Nevada Energy Metals Inc.

(formerly Southern Sun Minerals Inc.)

Condensed Consolidated Interim Financial Statements

Quarter 3 – Nine months ended 31 March 2018

(Unaudited)

(Expressed in Canadian dollars)

Nevada Energy Metals Inc.
(formerly Southern Sun Minerals Inc.)
Condensed Consolidated Interim Statements of Financial Position
As at 31 March 2018 and 30 June 2017
(Unaudited)
(Expressed in Canadian dollars)

	Notes	**As at 31 March 2018**	As at 30 June 2017 (Audited)
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		**1,439,120**	97,371
Amounts receivable	4	**12,344**	13,328
Short term investment	5	**-**	437,500
Prepaid expenses		**-**	3,790
		1,451,464	551,989
Exploration and evaluation properties	6	**520,021**	498,457
Total assets		**1,971,485**	1,050,446
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade and other payables	7	**1,005**	26,197
		1,005	26,197
Equity			
Common shares	8	**2,681,559**	2,671,615
Reserves	8	**4,208,743**	4,158,648
Deficit		**(4,919,822)**	(5,806,014)
Total equity		**1,970,480**	1,024,249
Total equity and liabilities		**1,971,485**	1,050,446

Nature of operations and going concern (Note 1), **Commitments and Contingencies** (Note 16) and **Subsequent events** (Note 18)

APPROVED BY THE BOARD:

"Tim Fernback" *"John Oness"*

Tim Fernback John Oness

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

Nevada Energy Metals Inc.
(formerly Southern Sun Minerals Inc.)
Interim Statements of Loss and Comprehensive Loss
For the nine months ended 31 March 2018 and 2017
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Three months ended 31 March 2018	Three months ended 31 March 2017	Nine months ended 31 March 2018	Nine months ended 31 March 2017
		$	$	$	$
Administration expenses					
Bank charges and interest		**24,470**	448	**29,003**	3,539
Consulting	12.1	**49,860**	69,000	**148,860**	198,403
Marketing and communications	8.2	**-**	27,674	**22,874**	224,493
Office and miscellaneous	12.1	**7,054**	7,385	**12,980**	43,029
Professional fees	12.1	**-**	-	**5,363**	31,731
Rent	12.1	**9,364**	9,305	**27,974**	27,836
Transfer agent fees		**17,963**	8,159	**27,450**	26,418
Travel, lodging and food		**-**	-	**-**	19,750
Loss before other items		**(105,711)**	(121,970)	**(274,504)**	(575,199)
Other items					
Interest and other income		**-**	-	**-**	29
Foreign exchange gain (loss)		**11,840**	(68,379)	**9,583**	(62,439)
Gain on sale of short term investments		**445,501**	-	**501,208**	-
Recovery of exploration and evaluation properties		**130,181**	-	**700,000**	-
Net income (loss) for the period		**481,810**	(190,349)	**936,287**	(637,609)
Other comprehensive gain					
Unrealized gain on short term investments	5	(50,095)	38,000	-	38,000
Net comprehensive income (loss) for the period		**431,715**	(152,349)	**936,287**	(599,609)
Income (loss) per share					
Basic and diluted	9	**0.092**	(0.002)	**0.200**	(0.005)

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

Nevada Energy Metals Inc.
(formerly Southern Sun Minerals Inc.)
Interim Statements of Cash Flows
For the nine months ended 31 March 2018 and 2017
(Unaudited)
(Expressed in Canadian dollars)

	Notes	31 March 2018	31 March 2017
		$	$
OPERATING ACTIVITIES			
Income (loss) for the period		**936,287**	(599,609)
Adjustment for:			
Shares for service	8	**9,944**	29,832
Finder's fee		**-**	24,000
Gain on short term investments		**(501,208)**	-
Changes in operating working capital:			
Decrease (increase) in trade and other receivables		**984**	7,964
Decrease (increase) in prepaid expenses		**3,790**	106,713
Increase in trade and other payables		**(25,192)**	(47,081)
Cash used in operating activities		**424,605**	(478,181)
INVESTING ACTIVITIES			
Exploration and evaluation properties expenditures	6	**(21,564)**	(136,482)
Exploration and evaluation properties recoveries		**(700,000)**	-
Proceeds from sale of short term investment	5	**1,638,708**	-
Cash from (used) in investing activities		**917,144**	(136,482)
FINANCING ACTIVITIES			
Proceeds from exercise of warrants	8	**-**	21,000
Cash from financing activities		**-**	21,000
Increase (decrease) in cash and cash equivalents		**1,341,749**	(593,663)
Cash and cash equivalents, beginning of period		**97,371**	666,367
Cash and cash equivalents, end of period		**1,439,120**	72,704

Nevada Energy Metals Inc.
(formerly Southern Sun Minerals Inc.)
Interim Statements of Changes in Equity (Deficiency)
For the nine months ended 31 March 2018 and 2017
(Unaudited)
(Expressed in Canadian dollars)

	Number of common shares	Common shares	Stock option reserve	Warrant reserve	Investment revaluation reserve	Deficit	Total
		$	$	$	$	$	$
Balances, 30 June 2016	4,629,588	2,578,592	696,510	3,297,936	-	(5,175,970)	1,397,068
Shares issued for:							
Exercise of warrants	27,000	21,000	-	-	-	-	21,000
Finder's fees	10,000	24,000	-	-	-	-	24,000
Services	12,621	22,283	-	-	-	-	22,283
Net loss for the period	-	-	-	-	-	(599,607)	(599,607)
Balances, 31 March 2017	4,679,209	2,645,875	696,510	3,297,936	-	(5,775,577)	864,744
Shares issued for:							
Exercise of warrants	-	25,740	-	(18,191)	-	-	7,549
Share-based payments	-	-	142,393	-	-	-	142,393
Unrealized gain on short term investments	-	-	-	-	40,000	-	40,000
Net loss for the period	-	-	-	-	-	(30,437)	(30,437)
Balances – 30 June 2017	4,679,209	2,671,615	838,903	3,279,745	40,000	(5,806,014)	1,024,249
Shares issued for:							
Services	9,944	9,944	-	-	-	-	9,944
Unrealized loss on short term investments	-	-	-	-	50,095	(50,095)	-
Net income for the period	-	-	-	-	-	936,287	936,287
Balances, 31 March 2018	**4,689,153**	**2,681,559**	**838,903**	**3,279,745**	**90,095**	**(4,919,822)**	**1,970,480**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nevada Energy Metals Inc. (formerly Southern Sun Minerals Inc.) (the "Company") was incorporated on 2 June 2011 under the laws of the province of British Columbia. The Company is a reporting issuer in British Columbia and Alberta, on the TSX Venture Exchange ("TSXV") under the trading symbol "BFF", co-listed on the OTCQB (United States) under the symbol "SSMLF". The Company is in the process of acquiring, exploring and developing mineral resources located in Nevada. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties, or sell the properties outright. The Company has not yet determined whether these properties contain ore reserves which are economically recoverable and the Company is considered to be in the exploration stage.

On 3 March 2016, the Company incorporated a wholly owned subsidiary in Nevada, US, Nevada Energy Metals, USA Inc. (Note 2.1).

On 24 January 2018, the Company consolidated its share capital on one (1) new common share without par value for every two (2) existing common shares without par value basis. All common shares and per share amounts have been restated to give retroactive effect to the share consolidation.

The head office and principal address is located at Suite 1220, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

1.1 Going concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 31 March 2018, the Company had cash and cash equivalents of $1,439,120 (30 June 2017: $97,371) and working capital of $1,450,459 (30 June 2017: $525,792), but management cannot provide assurance that the Company will ultimately achieve profitable operations, or raise additional debt and/or equity capital. Existing funds on hand at 31 March 2018 will not be sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the current year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the going concern assumption was not appropriate, such adjustments could be material.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as follows:

Name	Country of Incorporation	% Equity interest at	
		31 March 2018	30 June 2017
Nevada Energy Metals USA Inc. (Note 11)	USA	100%	100%

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements of the subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

2.2 Basis of presentation

The Company’s consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 10, and are presented in Canadian dollars except where otherwise indicated.

2.3 Statement of compliance

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3.2 Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

3.3 Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3.4 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and/or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3.5 Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

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 the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties. A gain or loss may be incurred upon settlement of the decommissioning obligation.

3.6 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents are included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include short term investments in equities of other entities. The fair value is determined by reference to bid prices at the close of business on the reporting date.

Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.7 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.8 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.9 Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.10 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.11 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.12 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options, as determined using the Black-Scholes Option Pricing Model, which incorporates all market vesting conditions are expensed to profit or loss. The corresponding amount is recorded to the stock options reserve. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.13 Foreign currency translation

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.14 Earnings (loss) per share

Basic per share amounts are calculated by dividing the earnings or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of share purchase warrants and stock options.

3.15 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised IAS, IFRS, amendments and related IFRIC, which are effective for the Company financial year beginning on 1 July 2016. The Company has adopted all the following new standards relevant to the Company for the period ended 31 March 2018.

- IAS 1 *'Presentation of Financial Statements'* is an amendment to clarify certain aspects focused on the areas of clarification of concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after 1 January 2016.

- IAS 28 '*Investments in associates and joint ventures*' is an amendment that clarifies that an entity need not apply the equity method to its investment in an associate or joint venture if the parent is the ultimate parent of the entity in which subsidiaries are consolidated or are measured at fair value through profit or loss. The amendment is effective for annual periods beginning on or after 1 January 2016.

- IFRS 7 *'Financial Instruments: disclosures*', clarifies the definition for continuing involvement in a transferred financial asset. The amendments are effective for annual periods beginning on or after 1 January 2016.

- IFRS 10 '*Consolidated financial statements'*, clarifies the conditions for a parent to present consolidated financial statements and for investment entities, and treatment for loss of control of a subsidiary that does not contain a business. The amendments are effective for annual periods beginning on or after 1 January 2016.

- IFRS 11 *'Joint Arrangements'* is an amendment to clarify accounting for acquisition of interest in a joint operation. The amendment is applicable to annual periods beginning on or after 1 January 2016.

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 31 March 2018:

- IAS 7 '*Statement of Cash Flows'* is an amendment to clarify and improve information provided to users of financial statements about an entity's financing activities. The amendment is applicable for annual periods beginning on or after 1 January 2017.

- IAS 12 '*Income Taxes'* is an amendment to clarify criteria used to assess whether future taxable profits can be utilized against deductible temporary differences. The amendment is applicable to annual periods beginning on or after 1 January 2017.

- IAS 28 '*Investments in associates and joint ventures*' is an amendment to sale or contribution of assets between an investor and its associate or joint venture. The amendment is effective for annual periods beginning on or after a date to be determined by IASB. Earlier application is permitted.

- IFRS 2 '*Share-Based Payment'* issued in June 2016, is amended to provide requirements 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" 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 effect date for IFRS 2 is for annual periods beginning on or after 1 January 2018.

- IFRS 9, *'Financial Instruments'*: The IASB has undertaken a three-phase project to replace IAS 39 *'Financial Instruments: Recognition and Measurement'* with IFRS 9 *'Financial Instruments'*. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

  - Financial assets meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
  - Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
  - All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
  - The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the "business model" test and "cash flow characteristics" test.
  - The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

  The amendments are effective for annual periods beginning on or after 1 January 2018.

(Expressed in Canadian dollars)

- IFRS 10 '*Consolidated financial statements*', is an amendment related to the sale or contribution of assets between an investor and its associate or joint venture to be applied prospectively. The amendment is effective for annual periods beginning on or after a date to be determined by IASB. Earlier application is permitted.

- IFRIC 22 '*Foreign Currency Transactions and Advance Consideration*' is interpretation that clarifies when an entity recognizes a non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The effective date for IFRIC 22 is for annual periods beginning on or after 1 January 2018.

- IFRIC 23 '*Uncertainty over Income Tax Treatments*' is interpretation that clarifies how to apply the recoginition and measurement requirements in IAS 12 '*Income Taxes*' when there is uncertaintiy over tax treatments. The effective date for IFRIC 22 is for annual periods beginning on or after 1 January 2019.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable are as follows:

	As at 31 March 2018	As at 30 June 2017
	$	$
GST/HST receivable	**3,179**	6,643
Shared office costs receivable (Note 12)	**9,165**	6,685
Total amounts receivable	**12,344**	13,328

Included in amounts receivable of the Company are amounts due from related parties which are disclosed in Note 12. The amounts are unsecured, interest-free and repayable upon written notice given from the Company.

(Expressed in Canadian dollars)

5. SHORT TERM INVESTMENT

The Company's available-for-sale investments are as follows:

	As at 31 March 2018		As at 30 June 2017	
	Cost	**Fair Value**	Cost	Fair Value
	$	**$**	$	$
LiCo Energy Metals Inc. Nil shares (30 June 2017 – 3,500,000)	**-**	**-**	397,500	437,500
Total short term investments	**-**	**-**	397,500	437,500

LiCo Energy Metals Inc. ("LiCo") is a company with certain directors in common (Note 12).

During the period ended March 2018, the Company received 3,000,000 shares of LiCo valued at $300,000 related to the Black Rock Desert Project option agreement (Notes 6, 12 and 15).

During the period ended 31 March 2018, the Company received 4,000,000 shares of LiCo valued at $400,000 related to the Dixie Valley Project option agreement (Notes 6, 12 and 15).

During the period ended 31 March 2018, the Company sold a total of 10,500,000 shares of LiCo Energy Metals Inc. for total proceeds of $1,638,708, resulting in a gain of $501,208.

During the previous year ended 30 June 2017, the Company sold a total of 400,000 shares of American Lithium Corp. for total proceeds of $37,360, resulting in a loss of $32,640. The Company received 400,000 shares of American Lithium Corp. valued at $70,000 related to the Clayton Valley BFF-1 Property option agreement (Notes 6 and 15).

During the previous year ended 30 June 2017, the Company received 1,500,000 shares of LiCo valued at $217,500 related to the Black Rock Desert Project option agreement (Notes 6, 12 and 15).

During the previous year ended 30 June 2017, the Company received 2,000,000 shares of LiCo valued at $180,000 related to the Dixie Valley Project option agreement (Notes 6, 12 and 15).

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION PROPERTIES

For the period ended 31 March 2018	Teels Marsh West	Clayton Valley BBF-1	San Emidio Li	Dixie Valley	Black Rock Desert	Big Smokey Valley	Alkali Lake	Galleon Property	Total
Balance, 30 June 2017	109,728	-	112,583	130,181	-	145,966	-	-	**498,457**
Acquisition costs	-	-	-	-	-	-	-	-	**-**
Assaying	-	-	-	-	-	-	-	-	**-**
Consulting	-	-	-	-	-	-	-	-	**-**
Field expenses	866	-	-	-	-	-	-	-	**866**
Geology	-	-	-	-	-	-	-	-	**-**
Maintenance	20,698	-	-	-	-	-	-	-	**20,698**
Recoveries	-	-	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	-	-	**-**
Net increase for the period	21,563	-	-	-	-	-	-	-	**21,563**
Balance, 31 March 2018	131,291	-	112,583	130,181	-	145,966	-	-	**520,021**

For the year ended 30 June 2017	Teels Marsh West	Clayton Valley BBF-1	San Emidio Li	Dixie Valley	Black Rock Desert	Big Smokey Valley	Alkali Lake	Galleon Property	Total
Balance, 30 June 2016	86,269	77,157	68,491	120,041	81,734	93,057	-	7,550	644,303
Acquisition costs	-	-	-	24,000	-	-	-	-	24,000
Assaying	-	-	10,341	1,568	-	-	-	-	11,909
Consulting	1,185	7,500	298	5,760	-	1,185	-	-	15,928
Field expenses	-	-	12,990	1,534	5,463	16,665	-	-	36,652
Geology	344	-	-	-	-	-	-	-	344
Maintenance	21,930	2,926	20,463	419,081	70,723	35,059	-	-	612,024
Recoveries	-	(87,583)	-	(441,804)	(157,920)	-	-	-	(687,307)
Impairment	-	-	-	-	-	-	-	(7,550)	(159,396)
Net (decrease) increase for the year	23,459	(77,157)	44,092	10,139	(81,734)	52,909	-	(7,550)	(145,846)
Balance, 30 June 2017	109,728	-	112,583	130,181	-	145,966	-	-	498,457

(Expressed in Canadian dollars)

6.1 Teels Marsh West

The Company has staked approximately 100 placer claims located in Teels Marsh, Mineral County, Nevada. (the "Teels Marsh West Property").

6.2 Clayton Valley BFF-1

The Company has staked approximately 155 claims located in Clayton Valley, Esmeralda County, Nevada (the "Clayton Valley BFF-1 Property").

On 31 May 2016, the Company entered into an option agreement with 1074654 Nevada Ltd whereby 1074654 Nevada Ltd. has the option to acquire an undivided 70% interest in the Clayton Valley BFF-1 Property.

In order to earn a 70% interest in the Clayton Valley BFF-1 Property, 1074654 Nevada Ltd. is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares (Notes 5 and 15)	Exploration Expenditures
		USD$		USD$
Payment on or before 2 June 2016	(received)	$10,000	-	-
Payment on or before 30 June 2016	(received)	$15,000	-	-
Payment on 19 July 2016	(received)	$75,000	100,000	-
On or before 19 July 2017		$100,000	100,000	$100,000
On or before 19 July 2018		$100,000	100,000	$300,000
On or before 19 July 2019		-	-	$600,000
		$300,000	300,000	$1,000,000

During the year ended 30 June 2016, the Company issued finders fees of 100,000 common shares valued at $64,000 in connection with staking claims in the Clayton Valley BFF-1 Property (Notes 8 and 15).

On 19 July 2017, the option agreement with 1074654 Nevada Ltd. expired without being exercised (Note 18).

6.3 San Emidio Li

The Company has staked approximately 151 claims located in the San Emidio Desert, Washoe County, Nevada (the "San Emidio Li Project").

On 31 August 2017, the Company did not renew and dropped all the claims.

(Expressed in Canadian dollars)

6.4 Dixie Valley

The Company has staked approximately 907 placer claims located in Churchill County, west central Nevada (the "Dixie Valley Project").

On 30 August 2017, the Comapany reduced to maintain 90 placer claims.

On 14 July 2016, the Company entered into an option agreement with LiCo Energy Metals Inc. ("LiCo") and amended on 30 August 2017 whereby LiCo can acquire a 100% interest, subject to a 3% net smelter return, in 348 reduced to 80 mineral claims located in Dixie Valley, Churchill County, Nevada. The option agreement is "non arm's length" and is a related party transaction due to an officer and director in common between LiCo and the Company (Note 12). The TSX Venture Exchange approved the transaction on 10 August 2016. Pursuant to the terms of the Option Agreement, LiCo has 36 months within which to exercise the option as follows:

		Cash Payments	Share issuances (Notes 5 and 15)	Exploration Expenditures
		USD$		USD$
Upon signing	(received)	20,000	-	-
Upon TSX Venture approval	(received)	180,000	2,000,000	-
On or before 14 July 2017	(received)	-	2,000,000	-
On or before 30 August 2017	(received)	-	2,000,000	-
On or before 14 July 2018		-	2,000,000	-
On or before 14 July 2019		-	-	250,000
		$200,000	8,000,000	$250,000

From the date of the Amending Agreement the Optionee will be responsible for paying 100% of the annual property sustaining fees due and payable on the property from time to time.

During the previous year ended 30 June 2017, the Company issued finders fees of 100,000 common shares valued at $24,000 in connection with staking claims in the Dixie Valley Project (Notes 8 and 15).

6.5 Black Rock Desert

The Company has staked 199 claims located in Washoe County, Nevada (the "Black Rock Desert Project"). The property consists of 199 placer claims (3,980/1,610 hectares) located in southwest Black Rock Desert, Washoe County, Nevada. Reno, a major population center lies 177 kilometers to the southwest.

(Expressed in Canadian dollars)

On 30 August 2017, the Comapany reduced to maintain 130 placer claims.

On 10 November 2016, the Company entered into an option agreement with LiCo Energy Metals Inc. and amended on 30 August 2017 whereby LiCo can acquire an undivided 100% interest, subject to a 3% Net Smelter Royalty, in the Black Rock Desert Project. The option agreement is "non arm's length" and is a related party transaction due to an officer and director in common between LiCo and the Company (Note 12).

In order to earn a 100% interest in the Black Rock Desert Project, LiCo is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares (Notes 5 and 15)	Exploration Expenditures
		USD$		USD$
Cash Payment upon execution	(received)	20,000	-	-
Cash Payment upon TSXV approval	(received)	150,000	1,500,000	-
On or before 30 August 2017	(received)	-	3,000,000	
On or before 10 November 2017	(received)	-	1,500,000	-
On or before 10 November 2018		-	1,500,000	-
On or before 10 November 2019		-	-	250,000
		$170,000	7,500,000	$250,000

From the date of the Amending Agreement the Optionee will be responsible for paying 100% of the annual property sustaining fees due and payable on the property from time to time.

During the previous year ended 30 June 2016, the Company issued finders fees of 10,000 common shares valued at $28,000 in connection with staking claims in the Black Rock Desert Project (Notes 8 and 15).

6.6 Big Smokey Valley

The Company has staked approximately 160 claims located in Nye County, Nevada (the "Big Smokey Valley Project").

During the previous year ended 30 June 2016, the Company issued finders fees of 10,000 common shares valued at $28,000 in connection with staking claims in the Big Smokey Valley Project (Notes 8 and 15).

On 31 August 2017, the Company did not renew and dropped all the claims.

6.7 Alkali Lake

On 28 December 2015, the Company entered into an agreement with Dajin Resources Corp. through its wholly owned subsidiary Dajin Resources (US) Corp., a Nevada Corporation, to earn up to a 60% interest in certain mineral property claims located in Esmeralda County, Nevada (the "Alkali Lake Project").

(Expressed in Canadian dollars)

In order to earn its 60% interest in the Alkali Lake Project, the Company is required to issue shares, make payments and incur exploration expenditures as follows:

		Payments	Shares (Notes 8 and 15)	Exploration Expenditures
		USD$		USD$
Upon signing	(paid and issued)	$28,000	18,750	-
On or before 28 December 2016		$28,000	-	$200,000
On or before 28 December 2017		$28,000	-	$250,000
On or before 28 December 2018		-	-	$500,000
		$84,000	18,750	$950,000

During the year ended 30 June 2016, the Company issued finders fees of 18,750 common shares valued at $37,500 per the agreement (Notes 8 and 15).

On November 11, 2016, the Company terminated its option with Dajin to earn up to a 60% interest in in the Alkali Lake Project and record an impairment of $151,846 (Note 15).

6.8 Galleon Property

The Company entered into an agreement with Anglo Alaska Gold Corporation ("Anglo") dated 16 September 2013 and amended on 28 November 2014 to acquire the sole and exclusive right, privilege and option to purchase 100% interest in certain claims located in the Bonnifield Mining District of Alaska and the Fairbanks and Nenana Recording Districts in Alaska (the "Galleon Property").

During the previous year ended 30 June 2016, the Company issued 3,750 common shares valued at $3,000 (Notes 8 and 15).

During the previous year ended 30 June 2017, the Company terminated its option with Anglo and recorded an impairment of $7,550 with respect to the Galleon Property (Note 15).

7. TRADE AND OTHER PAYABLES

The Company's trade payables and accrued liabilities are principally comprised of amounts for administrative activities. These are broken down as follows:

	31 March 2018	30 June 2017
	$	$
Trade payables	**1,005**	1,197
Accrued liabilities	**-**	25,000
Total trade and other payables	**1,005**	26,197

8. SHARE CAPITAL

8.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

As at 31 March 2018, the Company had 4,689,153 common shares outstanding (30 June 2017: 4,679,209 common shares).

8.2 Common shares issuances

a) Private Placements

- On 13 January 2016, the Company issued 1,350,000 units at $0.66 per unit for gross proceeds of $900,000. The Company issued 135,000 units valued at $90,000 as finder's fee. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.40 per share for a period of 2 years.

The Company recorded a loss of $2,805,500 related to the above issuances of the units during the previous year ended 30 June 2016.

b) Other

- On 26 October 2017, the Company issued 9,944 common shares valued at $9,944 for marketing services (Notes 15 and 16).

- On 19 December 2016, the Company issued 4,972 common shares valued at $9,944 for marketing services (Notes 15 and 16).

- On 26 September 2016, the Company issued 7,649 common shares valued at $19,888 for marketing services (Notes 15 and 16).

- On 22 July 2016, the Company issued 10,000 common shares valued at $24,000 as finder's fee in relation to the acquisition of Dixie Valley Project (Notes 6 and 15).

- On 7 June 2016, the Company issued 10,000 common shares valued at $28,000 as finder's fee in relation to the acquisition of Black Rock Desert Project and 10,000 common shares valued at $28,000 as finder's fee in relation to the acquisition of Big Smokey Valley Project (Notes 6 and 15).

- On 17 May 2016, the Company issued 20,000 common shares valued at $64,000 as finder's fee in relation to the acquisition of the Clayton Valley BFF-1 Property (Notes 6 and 15).

- On 1 April 2016, the Company issued 2,925 common shares valued at $9,944 for marketing services (Notes 15 and 16).

- On 8 January 2016, the Company issued 18,750 common shares valued at $37,500, pursuant to an option agreement to acquire 60% interest in the Alkali Lake Project (Notes 6 and 15).

c) Exercise of Warrants

- On 19 September 2016, the Company issued 4,500 common shares related to the exercise of 4,500 warrants at an exercise price of $1.34 per share.
- On 1 September 2016, the Company issued 22,500 common shares related to the exercise of 22,500 warrants at an exercise price of $0.66 per share.
- On 16 June 2016, the Company issued 7,500 common shares related to the exercise of 7,500 warrants at an exercise price of $1.34 per share.
- On 16 May 2016, the Company issued 18,750 common shares related to the exercise of 18,750 warrants at an exercise price of $1.34 per share.
- On 28 April 2016, the Company issued 78,000 common shares related to the exercise of 78,000 warrants at an exercise price of $1.34 per share.
- On 25 April 2016, the Company issued 37,500 common shares related to the exercise of 37,500 warrants at an exercise price of $0.66 per share and 7,500 common shares related to the exercise of 7,500 warrants at an exercise price of $1.34 per share.
- On 21 April 2016, the Company issued 165,000 common shares related to the exercise of 165,000 warrants at an exercise price of $0.33 per share.
- On 19 April 2016, the Company issued 450,000 common shares related to the exercise of 450,000 warrants at an exercise price of $0.66 per share.
- On 31 March 2016, the Company issued 7,500 common shares related to the exercise of 7,500 warrants at an exercise price of $0.66 per share.
- On 22 March 2016, the Company issued 97,500 common share related to the exercise of 97,500 warrants at an exercise price of $0.66 per share.
- On 21 January 2016, the Company issued 30,000 common shares related to the exercise of 30,000 warrants at an exercise price of $0.33 per share.

d) Exercise of Options

- On 17 May 2016, the Company issued 11,250 common shares related to the exercise of 11,250 stock options at an exercise price of $1.34 per share.

(Expressed in Canadian dollars)

- On 5 May 2016, the Company issued 30,000 common shares related to the exercise of 30,000 stock options at an exercise price of $0.66 per share.

- On 5 May 2016, the Company issued 11,250 common shares related to the exercise of 11,250 stock options at an exercise price of $1.34 per share.

- On 14 April 2016, the Company issued 30,000 common shares related to the exercise of 30,000 stock options at an exercise price of $0.66 per share.

- On 11 April 2016, the Company issued 97,500 common shares related to the exercise of 97,500 stock options at an exercise price of $0.66 per share.

- On 8 March 2016, the Company issued 15,000 common shares related to the exercise of 15,000 stock options at an exercise price of $0.66 per share and 4,500 common shares related to the exercise of 4,500 stock options at an exercise price of $1.60 per share.

- On 3 February 2016, the Company issued 4,875 common shares related to the exercise of 4,875 stock options at an exercise price of $0.80 per share.

8.3 Shares in escrow

During the period ended 31 March 2018, Nil (30 June 2017: 994,725) of the Company's common shares were released from escrow

8.4 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the period ended 31 March 2018and year ended 30 June:

	31 March 2018		30 June 2017	
	Number of warrants	**Weighted-average exercise price**	Number of warrants	Weighted-average exercise price
		$		$
Outstanding, beginning of period	**1,875,750**	**1.16**	1,905,750	1.14
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	(27,000)	0.78
Expired	**510,000**	**0.66**	-	-
Forfeited	**-**	**-**	-	-
Outstanding, end of period	**1,365,750**	**1.34**	1,878,750	1.16

(Expressed in Canadian dollars)

8.5 Stock options

Effective 29 September, 2016, the Company has adopted a stock option plan whereby it is authorized to grant options to executive officers and directors, employees and/or consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. The aggregate maximum number of common shares issuable under the plan is 1,871,683 common shares. The aggregate number of options granted to one optionee in a 12-month period is limited to 5% of the issued common shares of the Company.

The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Directors grant such options.

The following is a summary of the changes in the Company's stock option activities for the period ended 31 March 2018 and year ended 30 June 2017:

	31 March 2018		30 June 2017	
	Number of options	**Weighted-average exercise price**	Number of options	Weighted-average exercise price
		$		$
Outstanding, beginning of period	**332,750**	**1.46**	357,750	1.54
Granted	**-**	**-**	12,500	2.20
Exercised	**-**	**-**	-	-
Expired	**-**	**-**	-	-
Cancelled	**-**	**-**	(37,500)	2.34
Outstanding, end of period	**332,750**	**1.46**	332,750	1.46

(Expressed in Canadian dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at 31 March 2018:

Exercise price	Number of options outstanding	Number of options exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
Options				
$0.66	172,500	172,500	3.53	$0.66
$1.34	11,250	11,250	0.80	$1.34
$1.60	9,000	9,000	1.83	$1.60
$2.40	97,500	97,500	3.78	$2.40
$2.60	42,500	42,500	3.76	$2.60
Total	**332,750**	**332,750**		

8.6 SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which $Nil was recognized in the period ended 31 March 2018 (2016: $Nil):

Grant date	Fair value	**Amount vested to 31 March 2018**	Amount vested to 31 March 2017
		$	$
7 January 2016	545,228	**-**	-
1 April 2016	142,393	**-**	-
11 April 2016	386,340	**-**	-
Total	1,073,961	**-**	-

(Expressed in Canadian dollars)

9. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 31 March 2018	Three months ended 31 March 2017	**Nine months ended 31 March 2018**	Nine months ended 31 March 2017
	$	$	**$**	$
Net income (loss) for the period	**481,810**	(190,349)	**936,287**	(637,609)
Weighted average number of shares – basic and diluted	**4,687,639**	4,690,604	**4,687,639**	4,660,009
Income (loss) per share, basic and diluted	**0.092**	(0.040)	**0.200**	(0.137)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants were anti-dilutive for the period ended 31 March 2018 and year ended 30 June 2017.

10. FINANCIAL INSTRUMENTS

10.1 Categories of financial instruments

	31 March 2018	30 June 2017
	$	$
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	**1,439,120**	97,371
Available-for-sale, at fair value		
Short term investments – shares	**-**	437,500
Total financial assets	**1,439,120**	534,871
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	**1,005**	1,197
Total financial liabilities	**1,005**	1,197

(Expressed in Canadian dollars)

10.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

As at 31 March 2018, the Company does not have any Level 2 and 3 financial instruments.

As at 31 March 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets at fair value				
Cash and cash equivalents	**1,439,120**	**-**	**-**	**1,439,120**
Short term investments – shares	**-**	**-**	**-**	**-**
Total financial assets at fair value	**1,439,120**	**-**	**-**	**1,439,120**

As at 30 June 2017	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets at fair value				
Cash and cash equivalents	97,371	-	-	97,371
Short term investments – shares	437,500	-	-	437,500
Total financial assets at fair value	534,871	-	-	534,871

There were no transfers between Level 1 and 2 and 3 in the period ended 31 March 2018 and year ended 30 June 2017.

10.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies and amounts receivable are due from the Government of Canada and financial institutions. As a result, the Company is not subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no steady source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 March 2018, the Company had a working capital of $1,450,459 (30 June 2017: $525,792) (Note 1.1).

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant.

Currency Risk

The Company is exposed to currency risk by incurring certain expenditures and holding assets denominated in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk. Assuming all other variables remain constant, a 1% change in the Canadian dollar against the US dollar would not result in a significant change to the Company's operations.

Commodity price risk

The Company is not exposed to commodity price risk as it is still in exploration stage.

11. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements.

The Company is dependent on external financing to fund its activities. In order to carry out its planned business strategy, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

As at 31 March 2018, the Company's capital structure consists of the equity of the Company (Note 8). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

As at 31 March 2018, the Company's available capital resources, consisting of cash and cash equivalents, totaled $1,439,120 (30 June 2017: $97,731). As at 31 March 2018, the Company's total payables are $1,005 (30 June 2017: $26,197). The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future.

12. RELATED PARTY TRANSACTIONS

For the period ended 31 March 2018 and 2016, the Company had related party transactions with the following companies related by way of management, directors or shareholders in common:

- LiCo Energy Metals Inc., a company with management and directors in common with the Company. The Company provides office and consulting services to LiCo.
- TCF Ventures Corp., a company controlled by the Chief Operating Officer of the Company.

During the period ended 31 March 2018, the Company received 14,000,000 shares from LiCo Energy Metals Inc. in relation to option agreements for the Dixie Valley Project and Black Rock Desert Project (Notes 5, 6 and 15).

During the previous year ended 30 June 2017, the Company disposed of Rock Star Resources Inc. and Rock Star Resources US, Inc. to a former related party for total proceeds of $Nil (Note 2.1). A loss on the disposal of the investment in the amount of $Nil has been recorded in profit and loss during the year ended 30 June 2017.

During the previous year ended 30 June 2017, the Company received $487,625 in cash and 3,500,000 shares from LiCo Energy Metals Inc. in relation to option agreements for the Dixie Valley Project and Black Rock Desert Project (Notes 5, 6 and 15).

As at 31 March 2018, the Company had a balance of $9,165 (30 June 2017: $6,685) receivable from LiCo (Note 4).

(Expressed in Canadian dollars)

12.1 Related party expenses

The Company's related party expenses are summarized as follows:

	Three months ended 31 March 2018	Three months ended 31 March 2017	**Nine months ended 31 March 2018**	Nine months ended 31 March 2017
	$	$	**$**	$
Shared office and administration from LiCo	**3,864**	2,349	**9,200**	22,455
Shared Rent recoveries from LiCo	**4,865**	9,610	**14,475**	19,067
Consulting fees, CFO	**10,500**	10,500	**31,500**	33,500
Consulting fees, Corporate Secretary	**12,000**	12,000	**36,000**	35,000
Consulting fees, TCF Ventures Corp.	**12,000**	12,000	**36,000**	28,000
Total related party expenses	**46,229**	46,459	**127,175**	138,022

13. KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration of directors and other members of key management for the periods ended 31 March 2018 and 2017 were as follows:

	31 March 2018	31 March 2017
	$	$
Short-term benefits – management and consulting fees	**103,500**	110,000
Share-based payments (Note 8.6)	**-**	-
Total key management personnel compensation	**103,500**	110,000

14. SUPPLEMENTAL CASH FLOW INFORMATION

14.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

	31 March 2018	31 March 2017
	$	$
Interest paid (received)	-	-
Taxes paid	-	-
Total cash payments	-	-

During the period ended 31 March 2018, the Company issued 9,944 shares valued at $9,944 related to services (Note 8).

During the previous year ended 30 June 2017, the Company issued 10,000 shares valued at $24,000 related to mineral properties (Notes 6 and 8).

During the previous year ended 30 June 2017, the Company received 3,900,000 shares from other parties related to mineral properties option agreements (Notes 5 and 6).

During the previous year ended 30 June 2017, the Company recorded an impairment of $159,396 related to mineral properties (Note 6).

During the previous year ended 30 June 2016, the Company paid finder's fees related to private placements by issuing 232,500 shares valued at $109,500 (Note 8).

15. COMMITMENTS AND CONTINGENCIES

As at 31 March 2018, the Company had the following commitments and contingent liabilities:

a) The Company has an agreement (the "Advertising Agreement") with Agora Internet Relations Corp. ("Agoracom") in relation to an online marketing and awareness program and has agreed to pay ongoing work fees in the amount of $44,000 (CDN) plus HST per month via shares as follows:

   a. $8,800+HST shares for advertisement services on 1 April 2016 (Note 8)
   b. $8,800+HST shares for advertisement services on 16 June 2016 (Note 8)
   c. $8,800+HST shares for advertisement services on 16 September 2016 (Note 8)
   d. $8,800+HST shares for advertisement services on 16 December 2016 (Note 8)
   e. $8,800+HST shares for advertisement services on 16 March 2017

b) Effective 1 September 2016, the Company entered into a twelve month consulting agreement with a related party for $4,000 (CDN) plus GST/HST per month to provide Corporate Secretarial and Paralegal services to the Company.

c) The Company has certain commitments to make payments or issue common shares related to various exploration and evaluations property agreements (Note 6).

d) The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian dollars)

e) As at 31 March 2018, the Company owns various exploration and evaluation properties (Note 6). Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

16. SEGMENTED INFORMATION

The Company's only business activity is exploration and development of exploration and evaluation properties. This activity is carried out in the USA.

The breakdown of geographic area for the period ended 31 March 2018 and year ended 30 June 2017 is as follows:

Period ended 31 March 2018	**Canada**	**USA**	**Total**
	$	**$**	**$**
Total expenses	**274,504**	**-**	**274,504**
Current assets	**1,451,464**	**-**	**1,451,464**
Exploration and evaluation properties	**-**	**520,021**	**520,021**
Total assets	**1,451,464**	**520,021**	**1,971,485**

Year ended 30 June 2017	Canada	USA	Total
	$	$	$
Total expenses	630,044	-	630,044
Current assets	551,989	-	551,989
Exploration and evaluation properties	-	498,457	498,457
Total assets	551,989	498,457	1,050,446

17. SUBSEQUENT EVENTS

There are no reportable subsequent events.

18. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the period ended 31 March 2018 were approved and authorized for issue by the Board of Directors on 25 May 2018.