the Company made a cash payment of $10,000 and issued 200,000 common shares at $0.08 per common share in favour of the vendor.

4. EXPLORATION AND EVALUATION ASSETS – continued

The property is subject to a 2% net smelter return royalty.

On August 4, 2016, the Company staked 4 mineral claims for a cash cost of $4,400. The claims are not adjacent to the Copper Prince property.

During the first nine months of fiscal 2018 the Company carried out exploration and evaluation activities totalling net $2,275.

Dryden Cobalt

On August 29, 2016, the Company acquired a 100% interest in the Dryden Cobalt property. As consideration the Company made a cash payment of $4,800 and issued 150,000 common shares at $0.095 per common share in favour of the vendor.

During the first nine months of fiscal 2018 the Company carried out exploration and evaluation activities totalling $3,606.

Chilton Cobalt

On February 27, 2017, the Company acquired a 100% interest in the Chilton Cobalt property located in the Laurentian Region of Quebec. As consideration the Company issued 150,000 common shares at $0.07 per common share and 150,000 share purchase warrants exercisable at $0.10 per common share in favour of the vendor. The share purchase warrants issued for one property were assigned a fair value of $13,788 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; volatility of 192%; risk-free interest rate of 1.20%; and an expected maturity of one year.

During the first nine months of fiscal 2018 the Company carried out exploration and evaluation activities totalling $22,599.

Gowganda Cobalt

On May 12, 2017, the Company acquired a 100% interest in the Gowganda Cobalt property located near Gowganda, Ontario. As consideration the Company made a cash payment of $67,650 and issued 562,500 common shares at $0.08 per common share and issued 562,500 share purchase warrants exercisable at $0.10 in favour of the vendor. The share purchase warrants were assigned a fair value of $37,296 using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%; volatility of 187%; risk-free interest rate of 1.20%; and an expected maturity of one year.

The property is subject to a 2% net smelter return royalty of which the Company can purchase a 50% interest at any time for $1,000,000.

4. EXPLORATION AND EVALUATION ASSETS – continued

During the first nine months of fiscal 2018 the Company carried out exploration and evaluation activities totalling $19,766.

During the period, the Company sold and/or optioned several mineral claims comprising the Gowganda Cobalt property for cash and securities proceeds of $66,952 and $49,900 respectively.

Otto Lake

On February 16, 2017, the Company acquired a 100% interest in the Otto Lake property located near Kirkland Lake, Ontario.

As consideration the Company entered into a net smelter return royalty (NSR) agreement whereby it will pay a 3% NSR on the first 200,000 ounces of gold produced and a 2% NSR on amounts greater than 200,000 ounces of gold produced. In the event the Company completes and files form NI43-101 containing a resource estimate of at least one million ounces of gold at an average grade of two grams per tonne on the Otto Lake property, a bonus of $USD 250,000 is payable within thirty days of such filing.

During the first nine months of fiscal 2018 the Company carried out exploration and evaluation activities totalling $175.

MacTrack

On December 18, 2017, the Company acquired a 100% interest in the MacTrack property located near Sudbury, Ontario.

As consideration the Company made a cash payment of $10,000 and issued 187,500 common shares at $0.08 per share. A finder's fee paid by the issue of 24,000 common shares was incurred with respect to the acquisition of the MacTrack property.

The property is subject to a 2% net smelter return royalty of which the Company can purchase a 50% interest at any time for $1,000,000.

Geneva Lake

On November 12, 2012, the Company acquired a 100% interest in the Geneva Lake property. As consideration, the Company issued 200,000 common shares at a deemed price of $0.10 per common share and 200,000 share purchase warrants exercisable at $0.20 per common share in favour of the vendor. The fair value of the share purchase warrants has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 1.20%, dividend yield of 0%, volatility of 100%, and expected life of two years.

The property is subject to a 2.0% net smelter return royalty of which the Company can purchase a 50% interest at any time for $500,000.

4. EXPLORATION AND EVALUATION ASSETS – continued

During the 2015 fiscal year, the Company carried out minimal exploration and evaluation expenditures on the Geneva Lake property.

No work was carried out during the first nine months of fiscal 2018 on the Geneva Lake property.

British Columbia Properties

Peggy, Ryliejack, and SK West

On January 31, 2012, the Company acquired a 100% interest in the Peggy, Ryliejack and SK West properties. Pursuant to the purchase agreement, the Company made cash payment of $7,500 and issued 500,000 common shares at a deemed price of $0.15 per common share and 100,000 share purchase warrants exercisable at $0.15 per common share of the Company in favour of the vendor.

The fair value of the share purchase warrants has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 1.20%, dividend yield of 0%, volatility of 100%, and expected life of one year.

The property is subject to a 2.5% net smelter return royalty of which the Company can purchase a 50% interest at any time for $1,000,000.

During the 2015, 2014 and 2013 fiscal years impairment in the amount of $57,937, $40,810 and $11,070 respectively were recorded with respect to mining tenures. The amount represents the carrying value of tenures not renewed.

Mikayla

On March 2, 2012, the Company acquired a 100% interest in the Mikayla, Tat and Chess properties. Pursuant to the purchase agreement, the Company made cash payment in the amount of $9,294 and issued 150,000 common shares at a deemed price of $0.20 per common share.

The properties are subject to a 2.5% net smelter return royalty of which the Company can purchase a 50% interest at any time for $1,000,000.

During the 2013 fiscal year the Company determined that it would not renew the tenures comprising the Tat and Chess properties when they became due for renewal subsequent to the year end and consequently wrote down the carrying value of the properties. Consequently, impairment in the amount of $34,365 was recognized for these tenures.

During the first nine months of the 2018 fiscal year the Company carried out no exploration and evaluation activities on the Mikayla property.

(Expressed in Canadian Dollars)

5. INVESTMENT

	February 28 2018	May 31 2017
Tempus Capital Inc-common shares	**$ 82,814**	$ 82,814
Zara Resources Inc.-common shares	**720**	720
Hadley Mining Inc.-common shares	**3,800**	3,800
Leo Resources Inc.-common shares	**5,712**	5,712
Winmar Resources Limited	**116,468**	-
	$ 209,514	$ 93,046

The investment in Tempus Capital Inc. consists of 658,334 (2017 – 658,334) common shares representing a 2.2% (2017-2.7%) interest. Tempus Capital Inc. is a reporting issuer whose shares are not listed on a stock exchange or trading platform. The carrying value of the remaining shares of Tempus Capital Inc. has been adjusted to reflect the value per share based on industry comparables during fiscal 2017.

The investment in Zara Resources Inc. and Hadley Mining Inc. consists of 4,800 common shares and 4,000 common shares respectively. The investment in Leo Resources Inc. consists of 4,800 common shares. The common shares of Zara, Hadley and Leo are listed on the Canadian Securities Exchange.

The investment in Winmar Resources Limited consists of 16,666,667 common shares representing a .8% interest. The common shares of Winmar Resources Limited are listed on the Australian Stock Exchange.

6. PROMISSORY NOTES PAYABLE

(i) In connection with a discontinued qualifying transaction, the Company incurred significant legal fees which have been converted to a non-interest bearing promissory note. The promissory note is unsecured, payable in monthly instalments of $2,000 and matured April 15, 2014. Interest at 10% per annum is accruing on the unpaid balance.

Interest expense in the amount of $775 (2016 - $775) was recognized during the three months ending February 28, 2018 in relation to the promissory note payable.

Future principal payments are as follows:

Year	Amount
2018	$ 31,000

(Expressed in Canadian Dollars)

7. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	Number of Shares	Share Capital
Balance May 31, 2016	**31,771,179**	**$ 2,236,164**
Shares issued for cash	4,882,234	419,803
Share issue costs	-	(18,808)
Broker warrants	-	(13,592)
Liability for flow-through shares	-	(45,509)
Debt conversion	1,085,263	85,424
Shares issued for mineral properties	350,000	30,250
Options exercised	35,000	3,150
Transfer from contributed surplus-equity portion of convertible debenture	-	1,300
Transfer from contributed surplus on exercise of options	-	3,000
Balance February 28, 2017	**38,123,676**	**$ 2,701,182**
Shares issued for cash	935,000	84,999
Share issue costs	-	(6,230)
Debt conversion	350,000	32,000
Shares issued for mineral properties	712,500	55,500
Options exercised	627,000	32,600
Warrants exercised	2,125,000	140,125
Broker warrants	-	(4,397)
Liability for flow-through shares	-	(14,200)
Transfer from contributed surplus on exercise of options	-	37,992
Balance May 31, 2017	**42,873,176**	**$ 3,059,571**
Shares issued for cash	6,000,00	560,000
Share issue costs	-	(22,750)
Shares cancelled	(111,111)	(10,000)
Exercise of options	148,000	7,400
Transfer from contributed surplus on exercise of options	-	9,662
Liability for flow-through shares		(80,000)
Shares issued for debt	75,294	6,823
Shares issued for mineral properties	211,500	16,920
Balance February 28, 2018	**49,196,859**	**3,547,626**

8. WARRANTS

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions and the number of share purchase warrants outstanding as at February 28, 2018 are summarized as follows:

(Expressed in Canadian Dollars)

8. WARRANTS – continued

	Number	Exercise Price	Expiry Date
Debt conversion	350,000	$0.10	October 24, 2018
Private placement	550,000	$0.12	November 3, 2018
Private placement	285,000	$0.12	November 9, 2018
Private placement	100,000	$0.10	November 10, 2018
Acquisition of mineral properties	562,500	$0.10	November 12, 2018
Acquisition of mineral properties	150,000	$0.10	March 3, 2019
Debt conversion	75,294	$0.10	April 12, 2019
Private placement	437,500	$0.10	November 24, 2018

9. SHARE-BASED PAYMENTS

The Company has established a stock option plan whereby the Board of Directors may grant options to directors, officers and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified.

The following table summarizes the continuity of the Company's stock options:

	Number of Options		Weighted Average Exercise Price
Balance May 31, 2016	**3,042,000**	**$**	**0.08**
Exercised	(35,000)		0.09
Expired	(715,000)		0.09
Granted	825,000		0.06
Balance February 28, 2017	**3,117,000**		**0.07**
Exercised	(627,000)		0.06
Granted	825,000		0.09
Balance May 31, 2017	**3,315,000**		**0.08**
Exercised	(148,000)		0.05
Granted	609,000		0.10
Balance February 28, 2018	**3,776,000**	**$**	**0.09**

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS - continued

At February 28, 2018, the Company had outstanding stock options, enabling holders to acquire common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
132,000	132,000	0.05	February 2, 2019
475,000	475,000	0.135	April 7, 2019
35,000	35,000	0.09	June 1, 2019
925,000	925,000	0.05	May 26, 2021
325,000	325,000	0.06	October 27, 2021
450,000	450,000	0.08	February 24, 2022
825,000	825,000	0.11	April 7, 2022
609,000	609,000	0.10	June 19, 2022
3,776,000	3,776,000		

The weighted average contractual life of the options outstanding at February 28, 2018 is 3.36 years.

The total number of options exercisable as at February 28, 2018 is 3,776,000 (February 28, 2017 - 3,117,000).

Options Issued to Employees

Options issued to employees are measured at fair value at the grant date using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield, expected forfeitures and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk free rate of return is the yield on a zero-coupon Canadian Treasury bill of a tem consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

(Expressed in Canadian Dollars)

9. SHARE-BASED PAYMENTS - continued

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Total expenses arising from the share-based payment transactions recognized during the three months ended February 28, 2018 as part of share-based compensation expense was $Nil (February 28, 2017: $Nil).

As at February 28, 2018 there was $Nil (February 28, 2017 - $Nil) of total unrecognized compensation cost related to unvested share-based compensation.

Total expenses arising from the share-based payment transactions that were capitalized during the three months ending February 28, 2018 as part of exploration and evaluation asset acquisition costs were $Nil (February 28, 2017: $Nil).

10. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

The Company had the following transactions in the normal course of operations with related parties:

	Three months ended	
	February 28, 2018	**February 28, 2017**
Management fees (i)	$ 33,000	$ 33,000
Office rent, supplies and telephone (ii)	$ 3,000	$ 3,000
Share-based compensation	$ -	$ 26,218

(i) During the three month period ended February 28, 2018 the Company paid or accrued $16,500 (2017 - $16,500) in management fees to the CEO of the Company; $16,500 (2017 - $16,500) to the CFO of the Company; and $Nil (2017 - $Nil) in mineral property exploration consulting costs to the VP of Exploration.

(ii) During the three month period ended February 28, 2018 the Company paid or accrued $3,000 (2017 - $3,000) for rent, supplies and administrative expenses to a private company controlled by the CFO of the Company.

As at February 28, 2018 accounts payable and accrued liabilities include $1,130 (2017 - $1,130) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian Dollars)

11. COMMITMENTS AND CONTINGENCIES

Flow-through Shares

On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as a tax provision and the related deferred tax is recognized as a tax provision. Other liabilities include the premium that has not yet been used to incur qualifying exploration expenditures. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

Balance at May 31, 2017	**$**	**110,976**
Expenditure commitment on flow-through shares issued during the year		400,000
Settlement of flow-through share liability on Incurring expenditures		(66,893)
Balance at May 31, 2017	**$**	**444,083**

12. SUBSEQUENT EVENTS

- On April 3, 2018, CBLT Inc. entered into a sale agreement with Krakatoa Resources Limited, an Australian company listed on the Australian Stock Exchange, to sell two mineral exploration claims. Consideration for the sale included $50,000 AUD plus 2,500,000 common shares of Krakatoa Resources Limited at a price of $0.035 AUD. CBLT Inc. will issue 60,000 common shares as a finder's fee which will require regulatory approval.

- On April 12, 2016, CBLT Inc. entered into an agreement with International Cobalt Resources Limited, an Australian company which is in the process of listing its shares on the Australian Stock Exchange, to sell two mineral exploration claims. International Cobalt Resources Limited will provide a deposit of $20,000 AUD which is refundable for 21 days to allow for International Cobalt Resources Limited to complete its due diligence. On closing, International Cobalt Resources Limited will pay cash consideration of $125,000 AUD including the deposit and will issue to CBLT Inc.$125,000 worth of International Cobalt Resources Limited shares at a price at which it carries out its next financing. In addition, International Cobalt Resources Limited ill issue to CBLT Inc. warrants equal in number to the common shares issued in connection with the acquisition exercisable at double the price at which the common shares are issued.