Industria Metals Inc.

(formerly Lillingstone Metals Inc.)

Condensed Interim Financial Statements

For the nine months ended September 30, 2018 and
from June 16, 2017 to September 30, 2017
(Expressed in Canadian dollars)

Industria Metals Inc. (formerly Lillingstone Metals Inc.)

Statement of Financial Position

(Expressed in Canadian Dollars)

	September 30 2018	December 31 2017
ASSETS		
Current assets		
Accounts receivable	4,471	3,201
	$ 4,471	$ 3,201
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 28,972	$ 4,910
Due to related party (Note 7)	90,702	64,819
	119,674	69,729
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6)	576	51
Deficit	(115,779)	(66,579)
	(115,203)	(66,528)
	$ 4,471	$ 3,201

Nature and continuance of operations and going concern (note 1)
Subsequent event (note 8)

These financial statements were approved by the Directors on November 29, 2018 and are signed on their behalf by:

"Walter Coles", **Directors** *"Catalin Kilofliski"*, **Directors**

Industria Metals Inc. (formerly Lillingstone Metals Inc.)

Statement of Changes in Equity

Nine months ended September 30, 2018 and from June 16, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

	Deficit	Share capital		Shareholders'
		Number of shares	Amount $	equity $
Balance at June 16, 2017				
Issuance of common shares	-	5,080,725	51	51
Net loss and comprehensive loss for the period	(58,811)	-	-	(58,811)
Balance at September 30, 2017	(58,811)	5,080,725	51	(58,760)
Balance at December 31, 2017	(66,579)	5,049,107	51	(66,528)
Issuance of common shares	-	9,161,640	525	525
Net loss and comprehensive loss for the period	(49,200)	-	-	(49,200)
Balance at September 30, 2018	**(115,779)**	**14,210,747**	**576**	**(115,203)**

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

Industria Metals Inc. (formerly Lillingstone Metals Inc.)

Statement of loss and comprehensive loss

Nine months ended September 30, 2018 and from June 16, 2017 to September 30, 2017*

(Expressed in Canadian Dollars)

	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017*
EXPENSES				
Accounting and corporate secretarial fees	6,675	6,000	18,675	6,000
Audit fees	1,250	4,714	3,800	4,714
Legal fees	-	45,000	-	45,000
Property Investigation	21,236	-	21,236	-
Investor relations	-	835	600	835
Regulatory and transfer agent fees	1,316	2,262	4,889	2,262
Net and comprehensive loss for the period	$ 30,477	$ 58,811	$ 49,200	$ 58,811
Basic and diluted loss per share	$ 0.00	$ 0.01	$ 0.01	$ 0.01
Weighted average number of shares outstanding	9,414,507	5,049,107	7,568,582	5,049,107

**The Company was incorporated on June 16, 2017, and therefore the 2017 comparable period is from June 16, 2017 until September 30, 2017.*

The accompanying notes are an integral part of these financial statements

Industria Metals Inc. (formerly Lillingstone Metals Inc.)
Statement of Cash Flows
Nine months ended September 30, 2018 and from June 16, 2017 to September 30, 2017*
(Expressed in Canadian Dollars)

	Three months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2018	Nine months ended September 30 2017*
Cash provided by (used for):				
Operating activities				
Net and comprehensive loss	**$ (30,477)**	$ (58,811)	**$ (49,200)**	$ (58,811)
Change in non-cash working capital:				
Amounts receivable	**$ (400)**	(2,995)	**(1,270)**	(2,995)
Accounts payable and accrued liabilities	**$ 21,124**	59,444	**24,062**	59,444
Due to related parties	**$ 9,249**	2,362	**25,883**	2,362
	(504)	-	**(525)**	-
Financing activities				
Issuance of common shares	**$ 504**	51	**525**	51
	504	51	**525**	51
Change in cash during the period	**-**	51	**-**	51
Cash, beginning of the period	**-**	-	**-**	-
Cash, end of the period	**$ -**	$ 51	**$ -**	$ 51

**The Company was incorporated on June 16, 2017, and therefore the 2017 comparable period is from June 16, 2017 until September 30, 2017.*

The accompanying notes are an integral part of these financial statements

1. **Nature of operations and going concern**

Industria Metals Inc. (formerly Lillingstone Metals Inc.) (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on June 16, 2017. The Company’s name was changed to Industria Metals Inc. on July 6, 2018. The Company’s principal business activity is searching for a project to acquire, while complying with the requirements of being a public company. The Company’s registered place of business is located at 650 - 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, Canada. The Company is in the startup stage of operations, and does not yet have any revenue-generating activity.

The Company was a wholly-owned subsidiary of Anacott Resources Corp. (“Anacott”) until a plan of arrangement was completed on July 28, 2017 under which the Company’s common shares were distributed to shareholders of Anacott on a pro-rata basis. The Company had not commenced operations at June 30, 2017, hence there were no revenues nor expenses for the period from June 16, 2017 to June 30, 2017.

The financial statements were prepared on a going concern basis with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has no cash resources, has incurred significant operating losses and debts to finance operations, and will require additional financing in order to continue operations. There is no assurance that such funding will be available. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company is dependent upon its ability to finance its operations and investment programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of accounts receivable and, ultimately, the Company’s ability to continue as a going concern, is dependent upon the Company’s ability to raise financing to make investments in order to achieve positive cash-flow, the realization of which is uncertain. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. **Basis of presentation**

Basis of compliance
These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, are in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and are consistent with interpretations by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended December 31, 2017, with the adoption of updated policies described later in Note 2. The disclosures which follow do not include all disclosures required for the annual financial statements. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2017.

Basis of measurement
The financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Significant accounting estimates and judgements

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. The impact of estimates and judgments is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of estimated uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. Such significant assumptions include, but are not limited to, the following areas:

Critical accounting estimates

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

- Recovery of receivables

The Company estimates the collectability and timing of collection of its receivables, classifying them as current assets or long-term assets, and applies provisions for collectability when necessary.

Critical accounting judgments

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

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned project-acquisitions, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. New standards, amendments and interpretations

The following new standards, and amendments to standards and interpretations, were not yet effective and have not been applied in preparing these condensed interim consolidated financial statements.

Accounting standards issued and effective January 1, 2019

IFRS 16 Leases

A finalized version of IFRS 16 *Leases* replaces IAS 17 *Leases*. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The Company is in the process of determining the impact of IFRS 16 on its financial statements, but anticipates no material impact on the financial statements.

4. **New standards, amendments and interpretations (continued)**

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company in the nine-month period ended September 30, 2018:

Accounting standards issued and effective January 1, 2018

IAS 12 Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses
The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. As the Company has no debt instruments measured at fair value, this change had no impact on the financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from customers, this change had no impact on the financial statements.

IFRS 9 Financial Instruments
A finalized version of IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from IAS 39. This change had no impact on the financial statements.

5. **Risk management and financial instruments**

Financial instruments

Financial instruments are agreements between two parties that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies its financial instruments as follows: accounts receivable are classified as loans and receivables; and accounts payable and accrued liabilities and due to related parties, as other financial liabilities. The carrying values of these instruments approximate their fair values due to their short term to maturity.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Management believes that credit risk with respect to receivables is minimal, as the majority consists of amounts due from Canadian governmental agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to secure funding of liabilities from a related party in order to ensure liabilities will be paid when due, while keeping costs low. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2018, and some amounts owed to related parties are overdue. It is anticipated that all amounts owed to non-related parties will be paid by a related party on behalf of the Company.

(Expressed in Canadian dollars)

5. **Risk management and financial instruments (continued)**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at September 30, 2018, the Company is not directly exposed to significant market risk.

6. **Share capital**

(a) **Authorized**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) **Reconciliation of changes in share capital**

During the period ended September 30, 2018, the Company issued 9,161,640 common shares for $525 cash.

7. **Related party transactions**

Key management compensation

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the periods is as follows:

	Period ended September 30, 2018	Period ended September 30, 2017
Director remuneration[1]	$ -	$ -
Officer remuneration[1]	$ 17,300	$ 6,000
Share-based payments	$ -	$ -

[1] Remuneration consists exclusively of salaries, bonuses, health benefits if applicable and consulting fees for key management personnel.

Included in accounting and corporate secretarial fees is $18,175 (December 31, 2017 - $12,000) owed to Anacott, a corporation with common directors or officers, for the provision of key management services.

Included in due to related party at September 30, 2018 is $84,083 (December 31, 2017 - $64,819) due to Anacott. These amounts relate primarily to the costs of formation and a portion of the legal costs of the plan of arrangement, as well as the provision of key management services as described above for the period since formation.

The remaining balances in due to related party are expense reimbursements due to the Chief Executive Officer and Chief Financial Officer of $1,171 (December 31, 2107 - $nil) and $313 (December 31, 2107 - $nil), respectively.

8. Subsequent event

On October 15, 2018, the Company closed a private placement of 5,000,000 common shares of the Company at $0.05 per common share for gross proceeds of $250,000.

On November 22, 2018, the Company signed a definitive option agreement whereby the Company has the option to acquire 100% interest in certain leases of mineral rights in the state of Colorado which are thought to be prospective for uranium and vanadium. In order to exercise the option, the Company must make the following cash payments:

1. US$125,000 on signing the definitive agreement (paid)
2. US$75,000 within 30 days of securing an agreement to process ore at a nearby facility
3. US$300,000 within 120 days following the later of
    a. the date that the US$75,000 payment is made, or
    b. the date that the stay is lifted
4. US$1,000,000 on the date that is the earlier of:
    a. commencement of commercial uranium production and
    b. 24 months after the $300,000 payment is made

Following the option exercise, the Company shall have the following obligations:
The Company shall make a total of three payments of US$1,500,000 each: on the second, fourth and sixth anniversaries of the US$1,000,000 payment. The optionor of the property shall retain the right to purchase up to 20% of the uranium production from the property at an industry competitive price.