DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended August 31, 2018

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the nine months ended August 31, 2018 and 2017.

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2018 and November 30, 2017
(Stated in Canadian dollars)
(Unaudited – Prepared by Management)

	August 31, 2018	November 30, 2017
ASSETS		
Current		
Cash	$ 5,790	$ 1,113,645
Marketable securities	79,345	371,521
Receivables	8,167	12,377
Prepaid expenses	19,274	37,585
Reclamation bonds	370,518	25,918
	483,094	1,561,046
Equipment	4,433	12,856
Investment in Argentina associate – Note 5	1,432,702	1,432,702
Resource property costs – Note 6, and Schedule	3,530,664	2,288,982
	$ 5,450,893	$ 5,295,586
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 910,271	$ 123,653
Loans payable	115,338	-
	1,025,609	123,653
SHAREHOLDERS' EQUITY		
Share capital – Note 7	28,182,145	27,876,890
Contributed surplus – Note 7	2,982,660	3,030,553
Accumulated deficit	(26,739,521)	(25,735,510)
	4,425,284	5,171,933
	$ 5,450,893	$ 5,295,586

Approved on behalf of the Board:

"Brian Findlay"
Director

"Catherine Hickson"
Director

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three and nine months ended August 31, 2018 and 2017
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended August 31, 2018	Three months ended August 31, 2017	Nine months ended August 31, 2018	Nine months ended August 31, 2017
Expenses				
Accounting and audit fees	$ 19,372	$ 9,533	$ 33,072	$ 36,763
Administration fees – Note 8	21,000	21,000	63,000	63,000
Bank charges and interest	266	317	1,109	1,385
Consulting fees – Note 8	32,750	42,600	103,281	77,600
Depreciation	2,808	2,577	8,423	7,727
Foreign exchange (recovery)	32,003	(3,526)	35,831	3,181
Legal fees	39,296	3,803	59,875	135,519
Listing, filing and transfer agent fees	5,579	2,596	34,504	21,673
Marketing	13,733	16,896	77,929	86,564
Office administration and general	10,865	9,524	35,344	34,264
Rent – Note 7	13,396	13,236	39,870	39,710
Share-based compensation – Notes 7 and 8	-	-	49,542	-
Travel, conferences and promotion	18,849	9,070	83,079	43,529
Wages and benefits – Note 8	34,166	33,869	108,421	96,953
Loss before other item	(244,083)	(161,495)	(733,280)	(647,868)
Other item:				
Interest income	-	-	-	912
Write-off resource property costs	(1)	-	(1)	-
Gain on disposal of marketable securities	1,040	-	1,040	-
Unrealized (loss)/gain on marketable securities	(79,099)	(48,135)	(271,770)	(74,481)
	(78,060)	(48,135)	(270,731)	(73,569)
Net loss and comprehensive loss for the period	$ (322,143)	$ (209,630)	$ (1,004,011)	$ (721,437)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	151,464,530	138,200,551	150,242,282	136,578,875

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three and nine months ended August 31, 2018 and 2017
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

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

	Common Stock Issued Shares (Note 7)	Amount	Contributed Surplus	Accumulated Deficit	Total
Balance, November 30, 2016	135,085,508	$ 26,138,442	$ 3,230,911	$ (24,903,522)	$ 4,465,831
Shares issued for cash:					
On exercise of share purchase options - $0.05	1,700,000	85,000	-	-	85,000
On exercise of share purchase options - $0.06	700,000	42,000	-	-	42,000
On exercise of share purchase options - $0.07	100,000	7,000	-	-	7,000
On exercise of share purchase options - $0.10	250,000	25,000	-	-	25,000
On exercise of share purchase options - $0.14	252,000	35,280	-	-	35,280
On exercise of share purchase options - $0.16	138,000	22,080	-	-	22,080
Allocation of options exercised	-	144,805	(144,805)	-	-
Net loss for the period	-	-	-	(721,437)	(721,437)
Balance, August 31, 2017	138,225,508	26,499,607	3,086,106	(25,624,959)	3,960,754
Shares issued for cash:					
On exercise of share purchase options - $0.05	800,000	40,000	-	-	40,000
On exercise of share purchase options - $0.10	225,000	22,500	-	-	22,500
On exercise of share purchase options - $0.14	125,000	17,500	-	-	17,500
On exercise of share purchase options - $0.16	79,000	12,640	-	-	12,640
On exercise of share purchase warrants - $0.13	9,505,000	1,235,650	-	-	1,235,650
Allocation of options exercised	-	55,553	(55,553)	-	-
Net loss for the period	-	-	-	(110,551)	(110,551)
Balance, November 30, 2017	148,918,508	27,876,890	3,030,553	(25,735,510)	5,171,933
On exercise of share purchase options - $0.05	2,750,000	137,500	-	-	137,500
On exercise of share purchase options - $0.06	150,000	9,000			9,000
On exercise of share purchase options - $0.07	50,000	3,500			3,500
On exercise of share purchase options - $0.16	77,000	12,320			12,320
On exercise of share purchase warrants - $0.13	350,000	45,500			45,500
Allocation of options exercised	-	97,435	(97,435)	-	-
Fair market value of stock based compensation			49,542		49,542
Net loss for the period	-	-	-	(1,004,011)	(1,004,011)
Balance, August 31, 2018	152,295,508	$ 28,182,145	$ 2,982,660	$ (26,739,521)	$ 4,425,284

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended August 31, 2018 and 2017
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	2018	2017
Operating Activities		
Net loss and comprehensive loss for the period	$ (1,004,011)	$ (721,437)
Add items not affecting cash:		
Depreciation	8,423	7,727
Share based compensation	49,542	-
Unrealized gain on foreign exchange	29,280	(3,031)
Unrealized loss (gain) on marketable securities	271,770	74,481
Gain on disposal of marketable securities	(1,040)	-
Write-off resource property costs	1	-
Net change in non-cash working capital:		
GST receivable	4,210	5,693
Prepaid expenses	18,311	(11,766)
Accounts payable and accrued liabilities	144,806	(2,239)
Amount due from (to) related parties	(17,974)	20,922
	(496,682)	(629,650)
Financing Activity		
Proceeds from loans payable	115,338	-
Proceeds from issuance of common shares	207,820	216,360
	323,158	216,360
Investing Activities		
Purchase of marketable securities	-	(352,086)
Proceeds on sale of marketable securities	21,447	-
Resource property additions, net	(610,325)	(618,864)
Reclamation bonds	(345,453)	20,000
	(934,331)	(950,950)
Decrease in cash during the period	(1,107,855)	(1,364,240)
Cash, beginning of the period	1,113,645	1,400,647
Cash, end of the period	$ 5,790	$ 36,407

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
For the nine months ended August 31, 2018 and for the year ended November 30, 2017
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Canada	USA	
	Cowtrail	Nevada	Total
Acquisition costs			
Balance November 30, 2016	$ -	$ 388,073	$ 388,073
Staking and filing fees	-	32,226	32,226
Balance November 30, 2017	-	420,299	420,299
Staking and filing fees	-	106,748	106,748
Balance August 31, 2018	-	527,047	527,047
Deferred exploration and development costs			
Balance, November 30, 2016	1	1,322,094	1,322,095
Assays	-	6,695	6,695
Exploration	-	(155)	(155)
Geological consulting (Note 8)	-	323,021	323,021
Mapping	-	18,212	18,212
Permit	-	159,573	159,573
Reports	-	25,633	25,633
Supplies and miscellaneous	-	16	16
Travel and accommodation	-	13,217	13,217
Truck rental	-	376	376
Balance, November 30, 2017	1	1,868,682	1,868,683
Drilling	-	40,283	40,283
Geological consulting (note 8)	-	216,506	216,506
Mapping	-	11,043	11,043
Reports	-	154	154
Roads and drill pads construction	-	865,438	865,438
Travel and accommodation	-	1,511	1,511
Write-off resource property costs	(1)	-	(1)
As at August 31, 2018	$ -	$ 3,003,617	$ 3,003,617
Total resource property costs			
As at November 30, 2017	$ 1	$ 2,288,981	$ 2,288,982
As at August 31, 2018	$ -	$ 3,530,664	$ 3,530,664

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

Note 1 Nature of Operations

Dajin Resources Corp. (the "Company") is an exploration stage company incorporated under the British Columbia Company Act on August 5, 1987 and is publically traded on the TSX Venture Exchange.

The Company's principal business activities include acquiring and developing mineral properties. At August 31, 2018, the Company's principal mineral interests are located in Argentina and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 450 - 789 West Pender Street, Vancouver, BC V6C 1H2.

Note 2 Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2017.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2018.

Note 2 Basis of Preparation – (cont'd)

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at August 31, 2018, the Company had not advanced its resource properties to commercial production and has not achieved profitable operations, has accumulated losses of $26,739,521 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See note 4 for use of estimates and judgments made by management in the application of IFRS.

Note 3 Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2017.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2017.

Note 3 Significant Accounting Policies (cont'd)

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments* (tentatively effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace 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 classification options available in IAS 39.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

i) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically resource property costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Note 4 Use of Estimates and Judgments – (cont'd)

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Investment in Argentina associate

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to asses at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has diluted its interest in its wholly-owned subsidiary Dajin Resources S.A. and has concluded that because it does not have the current ability to control the key operating activities of Dajin Resources S.A.; therefore, it does not have control and should account for it as an equity investment (Note 5).

v) Share-based compensation transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

Note 5 Investment in Argentina Associate

On October 25, 2016, the Company completed a share purchase agreement with Lithium S Holdings Corporation ("Lithium S"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), whereby Lithium S acquired, and can maintain, a 51% interest in Dajin Resources S.A. by making a cash payment of $1,000,000 ($865,000 received by the Company net of applicable Argentine tax of 13.5% on the gross proceeds) and agreeing to expend a total of $2,000,000 on concessions held by Dajin Resources S.A. by the earlier of; (a) the date of delivery of the funding completion certificate; (b) forty-eight months following the date of the agreement; or (c) twenty-four months after Dajin Resources S.A. has obtained all the necessary permits allowing access and development of onsite activities in order to start exploration work in one or more of the relevant mining rights which covers over 2,000 adjacent hectares.

If Lithium S fails to incur the expenditure requirement by the expiry date Lithium S shall have the option at any time and not later than the expiry date, to pay any shortfall in cash to the Company. If Lithium S fails to complete the full expenditure requirement by the expiry date, the capital stock of Dajin Resources S.A. will be adjusted in such a manner that for each funding shortfall of $58,824, the Company is re-conveyed with and recovers 1% of the capital stock of Dajin Resources S.A. Lithium S was appointed Operator for the earn-in period.

Note 5 Investment in Argentina Associate – (cont'd)

The costs applicable to this investment are directly reflective of actual historical exploration and evaluation expenses incurred and previously reported by the Company in respect to the property interests controlled by Dajin Resources S.A. Accordingly, the Company applies the impairment factors applicable to such costs in its assessment of the investment's current carrying value.

As at August 31, 2018, and November 30, 2017, the carrying amount of the investment in Argentina associate was $1,432,702.

Note 6 Resource Property Costs

(a) Cowtrail Property

The Company held a 65% joint venture interest in the Cowtrail Mineral Property, consisting of 34 mineral claims located in the Cariboo Mining District of south central British Columbia. On March 20, 2018, the Company assigned this interest to it's joint venture partner. The Company will share 50% of any third party option payments received from these claims to an amount not exceeding total payments to the Company of $100,000, until March 20, 2021.

(b) Nevada Properties

The Company acquired by staking a 100% interest in 403 placer claims covering an area of 3,202 hectares (7,914 acres) in the Teels Marsh valley of Mineral County, Nevada.

The Company acquired by staking a 100% interest in 145 placer claims covering an area of 1,182 hectares (2,921 acres) in the Alkali Spring valley of Esmeralda County, Nevada.

Subsequent to August 31, 2018, the Company entered into a Letter Agreement with Cypress Development Corp. ("Cypress") for the exploration and development of the Company's Alkali Spring valley Lithium property. The property is located 12 kilometers (7.5 miles) northeast of Cypress' Clayton Valley Lithium project in Nevada.

Under the terms of the Letter Agreement, Cypress has the exclusive right and option to acquire a 50% undivided interest in the Company's unpatented mining claims and application for water rights in Alkali Spring valley, Esmeralda County, Nevada. Cypress will complete a due diligence review and prepare a Definitive Agreement for the transaction. Upon completion of the Definitive Agreement and TSX Venture Exchange acceptance, Cypress will allot to the Company 150,000 common shares of Cypress and pay the Company USD$50,000. Cypress will have a two-year period to complete its earn-in by issuing an additional 150,000 common shares of Cypress and performing USD$200,000 in exploration expenditures within the first year, and USD$250,000 in exploration expenditures during the second year. Upon successful completion of the two year earn-in period a joint venture (JV) will be created.

Note 6 Resource Property Costs – (cont'd)

(b) Nevada Properties – (cont'd)

At Alkali Spring valley, the Company holds 145 unpatented placer mining claims to explore for Lithium brines and has applied to the State of Nevada for 1,000 acre-feet of water rights. The Company and Cypress will work jointly explore the property for Lithium brines and Lithium-bearing sediments, and will work to perfect the associated water rights applications. Cypress and the Company will share proportionally in property development if Lithium brine resources are discovered. Should the Company elect not to participate following Cypress' earn-in period, the Company shall have the option to dilute to a 10% net profits interest on the value of the JV's property in Alkali Spring valley.

The Company's interest in these placer claims is held in their wholly-owned US subsidiary, Dajin Resources (US) Corp.

During the nine months ended August 31, 2018, the Company was refunded $16,783 (USD$13,194) of reclamation bonds relating to other Nevada properties and has purchased a new reclamation bond for the Teels Marsh project in the amount of $370,518 (USD$288,341).

Note 7 Share Capital

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from year to year.

(Stated in Canadian Dollars)

Note 7 Share Capital – (cont'd)

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the stock option plan as of August 31, 2018 and November 30, 2017 and changes during the period then ended on those dates is presented below:

	August 31, 2018		November 30, 2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	8,669,000	$0.12	15,602,000	$0.11
Expired	-		(2,605,000)	$0.15
Granted	950,000	$0.16	-	-
Exercised	(3,027,000)	$0.05	(4,328,000)	$0.07
Options outstanding at end of the period	6,592,000	$0.15	8,669,000	$0.12
Weighted remaining life in years		2.73		2.96

At August 31, 2018, the Company has 6,592,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
50,000	$0.05	January 2, 2020
100,000	$0.06	April 1, 2020
50,000	$0.07	August 25, 2020
2,125,000	$0.14	April 4, 2021
950,000	$0.16	December 15, 2020
1,667,000	$0.16	July 15, 2021
1,650,000	$0.16	Oct 20, 2021
6,592,000		

On December 5, 2017, the Company granted 950,000 share purchase options exercisable at $0.16 per share expiring on December 15, 2020. These stock options vest at the date of grant.

(Stated in Canadian Dollars)

Note 7 Share Capital – (cont'd)

Commitments - (cont'd)

Share-Based Compensation Plan – (cont'd)

Subsequent to August 31, 2018:

- the Company granted 1,900,000 share purchase options exercisable at $0.10 per share expiring on September 4, 2021. These stock options vest at the date of grant.
- the Company granted 400,000 share purchase options exercisable at $0.10 per share expiring on October 4, 2021. These stock options vest at the date of grant.
- the Company granted 2,900,000 share purchase options exercisable at $0.10 per share expiring on October 4, 2023. These stock options vest at the date of grant.
- The Company cancelled 750,000 share purchase options exercisable at $0.14 per share.

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	August 31, 2018	November 30, 2017
Risk free interest rate	1.71%	-
Expected life of options in years	3 years	-
Expected volatility	77.87%	-
Dividend per share	$0.00	-
Forfeiture rate	30%	-

During the nine month period ended August 31, 2018 compensation expense of $49,542 (2017: $nil), using the graded method, were recognized for options granted and vested during the period.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

Share Purchase Warrants

On November 9, 2017, the Company repriced 10,005,000 share purchase warrants from $0.17 per share to $0.13 per share. The Company also instituted an Early Exercise Period from November 9, 2017 to November 29, 2017. Each warrant holder that exercises their warrants during the Early Exercise Period will be issued a one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase an additional share for a period of 12 months from the date of issuance at a price of $0.17 per share. During the Early Exercise Period the Company issued 9,505,000 shares for total proceeds of $1,235,650 and issued 4,752,500 warrants, exercisable at $0.17 per share and expiring on November 29, 2018.

(Stated in Canadian Dollars)

Note 7 Share Capital – (cont'd)

Commitments - (cont'd)

Share Purchase Warrants - (cont'd)

On December 5, 2017, 350,000 share purchase warrants were exercised for total proceeds of $45,500. These warrants were deemed to have been exercised during the Early Exercise Period, and therefore, the Company issued 175,000 warrants, exercisable at $0.17 per share, and expiring on November 29, 2018.

A summary of the status of share purchase warrants as of August 31, 2018 and November 30, 2017 and changes during the periods then ended on those dates is presented below:

	August 31, 2018		November 30, 2017	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of the period	8,330,277	$0.19	13,082,777	$0.19
Issued	175,000	$0.17	4,752,500	$0.17
Exercised	(350,000)	$0.13	(9,505,000)	$0.13
Expired	(3,227,777)	$0.24	-	-
Balance, end of the period	4,927,500	$0.17	8,330,277	$0.19

At August 31, 2018, the Company has 4,927,500 share purchase warrants outstanding as follows:

Number	Exercise Price	Expiry Date
4,927,500	$0.17	November 29, 2018

(Stated in Canadian Dollars)

Note 8 Related Party Transactions

The Company incurred the following charges, which have been paid or accrued, with directors and officers of the Company and companies controlled by the directors:

	Three months ended		Nine months ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Wages and benefits	$ 14,469	$ 14,594	$ 43,407	$ 44,798
Key management compensation				
Administration fees	21,000	21,000	63,000	63,000
Consulting fees – Resource property cost	-	26,083	40,294	98,953
Consulting fees – operating expenses	30,000	30,000	86,500	65,000
Rent	13,396	13,236	39,870	39,710
	64,396	90,319	229,664	266,663
	$ 78,865	$ 104,913	$ 273,071	$ 311,461

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Included in August 31, 2018 prepaid expenses is an advance rent reimbursement of $4,571 (November 30, 2017: $9,822) to a company with a common director.

Included in August 31, 2018 accounts payable is $135,137 (November 30, 2017: $9,822) due to a director and companies with common directors.

Due to related parties, representing amounts due to companies controlled by the directors and officers of the Company for unpaid fees and reimbursement of expenses are non-interest bearing, unsecured and are due on demand.

Note 9 Capital Management

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

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Note 9 Capital Management – (cont'd)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended August 31, 2018. Neither the Company nor its subsidiary are subject to externally imposed capital requirements.

Note 10 Financial Instruments

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows: FVTPL financial assets are measured at fair value and changes in fair value are recognized in income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in income.

The Company classifies and measures its financial instruments as follows:

- Cash, interest receivable, and reclamation bonds are classified as loans and receivables. The fair value of cash approximates its carrying value due to its short term nature.
- Marketable securities are classified as FVTPL.
- Accounts payable and accrued liabilities, due to related parties and loan payable are classified as other financial liabilities and are measured at fair value at inception. Their fair values approximate their carrying values due to their short term nature.

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

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing it with institutions of high credit worthiness. As at August 31, 2018 the Company is not exposed to any significant credit risk.

Note 10 Financial Instruments – (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. At August 31, 2018, the Company had cash of $5,790 (November 30, 2017 - $1,113,645) and current liabilities of $1,025,608 (November 30, 2017 - $123,653). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

(e) Sensitivity Analysis

The Company has designated its cash, interest receivable and reclamation bonds as loans and receivables, and measures them at their amortized costs. Accounts payable and accrued liabilities, due to related parties and loan payable are classified as other financial liabilities, which are measured at their amortized costs.

Note 10 Financial Instruments – (cont'd)

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of August 31, 2018, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(f) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the United States. As at August 31, 2018, the Company had accounts payable of $507,563 (November 30, 2017: $26,810) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Note 11 Non-Cash Transactions

Investing and financing activities that do not have a direct impact on current and future cash flows are excluded from the statements of cash flows. At August 31, 2018, the Company had $663,283 (November 30, 2017: $32,431) in accounts payable and accrued liabilities related to mineral property costs. These transactions were excluded from the statements of cash flows.

Note 12 Segmented Information

The Company operates in one business segment, mineral exploration. As at August 31, 2018, its mineral properties and head office are located in two geographic locations: Canada and the United States.

The Company's net loss is allocated to the geographic segments as follows:

	Three months ended		Nine months ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Net losses (income)				
Canada	$ 283,600	$ 209,630	$ 974,730	$ 721,437
United States	38,543	-	29,281	-
	$ 322,143	$ 209,630	$ 1,004,011	$ 721,437

(Stated in Canadian Dollars)

Note 12 Segmented Information – (cont'd)

The Company's total assets are allocated to the geographic segments as follows:

	August 31, 2018	November 30, 2017
Total Assets		
Canada	$ 117,009	$ 1,547,984
Argentina	1,432,702	1,432,702
United States	3,901,182	2,314,900
	$ 5,450,893	$ 5,295,586