



Rover Metals Corp.

Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2018 and 2017

Expressed in Canadian Dollars
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

ROVER METALS CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars - Unaudited)

| | Note | September 30, 2018 | December 31, 2017 |
|---|------|-----------------------|----------------------|
| Assets | | | |
| Current | | | |
| Cash and cash equivalents | 4 | \$ 745,104 | \$ 492,174 |
| Prepaid expenses | 5 | 244,581 | 225,900 |
| Sales tax receivable | | 32,288 | 34,538 |
| | | 1,021,973 | 752,612 |
| Non-current | | | |
| Mineral property interest, net | 6 | 672,405 | 499,514 |
| Total assets | | \$ 1,694,378 | \$ 1,252,126 |
| Liabilities and shareholders' equity | | | |
| Current | | | |
| Accounts payable and accrued liabilities | 7,10 | \$ 148,393 | \$ 76,181 |
| Flow-through share liability | | 8,736 | 20,655 |
| | | 157,129 | 96,836 |
| Shareholders' equity | | | |
| Share capital (including subscription deposits) | 9 | 2,757,373 | 1,395,866 |
| Stock option and warrant reserve | | 732,676 | 363,904 |
| Deficit | | (1,952,800) | (604,480) |
| Total shareholders' equity | | 1,537,249 | 1,155,290 |
| Total liabilities and shareholders' equity | | \$ 1,694,378 | \$ 1,252,126 |

Nature and Continuance of Operations - Note 1

Commitments - Note 14

Subsequent Event - Note 15

APPROVED ON BEHALF OF THE BOARD ON NOVEMBER 27, 2018:

"Judson Culter"

DIRECTOR

"Keith Minty"

DIRECTOR

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

ROVER METALS CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars - Unaudited)

| | | For the three months ended | | For the nine months ended | |
|---|------|----------------------------|-----------------------|---------------------------|-----------------------|
| | Note | September 30, 2018 | September 30, 2017 | September 30, 2018 | September 30, 2017 |
| Expenses | | | | | |
| Administrative fees | 10 | \$ 84,406 | \$ 37,500 | \$ 191,521 | \$ 105,250 |
| Stock-based compensation | 9 | 92,267 | - | 156,837 | - |
| Investor relations and marketing consulting | | 63,463 | 20,779 | 138,316 | 21,779 |
| Marketing and events | | 115,500 | - | 138,140 | 479 |
| Travel | | 15,020 | 4,527 | 40,108 | 20,275 |
| Professional fees | | 21,000 | 38,470 | 33,801 | 50,321 |
| Office expenses and dues | | 4,425 | 1,729 | 11,271 | 5,371 |
| Meals and entertainment | | 1,058 | 809 | 6,902 | 4,293 |
| Insurance | | 1,625 | - | 3,519 | - |
| Communications | | 1,264 | 520 | 3,314 | 1,751 |
| Stock transfer agent and filing fees | | 1,969 | - | 2,779 | - |
| Bank fees | | 1,707 | 205 | 2,144 | 572 |
| Foreign exchange loss (gain) | | (1,796) | (2,378) | 975 | 4 |
| Rent and maintenance | | - | 188 | 360 | 571 |
| | | 401,908 | 102,349 | 729,987 | 210,666 |
| Loss for the period | | (401,908) | (102,349) | (729,987) | (210,666) |
| Other (income) expense | | | | | |
| Listing expense | 8 | - | - | 618,333 | - |
| | | - | - | 618,333 | - |
| Comprehensive loss for period | | \$ (401,908) | \$ (102,349) | \$ (1,348,320) | \$ (210,666) |
| Loss per common share, basic and diluted | | \$ (0.01) | \$ (0.00) | \$ (0.04) | \$ (0.01) |
| Weighted average number of common shares outstanding | | | | | |
| | | 46,937,655 | 26,387,528 | 37,723,894 | 23,909,894 |

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

ROVER METALS CORP.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian Dollars - Unaudited)

| | Share Capital | | Share Subscription Deposits | Warrant Reserve | Stock Option Reserve | Deficit | Total |
|---|---------------------|--------------------|-----------------------------------|--------------------|----------------------------|----------------------|--------------------|
| | Number of Common | Amount | | | | | |
| Balance, December 31, 2016 | 26,275,910 | \$ 308,784 | \$ 107,500 | \$ - | \$ - | \$ (287,488) | \$ 128,796 |
| Cancellation of founder common shares (note 8(c)) | (5,275,910) | - | - | - | - | - | - |
| \$0.10 unit financing, net of issuance costs | 10,000,000 | 655,567 | (107,500) | 333,294 | - | - | 881,361 |
| Net loss for the period ended September 30, 2017 | - | - | - | - | - | (210,666) | (210,666) |
| Balance, September 30, 2017 | 31,000,000 | \$ 964,351 | \$ - | \$ 333,294 | \$ - | \$ (498,154) | \$ 799,491 |
| \$0.125 unit financing, subscription deposits | - | - | 290,000 | - | - | - | 290,000 |
| \$0.14 flow-through unit financing, net of liability | 1,377,000 | 141,515 | - | 30,610 | - | - | 172,125 |
| Net loss for the period ended December 31, 2017 | - | - | - | - | - | (106,326) | (106,326) |
| Balance, December 31, 2017 | 32,377,000 | \$ 1,105,866 | \$ 290,000 | \$ 363,904 | \$ - | \$ (604,480) | \$ 1,155,290 |
| Renunciation of \$0.14 flow-through share liability for 2017 | - | 20,655 | - | - | - | - | 20,655 |
| Fair value assigned to the shares of Royal Lifescience Corp. on RTO | 3,990,000 | 498,750 | - | - | - | - | 498,750 |
| \$0.125 unit financing | 10,039,800 | 1,054,660 | (290,000) | 200,315 | - | - | 964,975 |
| Mineral property acquisition | 500,000 | 25,000 | - | - | - | - | 25,000 |
| \$0.14 flow-through unit financing, net of liability | 519,985 | 52,442 | - | 11,620 | - | - | 64,062 |
| Net loss for the period ended September 30, 2018 | - | - | - | - | 156,837 | (1,348,320) | (1,191,483) |
| Balance, September 30, 2018 | 47,426,785 | \$2,757,373 | \$ - | \$ 575,839 | \$156,837 | \$(1,952,800) | \$1,537,249 |

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

ROVER METALS CORP.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

| | For the nine months ended | |
|---|---------------------------|-----------------------|
| | September 30, 2018 | September 30, 2017 |
| Cash flows from (used in) operating activities | | |
| Losses for the period | \$ (1,348,320) | \$ (210,666) |
| Items not affecting cash | | |
| Stock-based compensation | 138,316 | - |
| Charge related to listing expense | 498,750 | - |
| Unrealized foreign exchange Loss | (195) | - |
| Changes in non-cash working capital items: | | |
| Prepaid expenses | (18,681) | (231,747) |
| Sales tax receivable | 2,250 | (23,858) |
| Accounts payable and accrued liabilities | 29,238 | 95,484 |
| Flow-through share liability | (11,919) | - |
| | <u>(710,561)</u> | <u>(370,787)</u> |
| Cash flows from (used in) investing activities | | |
| Investment in mineral property interests | (86,396) | (378,460) |
| Cash acquired on acquisition of Royal Lifescience Corp. | 12,114 | - |
| | <u>(74,282)</u> | <u>(378,460)</u> |
| Cash flows from (used in) financing activities | | |
| Proceeds from related party loans | - | 11,065 |
| Proceeds from subscription deposits | - | 892,500 |
| Proceeds from the issuance of common shares | 1,037,773 | - |
| Share issuance costs | - | (11,127) |
| | <u>1,037,773</u> | <u>892,438</u> |
| Net decrease in cash | 252,930 | 143,191 |
| Cash, beginning of period | 492,174 | 50,063 |
| Cash, end of period | <u>\$ 745,104</u> | <u>\$ 193,254</u> |

Supplemental cash flow information

During the nine month period ended September 30, 2018 the Company renounced \$20,655 in flow-through share liabilities related to exploration activities during the year-ended December 31, 2017. The Company accrued a further \$8,736 in flow through share liabilities related to \$0.14 flow-through share subscription received during the nine month period ended September 30, 2018.

During the nine month period ended September 30, 2018, as part of its non-cash investment activities the Company issued 500,000 shares with a fair market value of \$25,000 pursuant to the Cabin Lake acquisition agreement and that amount was capitalized in mineral property interests.

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

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Rover Metals Corp. (“Rover” or the “Company”), was incorporated under the British Columbia, Canada, Business Corporations Act on February 23, 2010. The head office and principal address of the Company is located at Suite 708 - 1155 West Pender Street, Vancouver, BC, V6E 2P4.

Effective June 26, 2018, the Company acquired 100% of the issued and outstanding shares of Royal Lifescience Corp. (the “Royal Transaction”). Pursuant to the Royal Transaction, Royal Lifescience Corp. performed a one-for-one share exchange with the Company. All numbers in these condensed consolidated interim consolidated financial statements have been presented on a post-consolidation basis. See Note 8 Reverse Takeover Transactions for more details. Upon completion of the Royal Transaction, Rover completed the listing of its shares on the Toronto Venture Exchange as a Tier II Mining Issuer, and trades under the symbol “ROVR”.

Rover is a Canadian natural resource exploration company specializing in precious metal resources located in the Northwest Territories of Canada.

These financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the nine month period ended September 30, 2018, the Company incurred a net loss of \$1,348,320. As of that date, the Company had a deficit of \$1,952,800 and a positive working capital of \$864,844. There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company’s ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. Management intends to finance operating costs with the proceeds from equity financings, and its current working capital.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

NOTE 2 – BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. As such, these condensed consolidated interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the years ended December 31, 2017 and 2016 (“annual financial statements”).

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 2 – BASIS OF PRESENTATION (continued)**(a) Statement of compliance (continued)**

The Company's interim results are not necessarily indicative of its results for a full year. All amounts are expressed in Canadian dollars, unless otherwise noted.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on November 27, 2018.

(b) Critical accounting judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Critical judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

i. Going-concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the statement of financial position would be necessary (Note 1).

ii. Functional currency

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

iii. Economic recoverability of future economic benefits of mineral property interests

Management has determined that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 2 – BASIS OF PRESENTATION (continued)**(b) Critical accounting judgements and estimates (continued)***iv. Indications of impairments of assets*

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

i. Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

ii. Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and apply those findings to the Company's transactions.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES**(a) Changes in accounting policies not yet effective***Financial instruments*

In July 2014, the IASB issued the final version of IFRS 9 – Financial Instruments ("IFRS 9") to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this standard on its financial statements.

Leases

In January 2016, the IASB published a new accounting standard, IFRS 16 – Leases ("IFRS 16") which supersedes IAS 17 – Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset.

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)**(a) Changes in accounting policies not yet effective (continued)**

has a low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, has also been applied. The Company does not have any material lease agreements and does not expect the adoption of this standard to materially impact its financial statements.

NOTE 4 – CASH AND CASH EQUIVALENTS

| | September 30, 2018 | December 31, 2017 |
|------------------|-------------------------------|----------------------|
| Cash | \$ 627,827 | \$ 492,174 |
| Cash Equivalents | 117,277 | - |
| | \$ 745,104 | \$ 492,174 |

NOTE 5 – PREPAID EXPENSES

| | September 30, 2018 | December 31, 2017 |
|---------------------------------|-------------------------------|----------------------|
| Prepaid investor relations fees | \$ 144,706 | \$ 208,235 |
| Prepaid marketing fees | 75,000 | - |
| Prepaid D&O Insurance | 4,875 | - |
| Prepaid conferences | 20,000 | - |
| Other | - | 17,665 |
| | \$ 244,581 | 225,900 |

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 6 – MINERAL PROPERTY INTERESTS, NET

Mineral property interest, net was composed of the following at September 30, 2018 and December 31, 2017:

| | Up Town Gold ¹ | Cabin Lake ² | Camp & Slemon Lakes ³ | Total |
|-------------------------------------|---------------------------|-------------------------|-------------------------------------|-------------------|
| At January 1, 2016 | \$ - | \$ - | \$ - | \$ - |
| Option payments - equity | 98,535 | - | - | 98,535 |
| At December 31, 2016 | 98,535 | - | - | 98,535 |
| Acquisitions | - | 5,000 | - | 5,000 |
| Option payments - cash | 90,000 | - | - | 90,000 |
| Claim staking | - | - | 18,428 | 18,428 |
| Exploration expenditures | 352,070 | - | - | 352,070 |
| Less: government grant ⁴ | (64,519) | - | - | (64,519) |
| At December 31, 2017 | 476,086 | 5,000 | 18,428 | 499,514 |
| Acquisition payments - cash | - | 35,000 | - | 35,000 |
| Acquisition payments - equity | - | 25,000 | - | 25,000 |
| Option payments - cash | 45,000 | - | - | 45,000 |
| Permitting | - | 2,335 | 2,335 | 4,670 |
| Exploratin expenditures | 3,886 | 65,596 | - | 69,482 |
| Report writing | 1,750 | - | - | 1,750 |
| Government grant administration | 3,375 | - | - | 3,375 |
| Less: government grant ⁴ | (11,386) | - | - | (11,386) |
| At September 30, 2018 | \$ 518,711 | \$ 132,931 | \$ 20,763 | \$ 672,405 |

1. Up Town Gold Property

On September 9, 2016 (“the Effective Date”), the Company entered into an agreement (the “Agreement” as amended on August 15, 2017, April 6, 2018, and September 5, 2018) with Silver Range Resources Ltd. (TSXV: SNG) (“Silver Range”) to option up to a 100% interest in the Up Town Gold Property (the “Property”). The Property is a high grade Archean lode gold prospect adjoining the Giant

Mine in Yellowknife, Northwest Territories. The Property consists of 6 claims covering 3,227 hectares and borders the west side of the Giant Mine leases. The Property centre is approximately 6 km north of downtown Yellowknife, and adjoins TerraX Minerals’ Northbelt claims.

The Agreement consists of the following options:

- “First Option” refers to the sole and exclusive right and option to acquire up to 75% undivided interest in the Property;
- “Second Option” refers to the sole and exclusive right and option to acquire up to 25% undivided interest.

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 6 – MINERAL PROPERTY INTERESTS, NET (continued)

1. Up Town Gold Property (continued)

The Agreement and First Option will terminate if the Company doesn't complete all of the following within the relevant time period:

- Complete all of the following within the relevant time period Expenditures on the Property of:
 - \$350,000 by the first anniversary of the Effective Date (milestone complete);
 - \$500,000 by February 28, 2020 (\$850,000 cumulative total); and
 - \$750,000 by the September 9, 2020 (\$1,600,000 cumulative total).
- Pay the following amounts and issue the following shares to Silver Range:
 - 7.5% of the outstanding common shares on a fully diluted basis, as at the Effective Date of the Agreement (payment complete);
 - \$30,000 by March 9, 2017 (payment complete);
 - Additional \$60,000 by the first anniversary of the Effective Date (payment complete);
 - Additional \$45,000 by the second anniversary of the Effective Date (payment complete);
 - Additional \$45,000 (cash and/or shares) at the option of the optionee) by April 30, 2019; and
 - Additional \$120,000 by February 28, 2010.

Once the First Option is fully exercised, the Company shall be deemed to have granted to Silver Range the Second Option, and the Company can exercise the Second Option by issuing Silver Range the lessor of (a) 4.5% of outstanding common shares on a fully diluted basis and (b) 2,500,000 common shares of the optionee, on or before September 30, 2020.

Royalty payments will be performed by both the Company and Silver Range if the First Option is exercised and a Joint Venture formed, or if both the First and Second Options are exercised.

Royalty interest will be a 2% net smelter return royalty; and is buyable down to 1% for \$1,000,000, with advance payments of Royalties for \$50,000 per annum starting on the 5th anniversary of the Effective Date of the Agreement.

On September 9, 2016, 1,970,694 common shares were issued to Silver Range, at a price of \$0.05 per share and valued at \$98,535, representing 7.5% of the Company's outstanding common shares upon issuance, on a fully diluted basis, in accordance with the Agreement and First Option. At September 30, 2018 and December 31, 2017, the \$98,535 has been capitalized to mineral property interests as a cost of acquisition.

As per the Agreement, the Company has completed the required \$350,000 on Property expenditures prior to the first anniversary of the Effective Date to keep the First Option in good standing as of the date hereof. Additionally, in accordance with the Agreement the \$135,000 has been paid by the Company to Silver Range.

2. Cabin Lake Property

On November 14, 2017, the Company announced that it entered into a Letter of Intent (the "Cabin Lake LOI") with Silver Range. to purchase 100% interest in the Cabin Lake gold-in-iron formation property ("Cabin Lake"). Cabin Lake consists of one claim located 110 km northwest of Yellowknife and 60 km southeast of Fortune Minerals and close to the new Tlichio all season road. On July 24, 2018 the Company received a five year land use permit for exploration at Cabin Lake from the NT Government, the Wek'eezhii Land and Water Board, and the Mackenzie Valley Land and Water Board.

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 6 – MINERAL PROPERTY INTERESTS, NET (continued)**2. Cabin Lake Property (continued)**

On August 18, 2018 the Company executed a definitive acquisition agreement for Cabin Lake with Silver Range Resources and made a cash payment of \$35,000. On September 28, 2018 the Company issued 500,000 common shares to North Arrow Minerals Inc. to acquire the historical exploration data for Cabin Lake. The 500,000 common shares had a fair market value of \$25,000 on the date of issuance.

The Company has agreed to provide the following consideration in return for Cabin Lake:

- \$5,000 cash upon signing of the Cabin Lake LOI; (completed)
- \$35,000 cash on the date that the Company is issued drilling permits for Cabin Lake by the government of the Northwest Territories; (completed)
- A royalty of 2% of Net Smelter Returns (the “Silver Range Royalty”) related to commercial production from Cabin Lake;
- Advance royalty payments equal to the lesser of \$20,000 or 7% of exploration expenditures incurred by the Company at Cabin Lake during each of the calendar years 2019, 2020, and 2021. The maximum aggregate amount of total advance royalty payments is \$220,000. These advance royalty payments are deemed to be credited against future payments of the Silver Range Royalty.

Following completion of all payments and the completion of a National Instrument 43-101 report (“NI 43-101”) with measured and indicated resources, the Company shall have the irrevocable right to purchase up to 75% (being 1.5% of the 2.0%) of the Silver Range Royalty as follows:

- \$250,000 for each 0.5% interest in the Silver Range Royalty if the NI 43-101 measured and indicated gold resource is less than 1.0 million ounces of gold or gold equivalent; or
- \$500,000 for each 0.5% interest in the Silver Range Royalty if the NI 43-101 measured and indicated gold resource is greater than 1.0 million ounces of gold or gold equivalent.

3. Camp and Slemon Lakes

During November 2017, the Company staked open-ground at the Camp Lake and Slemon Lake properties in the Northwest Territories. Camp Lake and Slemon Lake are located approximately 10km and 20km, respectively, north west of Cabin Lake. The Company spent \$18,428 on staking fees and \$2,335 at Camp and Slemon Lakes. On July 24, 2018 the Company received a five year land use permit for exploration at Camp and Slemon Lakes from the NT Government, the Wek’eezhii Land and Water Board, and the Mackenzie Valley Land and Water Board.

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 6 – MINERAL PROPERTY INTERESTS, NET (continued)**4. Government Grant**

On September 18, 2017 the Company received notice that it had been awarded a grant of \$75,905 under the Government of the Northwest Territories' Mining Incentive Program for exploration activities at the Up Town Gold Property. On October 24, 2017, the Company received \$64,519 of the \$75,905 total grant. The purpose of the grant is to provide funding to stimulate and sustain mineral exploration activities throughout the Northwest Territories. The grant received was specifically applied for and approved solely for use with the Up Town Property exploration project expenditures and as such has been applied as a credit towards the carrying value of the Up Town Property. On August 2, 2018 the Company received the remaining \$11,386 of the \$75,905 grant.

On August 27, 2018 the Company received notice that it had been awarded a grant of \$85,000 under the Government of the Northwest Territories' Mining Incentive Program for exploration activities at the Cabin Lake Property. Subsequent to period end, the Company received \$72,250 of the \$85,000 grant. See Note 15 for more details.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30, 2018 | December 31, 2017 |
|------------------------|-------------------------------|----------------------|
| Accounts payable | \$ 147,160 | \$ 74,819 |
| Accounts payable - USD | 1,233 | 1,362 |
| | \$ 148,393 | \$ 76,181 |

NOTE 8 – REVERSE TAKEOVER TRANSACTION

On November 22, 2017, Royal Lifescience Corp. ("Royal") announced its intention to acquire 100% of the issued and outstanding shares of Rover Metals Corp. ("RMC"). On June 26, 2018 Royal acquired 100% of the issued and outstanding common shares of RMC by way of a share exchange. Pursuant to the amalgamation agreement (the "Amalgamation") entered into between Royal and RMC, the issued and outstanding common shares in the capital of Royal (3,990,000 common shares) were exchanged on a one-for-one basis for the common shares in the post-consolidation capital of RMC. As a result of this share issuance, the shareholders of RMC obtained control of Royal and as a result, for accounting purposes, this transaction has been accounted for as reverse takeover transaction ("RTO") in accordance with the guidance provided in IFRS 2 Share-based Payment and IFRS 3 Business Combinations. As Royal did not qualify as a business according to the definition in IFRS 3, the RTO does not constitute a business combination; rather it is treated as an issuance of shares by the Company for the net assets of Royal and its pursuit of a public listing; accordingly, RMC, has been treated as the accounting parent company and Royal has been treated as the accounting subsidiary in these consolidated financial statements. As RMC was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. Subsequent to the completion of the RTO, Royal changed its name to Rover Metals Corp. Royal's results of operations have been included since June 26, 2018 (the date of the RTO).

ROVER METALS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

September 30, 2018

(Expressed in Canadian Dollars - Unaudited)

NOTE 8 – REVERSE TAKEOVER TRANSACTION (continued)

For purposes of this transaction, the consideration received was the fair value of the net assets of Royal as at June 26, 2018 as follows:

| | |
|--|----------------|
| Cash | \$ 12,114 |
| Less: accounts payable & accrued liabilities | (20,850) |
| Net assets acquired | <u>(8,736)</u> |

Consideration provided:

| | Number of | | |
|---|-----------|-----------|-------------------|
| | Notes | Shares | Amount |
| Fair value of shares of Royal Lifescience Corp. (at \$0.125 per share) | (8a) | 3,990,000 | \$498,750 |
| Total consideration provided | | 3,990,000 | 498,750 |
| Transaction costs | (8b) | | 110,847 |
| | | | <u>609,597</u> |
| Listing expense | | | <u>\$ 618,333</u> |

- (a) Pursuant to the terms of the Amalgamation with Royal, Royal cancelled all of their issued and outstanding stock options and warrants immediately prior to closing of the Amalgamation. There were 3,990,000 common shares outstanding in Royal immediately prior to closing.
- (b) The Company incurred \$110,847 in legal and audit fees related to the closing of the Amalgamation.

NOTE 9 – SHARE CAPITAL AND RESERVES**(a) Authorized**

Unlimited number of voting common shares without par value.

(b) Issued Share Capital

As at September 30, 2018, 47,426,785 common shares were issued and outstanding.

(c) Share Issuances

Nine Month Period ended September 30, 2018:

Share capital transactions during the nine month period ended September 30, 2018 were as follows:

- On February 2, 2018, the Company renounced \$20,655 (all) of its 2017 flow-through share liability (note 9(g)). For additional details see share capital transaction for the year ended December 31, 2017 below.

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NOTE 9 – SHARE CAPITAL AND RESERVES (continued)**(c) Share Issuances (continued)***Nine Month Period ended September 30, 2018 (continued):*

- On June 15, 2018 the company closed its \$0.125 unit financing (the “\$0.125 Unit Financing”) issuing 10,039,800 common shares and 10,039,800 common share purchase warrants for total proceeds of \$1,254,975. The 10,039,800 common share purchase warrants have a useful life of two years from the date of issuance and an exercise price of \$0.25 in year one and an exercise price of \$0.50 in year two. The \$200,315 value of these warrants was determined using the Black-Scholes model, and were recorded to warrant reserve on the Statements of Changes in Equity (note 9(d)). For additional details of the \$0.125 Unit Financing see share capital transactions for the year ended December 31, 2017 below.
- On June 15, 2018 the company closed its second and final tranche of its \$0.140 flow-through unit financing (the “Flow-Through Share Unit Financing”) issuing 519,985 common shares and 519,985 common share purchase warrants for total proceeds of \$72,798. The 519,985 common share purchase warrants have a useful life of two years from the date of issuance and an exercise price of \$0.28 in year one and an exercise price of \$0.56 in year two. The \$11,620 value of these warrants was determined using the Black-Scholes model, and were recorded to warrant reserve on the Statements of Changes in Equity (note 9(d)). Additionally, a \$8,736 flow-through share liability was recorded for this issuance (note 9(g)). For additional details of the Flow-Through Share Unit Financing see share capital transaction for the year ended December 31, 2017 below.
- On June 26, 2018, the Company completed an RTO of Royal Lifescience Corp. issuing 3,990,000 common shares to the shareholders of Royal with a fair value of \$498,750 (note 8).
- In July 2018, the Company collected its subscriptions receivable of \$745,000 upon delivery against performance of its \$0.125 units to its unit shareholders.
- On September 28, 2018, the Company acquired the historical exploration data for the Cabin Lake Property by issuing 500,000 common shares at a price of \$0.05 per share for total value of \$25,000.

Year Ended December 31, 2017:

Share capital transactions during the year ended December 31, 2017 were as follows:

- On February 19, 2017, a founding shareholder and director of the Company cancelled 5,275,910 common shares and returned them to treasury.
- On May 31, 2017, August 22, 2017, and September 29, 2017, the Company closed three tranches, respectively, of its \$0.10 unit financing (the “\$0.10 Unit Financing”) raising total proceeds of \$1,000,000 (\$201,382, \$735,000, and \$63,618, respectively). Pursuant to the \$0.10 Unit Financing the Company issued 10,000,000 (2,013,815, 7,350,000, and 636,185, respectively) common shares and 8,993,083 (1,006,908, 7,350,000, and 636,185, respectively) common share purchase warrants (the “Unit Financing Warrants”) each with a useful life of two years from the date of a TSX-V listing, and an exercise price of \$0.20. It is noted that the first tranche received a half common share purchase warrant while the second and third tranche received a full common share purchase warrant. The common share purchase warrants had a fair value of \$329,164 and were recorded to warrant reserve on the Statements of Changes in Equity.
- Pursuant to the \$0.10 Unit Financing, the Company issued 135,240 common shares purchase warrants as finder’s fees (the “Finder’s Warrants”). The 135,240 common share purchase warrants, with a useful life of two years from the date of a TSX-V listing and an exercise price of

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NOTE 9 – SHARE CAPITAL AND RESERVES (continued)**(c) Share Issuances (continued):***Year Ended December 31, 2017 (continued):*

\$0.20, had a fair value of \$4,130 and were recorded as share issuance costs. The Company paid cash commissions of \$11,139 to finders which were also recorded to share issuance costs and net against share capital amount on the Statements of Changes in Equity.

- On September 29, 2017, the Company issued 144,375 common shares to a Director of the Company as a share-based payment for consulting services provided to the Company totaling \$14,438, or \$0.10 per unit, and was included in the 10,000,000 units issued as part of \$0.10 Unit Financing.
- On September 29, 2017, the Company issued 69,036 common shares to third-party consultant as a share-based payment for promotional services provided to the Company totaling \$6,903, or \$0.10 per unit, and was included in the 10,000,000 units issued as part of \$0.10 Unit Financing.
- On December 31, 2017, the Company closed the first tranche of its \$0.14 Flow-Through Share Unit Financing for total proceeds of \$192,780, issuing 1,377,000 flow-through common shares and 1,377,000 common share purchase warrants with a useful life of two years from the date of issuance and an exercise price of \$0.28 in year one and an exercise price of \$0.56 in year two. The \$30,610 value of these warrants was determined using the Black-Scholes model, and were recorded to warrant reserve on the Statements of Changes in Equity (note 9(d)). Additionally, an \$20,655 flow-through share liability was recorded for this issuance (note 9(g)).
- On December 31, 2017, concurrent with the Flow-Through Share Unit Financing, the Company announced a \$0.125 Unit Financing where each unit comprises one common share and one common share purchase warrant with a useful life of two years from the closing date of the “\$0.125 Unit Financing and an exercise price of \$0.25 in year one and an exercise price of \$0.50 in year two.
- During the year ended December 31, 2017, the Company received a total of \$290,000 in subscription deposits pursuant to the \$0.125 Unit Financing.

(d) Warrants

The following table summarizes the common share purchase warrants transactions and issued and outstanding as at September 30, 2018:

| Expiry Date | Exercise Price | Balance Dec. 31, 2017 | Granted | Exercised | Expired / Terminated | Balance Sep. 30, 2018 |
|--------------------------------|----------------|-----------------------|-------------------|-------------|----------------------|-----------------------|
| March 15, 2018 | \$0.15 | 30,000 | - | - | (30,000) | - |
| May 31, 2018 | \$0.20 | 25,000 | - | - | (25,000) | - |
| September 29, 2019 | \$0.20 | 110,240 | - | - | - | 110,240 |
| June 15, 2020 | \$0.20 | 8,993,093 | - | - | - | 8,993,093 |
| June 15, 2020 ¹ | \$0.25 | - | 10,039,800 | - | - | 10,039,800 |
| December 31, 2019 ² | \$0.28 | 1,377,000 | - | - | - | 1,377,000 |
| June 15, 2020 ² | \$0.28 | - | 519,985 | - | - | 519,985 |
| Total | | 10,535,333 | 10,559,785 | - | (55,000) | 21,040,118 |
| Weighted Average | | | | | | |
| Exercise Price | | \$ 0.21 | \$ 0.25 | \$ - | \$ - | \$ 0.23 |

1. The exercise price is \$0.25 for the first 12 months after grant, and \$0.50 for months 13 to 24.

2. The exercise price is \$0.28 for the first 12 months after grant, and \$0.56 for months 13 to 24.

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NOTE 9 – SHARE CAPITAL AND RESERVES (continued)**(d) Warrants (continued)**

The following table summarizes the common share purchase warrants transactions and issued and outstanding as at December 31, 2017:

| Expiry Date | Exercise Price | Balance Dec. 31, 2016 | Granted | Exercised | Expired / Terminated | Balance Dec. 31, 2017 |
|--------------------------------|----------------|-----------------------|------------------|-----------|----------------------|-----------------------|
| December 31, 2017 | \$0.15 | 36,000 | - | - | (36,000) | - |
| March 15, 2018 | \$0.15 | 30,000 | - | - | - | 30,000 |
| May 31, 2019 | \$0.20 | - | 25,000 | - | - | 25,000 |
| September 29, 2019 | \$0.20 | - | 110,240 | - | - | 110,240 |
| June 15, 2020 | \$0.20 | - | 8,993,093 | - | - | 8,993,093 |
| December 31, 2019 ¹ | \$0.28 | - | 1,377,000 | - | - | 1,377,000 |
| Total | | 66,000 | 9,128,333 | - | (36,000) | 10,535,333 |
| Weighted Average | | | | | | |
| Exercise Price | | \$ 0.15 | \$ 0.24 | \$ - | \$ - | \$ 0.21 |

1. The exercise price is \$0.28 for the first 12 months after grant, and \$0.56 for months 13 to 24.

As at September 30, 2018, the weighted average remaining contractual life of the warrants is 1.68 years (December 31, 2017 is 2.35 years).

Using a Black Scholes valuation model, the Company calculated the fair value of the warrants issued during the period and year ended September 30, 2018 and December 31, 2017, respectively, using the following weighted-average inputs:

| | 2018 | 2017 |
|-------------------------|----------------------|------------|
| Expected life | 2.00 years | 2.44 years |
| Expected volatility | 90.00% | 90.00% |
| Expected dividend yield | - | - |
| Expected risk-free rate | 1.20 -1.90% | 1.27% |
| Expected warrant price | \$0.21-\$0.23 | \$ 0.23 |

(e) Incentive Stock Options

Shareholders of the Company approved a ten percent rolling incentive stock options plan. The following table summarizes the common share incentive stock option transactions and issued and outstanding as at September 30, 2018 and December 31, 2017:

| | Nine Months Ended September 30, 2018 | | Year Ended December 31, 2017 | |
|---|---|---------------------------------------|---------------------------------|---------------------------------------|
| | Number | Weighted Average exercise price | Number | Weighted Average exercise price |
| Balance outstanding, beginning of period | - | \$ - | - | \$ - |
| Granted | 3,042,679 | \$ 0.14 | - | - |
| Balance outstanding, end of period | 3,042,679 | \$ 0.14 | - | \$ - |
| Balance exercisable, end of period | 1,335,669 | \$ 0.13 | - | \$ - |

For the three and nine months ended September 30, 2018 the Company recorded Stock-based compensation of \$92,267 and \$156,837, respectively (2017 - \$nil and \$nil).

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NOTE 9 – SHARE CAPITAL AND RESERVES (continued)**(f) Incentive Stock Options (continued)**

Using a Black Scholes valuation model, the Company calculated the fair value of the options issued during the period and year ended September 30, 2018 and December 31, 2017 using the following weighted-average inputs:

| | September 30, 2018 | December 31, 2017 |
|--------------------------|-----------------------|----------------------|
| Risk-free interest rate | 1.93% | n/a |
| Expected life of options | 2 to 4 years | n/a |
| Annualized volatility(1) | 90% | n/a |
| Dividend rate | n/a | n/a |

(1) Expected volatility was determined by reference to historical volatility of similar entities following a comparable period of lives.

(g) Flow-through shares

Flow-through share arrangements involve resource expenditure deductions for income tax purposes which are renounced to purchasers of common shares in accordance with income tax legislation. Each flow-through share entitles the holder to a 100% tax deduction in respect of qualifying Canadian Exploration Expenses (“CEE”) as defined.

The value of the flow-through share liability was determined using the residual value method, after determining the fair value of the common shares and common shares purchase warrants attached to the Flow-Through Share Unit Financing. The Flow-Through Share Unit Financing premium was valued at \$0.015 per unit, and correspondingly established the flow-through share liability value at \$8,736 and \$20,655 as at September 30, 2018 and December 31, 2017, respectively.

On February 2, 2018, the Company has renounced its resource expenditures associated with 2017 flow-through shares reducing in full the \$20,655 liability. On June 15, 2018 it recorded a new \$8,736 flow-through share liability with regards to capital transaction recorded during the period ended June 30, 2018.

NOTE 10 – RELATED PARTY TRANSACTIONS**(a) Related Party Transactions**

The Company incurred charges to directors and officers or to companies associated with these individuals during the three and nine month periods ended September 30, 2018 and September 30, 2017 as follows:

| | For the three months ended | | For the nine months ended | |
|----------------------------|----------------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2018 | September 30, 2017 | September 30, 2018 | September 30, 2017 |
| Management consulting fees | \$ 83,000 | \$ 30,000 | \$ 185,000 | \$ 90,000 |
| Director fees | - | 10,500 | - | 17,750 |
| | \$ 83,000 | \$ 40,500 | \$ 185,000 | \$ 107,750 |

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NOTE 10 – RELATED PARTY TRANSACTIONS (continued)**(a) Related Party Transactions (continued)**

Management consulting fees are paid to companies controlled by the Chief Executive Officer (“CEO”), the President, and the Chief Operating Officer (“COO”).

(b) Related Party Balances

All related party balances payable, for services rendered as at September 30, 2018 and at December 31, 2017 are non-interest bearing and payable on demand, and are comprised of \$5,650 (including taxes) at September 30, 2018 (December 31, 2017 - \$15,225 including taxes).

NOTE 11 – SEGMENTED INFORMATION

The Company’s operates in one segment, being mineral exploration, and one geographic location being Canada as follows for the three and nine month periods ended September 30, 2018:

| | For the three months ended | | For the nine months ended | |
|--------|----------------------------|---------------|---------------------------|---------------|
| | September 30, | September 30, | September 30, | September 30, |
| | 2018 | 2017 | 2018 | 2017 |
| Losses | \$ (319,908) | \$ (102,349) | \$ (1,266,320) | \$ (210,666) |
| Assets | 1,776,378 | 992,954 | 1,776,378 | 992,954 |

NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**(a) Fair Value of Financial Instruments**

As at September 30, 2018 and December 31, 2017 the Company’s financial instruments consist of cash, receivables, accounts payable and accrued liabilities. Cash and receivables are designated as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are designated as other financial liabilities, which are measured at amortized cost.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at September 30, 2018, the Company believes that the carrying values of cash, sales tax receivable, and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

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NOTE 12 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(b) Financial Instruments Risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

(i) *Credit risk:*

Credit risk exposure primarily arises with respect to the Company's cash and receivables. The risk exposure is limited because the Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of other receivables.

(ii) *Liquidity risk:*

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at September 30, 2018, the Company had cash and cash equivalents of \$745,104 (December 31, 2017 – \$492,174) and a current working capital of \$864,844 (December 31, 2017 – \$655,776) with total liabilities of \$157,129 (December 31, 2017 – \$96,836).

(iii) *Market risk:*

- a. 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. A change of 100 basis points in the interest rates would not be material to the financial statements.
- b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables constant, an increase or a decrease of 10% of the US dollar against the Canadian dollar, the net loss of the Company and the equity for the period ended September 30, 2018 would have varied by a negligible amount.
- c. The Company had no hedging agreements in place with respect to foreign exchange rates.

NOTE 13 – CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, issue debt instruments or return capital to its shareholders.

The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

NOTE 14 – COMMITMENTS

The Company does not have any future operating commitments at September 30, 2018, while the only undiscounted liabilities are the accounts payable and accrued liabilities which are due within one year and as at September 30, 2018 are \$157,129 (December 31, 2017 – \$96,836).

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NOTE 15 – SUBSEQUENT EVENT

On August 27, 2018 the Company received notice that it had been awarded a grant of \$85,000 under the Government of the Northwest Territories' Mining Incentive Program for exploration activities at the Cabin Lake Property. On October 12, 2018 the Company received \$72,250 of the \$85,000 grant. The purpose of the grant is to provide funding to stimulate and sustain mineral exploration activities throughout the Northwest Territories. The grant received was specifically applied for and approved solely for use with the Cabin Lake Property exploration project expenditures.