GLOBAL BATTERY METALS LTD
(Formerly, Redzone Resources Ltd.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED APRIL 30, 2019 and 2018

(Expressed in Canadian Dollars, unless otherwise noted)

Independent auditor's report

To the Shareholders of Global Battery Metals Ltd. (formerly, Redzone Resources Ltd.)

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Global Battery Metals Ltd. and its subsidiaries (together, the Company) as at April 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at April 30, 2019 and 2018;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mark Patterson.

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 21, 2019

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
As at

	Note	April 30, 2019	April 30, 2018
		$	$
Assets			
Current			
Cash		748,243	1,545,257
Receivables		5,118	8,205
Prepaid expenses and advances		76,123	64,958
		829,484	1,618,420
Mineral property interests	**6**	5,647,752	5,578,962
		6,477,236	7,197,382
Liabilities			
Current			
Accounts payable and accrued liabilities	**9**	180,613	127,074
Equity			
Share capital	**7**	10,591,979	10,550,585
Contributed surplus	**7**	1,948,441	1,778,421
Shares to be issued	**7**	246,000	-
Accumulated other comprehensive income		144,751	66,867
Deficit		(9,103,072)	(7,743,527)
Equity attributable to shareholders		3,828,099	4,652,346
Non-controlling interest		2,468,524	2,417,962
		6,296,623	7,070,308
		6,477,236	7,197,382

Contingencies (Note 14)
Subsequent events (Note 15)

On behalf of the Board:

"Alan Matthews" Director *"Michael Murphy"* Director

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

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
For the years ended April 30,

	Note	2019	2018
		$	**$**
Business investigation costs		43,367	30,392
Consulting fees	**9**	16,411	20,823
Exploration costs	**9**	357,156	179,601
Investor relations		163,308	76,511
Management salaries and benefits	**9**	153,625	93,060
Office administration		153,897	174,589
Professional fees		107,187	102,107
Share-based payments	**7**	173,092	80,338
Shareholders' information		30,857	25,728
Loss from operations for the year		(1,198,900)	(783,149)
Interest income		16,620	12,737
Write-down of accounts payable		-	25,000
Write-off of mineral property	**6**	(256,808)	-
Loss for the year		(1,439,088)	(745,412)
Other comprehensive income (OCI)			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operation		139,531	(351,133)
Total comprehensive income (loss) for the year		(1,299,557)	(1,096,545)
Loss for the year attributable to:			
Shareholders of the Company		(1,359,545)	(671,418)
Non-controlling interest (NCI)		(79,543)	(73,994)
		(1,439,088)	(745,412)
Comprehensive income (loss) for the year attributable to:			
Shareholders of the Company		(1,281,661)	(864,540)
Non-controlling interest (NCI)		(17,896)	(232,005)
		(1,299,557)	(1,096,545)
Loss per share			
Basic and diluted		(0.05)	(0.04)
Weighted average number of common shares outstanding			
Basic and diluted		25,750,292	18,519,104

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)
Consolidated Statements of Equity
(Expressed in Canadian dollars)
For the years ended April 30,

	Common Shares	Share Capital	Contributed Surplus	Shares to be issued	AOCI	Deficit	NCI	Total
	#	$	$	$	$	$	$	$
Balance, April 30, 2017	**10,865,034**	**8,475,178**	**1,556,390**	**-**	**259,989**	**(7,072,109)**	**2,593,808**	**5,813,256**
Shares issued pursuant to								
Private placement	12,366,250	1,978,600	-	-	-	-	-	1,978,600
Warrant exercise	2,369,055	373,233	(3,250)	-	-	-	-	369,983
Share issuance costs	-	(131,483)	-	-	-	-	-	(131,483)
Broker warrants	-	(97,280)	97,280	-	-	-	-	-
Warrant valuation	-	(47,663)	47,663	-	-	-	-	-
Share-based payments	-	-	80,338	-	-	-	-	80,338
Contributions by NCI	-	-	-	-	-	-	56,159	56,159
Net loss for the year	-	-	-	-	-	(671,418)	(73,994)	(745,412)
OCI for the year	-	-	-	-	(193,122)	-	(158,011)	(351,133)
Balance, April 30, 2018	**25,600,339**	**10,550,585**	**1,778,421**	**-**	**66,867**	**(7,743,527)**	**2,417,962**	**7,070,308**
Shares issued pursuant to:								
Warrant exercise	19,200	6,144	(3,072)	-	-	-	-	3,072
Property acquisition	250,000	35,250	-	-	-	-	-	35,250
Share-based compensation	-	-	173,092	-	-	-	-	173,092
Shares to be issued	-	-	-	246,000	-	-	-	246,000
Contributions by NCI	-	-	-	-	-	-	68,458	68,458
Net loss for the year	-	-	-	-	-	(1,359,545)	(79,543)	(1,439,088)
OCI for the year	-	-	-	-	77,884	-	61,647	139,531
Balance, April 30, 2019	**25,869,539**	**10,591,979**	**1,948,441**	**246,000**	**144,751**	**(9,103,072)**	**2,468,524**	**6,296,623**

GLOBAL BATTERY METALS LTD. (Formerly, Redzone Resources Ltd.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
For the years ended April 30,

	2019	2018
	$	$
Cash flows from operating activities		
Net loss for the year	(1,439,088)	(745,412)
Adjustments for:		
Interest income	(16,620)	(12,737)
Share-based payments	173,092	80,338
Write-down of accounts payable	-	(25,000)
Write-off of mineral property	256,808	-
Changes in non-cash working capital items:		
Receivables	3,087	(3,109)
Prepaid expenses and advances	(11,165)	(55,270)
Accounts payable and accrued liabilities	15,118	(51,735)
Net cash used in operating activities	(1,018,768)	(812,925)
Cash flows from investing activities		
Interest received	16,620	12,737
Mineral property acquisition costs	(113,224)	(152,205)
Net cash from (used in) investing activities	(96,404)	(139,468)
Cash flows from financing activities		
Issuance of common shares	3,072	2,348,583
Shares to be issued	246,000	-
Share issuance costs	-	(131,483)
Contribution by non-controlling shareholder	68,458	56,159
Net cash from financing activities	317,530	2,273,259
Foreign exchange on cash	828	(298)
Change in cash for the year	(797,014)	1,320,568
Cash, beginning of year	1,545,257	224,689
Cash, end of year	748,243	1,545,257
Non-cash investing activities		
Shares issued for mineral property acquisition	35,250	-

(Expressed in Canadian dollars)

1. Nature of operations

The principal business activities of Global Battery Metals Ltd. (the "Company") include the acquisition and exploration of mineral properties. On March 19, 2019 the Company changed its name from Redzone Resources Ltd. to Global Battery Metals Ltd. The Company's corporate head office is located at 1430-800 W Pender Street, Vancouver, British Columbia, Canada. The Company's common shares are listed on the TSX Venture Exchange under the symbol GBML.

2. Basis of presentation

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") with interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated financial statements have been prepared under the historical cost convention. Effective May 1, 2018 the Company adopted the requirement of IFRS 9 – Financial Instruments ("IFRS 9"). Refer to Note 3 and 4.

These financial statements were approved by the board of directors on August 21, 2019.

3. Significant accounting policies

Basis of consolidation

These consolidated financial statements include the results of the Company and its subsidiaries. The results of each subsidiary are included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The consolidated financial statements include the results of the Company and its subsidiaries. Details of the Company's subsidiaries are as follows:

Name	Country of incorporation	Percentage owned April 30, 2019	2018
Compania Minera Oyamel, S.A de C.V	Mexico	100%	100%
Minas Dixon S.A ("Minas Dixon" or "Minas")	Peru	55%	55%
Arizona Lithium Resources Ltd.	USA	100%	-

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Financial Instruments

Recognition and Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Foreign currencies
The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent company, Global Battery Metals Ltd.., is the Canadian dollar; the functional currency of the Company's subsidiary Compania Minera Oyamel, S.A de C.V is the Mexican Peso, the functional currency of the Company's 100% owned subsidiary Arizona Lithium Resources Ltd. is the US dollar and the functional currency of the Company's subsidiary Minas Dixon S.A is the Peruvian Nuevo Sol. The presentation currency of the consolidated financial statements is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of loss.

The statement of financial position of each subsidiary is translated into the Canadian dollar presentation currency using the exchange rate at the statement of financial position date and the statement of operations is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are recorded in other comprehensive income.

Mineral properties

The Company is in the exploration stage and all exploration and evaluation expenditures related to property acquisition costs are capitalized as mineral property interests. This includes payments relating to properties acquired under an option or joint venture agreement. The costs are capitalized until such time as the properties are put into commercial production, impaired, sold or abandoned. Mineral property option proceeds, if received, are credited against the capitalized mineral property interest for the property or properties being optioned. Under this method, the amounts shown as mineral property interests represent acquisition costs incurred to date less amounts recovered and/or written off, and do not necessarily represent present or future values.

Exploration and evaluation costs that are not acquisition costs but are attributable to a specific property are charged to operations as mineral property exploration costs. Exploration costs incurred prior to the Company acquiring the legal rights to a property are also charged to operations.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property interest has been determined, expenditures are reclassified to development properties. Exploration and evaluation assets are tested for impairment immediately prior to this reclassification. If the properties are put into production, the expenditures will be depleted using the unit of production basis. If the properties are impaired, sold or abandoned, the expenditures will be charged to operations in the respective period.

The recovery of mineral property interest acquisition costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and future profitable production or proceeds from disposition of such properties.

The Company’s mineral properties are reviewed for indications of impairment at each reporting period. If indication of impairment exists, the asset’s recoverable amount is estimated. The recoverable amount is the greater of the asset’s fair value less costs to sell and value in use. Impairment tests are performed on a cash generating unit basis. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount and recognized in the consolidated statements of operations.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property. Such costs arising from the exploration or development work, decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset and any, exploration or operating license conditions.

Discount rates using a pre-tax rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligation as project site disturbance to date is minimal.

Share-based payments
The Company has established a stock option plan for the benefit of employees, officers, directors and consultants of the Company.

The grant date fair value of all stock options granted is recorded as a charge to operations and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options, is recorded over the vesting period. Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

Income tax
Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to investments in subsidiaries, associates, and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The Company has not recognized any deferred tax assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

For the unit offerings, the proceeds from the issuance of units are allocated between common shares and common share purchase warrants using the residual method, allocating fair value first to the common shares and then to the share purchase warrants.

Earnings (loss) per share
Basic earnings or loss per share represents the profit or loss for the period, divided by the weighted average number of common shares in issue during the period. Diluted earnings or loss per share represents the profit or loss for the

(Expressed in Canadian dollars)

period, divided by the weighted average number of common shares in issue during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. During each of the years ended April 30, 2019 and 2018 basic and diluted loss per share are the same. The effect of potential issuances of 12,583,358 (2018 – 11,577,958) shares in respect of stock options and share purchase warrants were not included in the computation of diluted loss per share as the effect would have been antidilutive.

4. Accounting Standards

The following new accounting standard was adopted by the Company during the year ended April 30, 2019:

IFRS 9, Financial Instruments
IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and became effective for the Company on May 1, 2018. IFRS 9 includes requirements for classification and measurement of financial assets and financial liabilities; impairment methodology for financial instruments; and revised hedge accounting guidance. IFRS 9 has specific requirements for whether debt instruments are accounted for at amortized cost, fair value through other comprehensive income or fair value through profit or loss. IFRS 9 requires equity instruments to be measured at fair value through profit or loss unless an irrevocable election is made to measure them at fair value through other comprehensive income, which results in changes in fair value not being recycled to the income statement. The adoption of this standard had no impact on the carrying value of the Company's financial instruments on the transition date.

The Company completed a detailed assessment of its financial assets and liabilities as at May 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39 (Year ended April 30, 2018)	**New classification IFRS 9 (Year ended April 30, 2019)**
Cash	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The following standard has been issued but is not yet effective for the Company.

IFRS 16 Leases
IFRS 16 – Leases is a new standard that will be effective for annual periods beginning May 1, 2019. It has not been applied in preparing these consolidated financial statements.

IFRS 16 specifies how an issuer will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company does not expect the adoption of IFRS 16 to have a significant impact on its financial statements for the year ended April 30, 2020 as it does not have any material leases.

5. Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires estimates and assumptions that affect the amounts reported in these consolidated financial statements. Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

Impairment
Management assesses mineral property interests for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any

(Expressed in Canadian dollars)

resulting impairment. In making its assessment, management considers both internal and external information, exploration results to date and future exploration plans. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs may not be recoverable and there is a risk that these costs may be written down in future periods.

6. Mineral property interests

Mineral property interests at April 30, 2019 and April 30, 2018, and the changes for the years then ended, are as follows:

	Lara	Lucky Mica Claim Group	Wells Vanadium project	NWL Property	Total
	$	$	$	$	$
Balance, April 30, 2017	**5,726,240**	**51,353**	**-**	**-**	**5,777,593**
Acquisition costs per Amended Agreement	-	43,376	-	-	43,376
Additional staking costs	-	108,829	-	-	108,829
Foreign exchange on mineral property	(350,836)	-	-	-	(350,836)
Balance, April 30, 2018	**5,375,404**	**203,558**	**-**	**-**	**5,578,962**
Acquisition costs	-	21,000	24,250	133,645	186,895
Additional staking	-	-	8,000	-	8,000
Foreign exchange on mineral property	138,703	-	-	-	138,703
Write-off of mineral property	-	(224,558)	(32,250)	-	(256,808)
Balance, April 30, 2019	**5,514,107**	**-**	**-**	**133,645**	**5,647,752**

Lara Property

On February 4, 2013, the Company completed the requirements of the Lara option agreement and acquired 55% of Minas Dixon, the registered owner of the Lara property. The Lara property is subject to a payment of $500,000 to a past owner at the start of commercial production.

Fortner and Boyd Lithium Property (Lucky Mica Claim Group)

On August 2, 2016 the Company entered into a binding letter agreement (the "original Agreement") for the grant to the Company of an option to acquire up to a 100% interest in the Fortner and Boyd Lithium Property ("Lucky Mica Claim Group" or the "Property") located in north central Maricopa County, Arizona. A related party held a 50% interest in the Property at the time the original Agreement was negotiated. On July 27, 2017 the Company entered into a new option agreement (the "Amended Agreement"). Under the terms of the Amended Agreement the Company could earn a 100% interest in the property, subject to a 0.667% NSR, by completing the following:

- Paying US $7,500 on the date of execution of original Agreement (paid).
- Paying US $10,000 within three business days of the approval date of the original Agreement (paid).
- Paying US $30,000 on or prior to the earlier of i) 15 months following the date of the Amended Agreement or ii) the date of completion by the Company of an equity financing to raise aggregate gross proceeds of not less than $500,000 (paid).
- The issuance and delivery of 300,000 common shares of the Company. (200,000 issued on September 29, 2016 and fair valued at $28,000 and 100,000 issued on May 25, 2018 and fair valued at $21,000.)

On May 25, 2018 the Company fulfilled its obligations as per the Amended Agreement and exercised its option to acquire a 100% interest in the property.

At April 30, 2019 the Company wrote-off $224,558 of acquisition costs related to the Lucky Mica Claim Group as management decided not to continue with further exploration of the Property.

North West Leinster Lithium Property
On October 23, 2018 the Company entered into an option agreement (the "NWL Agreement") to acquire up to a 90% interest in the North West Leinster Lithium Property ("NWL Property") in the Republic of Ireland. Pursuant to the NWL Agreement the Company must make a cash payment of €10,000 (Paid – CAD $15,438) and incur a minimum of €40,000, up to a maximum of €70,000, in due diligence expenses by April 23, 2020 (the "Due Diligence Period"). During the year ended April 30, 2019 the Company incurred €78,578 (CAD - $118,207) of due diligence expenses and recorded them as acquisition costs.

Upon completion of the Due Diligence Period the Company can exercise three options to acquire up to a 90% interest in the NWL Property as follows:

- The Company can exercise the first option by making a payment of either €50,000 in cash or €5,000 in cash and €45,000 in shares of the Company, within 14 days of the end of the due diligence period. Upon making the payment the Company can acquire a 51% interest by incurring exploration expenditures of €1,000,000 by April 23, 2022.
- The Company can exercise the second option by making a payment €200,000 in cash or €20,000 in cash and €180,000 in common shares of the Company. Upon making the payment the Company can acquire an additional 24% interest by incurring an additional €2,000,000 in exploration expenditures by April 23, 2025.
- The Company can exercise the third option to earn an additional 15% interest by completing a preliminary economic assessment on the NWL Property and making a payment of €500,000 in cash or €50,000 in cash and €450,000 in common shares of the Company.

Wells Vanadium project
On November 21, 2018 the Company entered into a purchase agreement to acquire a 100% interest in the Turks Nose and Popes Nose Claims (the "Nose Claims") located near Wells, British Columbia Canada.

Pursuant to the agreement the Company can acquire a 100% interest in the Nose Claims by completing the following requirements:

- Make cash payments of $10,000 (paid) and issue 150,000 common shares upon execution of the agreement (issued and fair valued at $14,250),
- Make a cash payment of $20,000 and issue 200,000 common shares on November 21, 2019;
- Make a cash payment of $20,000 and issue 200,000 common shares on November 21, 2020;
- Make a cash payment of $25,000 and issue 250,000 common shares on November 21, 2021;
- Make a cash payment of $25,000 and issue 300,000 common shares on November 21, 2022.

If the Company chooses to withdraw from the purchase agreement prior to the completion of the above requirements, the Nose Claims would revert back to the vendor and the Company would not be obligated to make the remaining cash payments or share issuances. There is a 2% royalty on all mineral commodities sold from the Nose Claims. The Company can purchase 50% of the royalty by making a cash payment of $1,000,000 at any time.

The Company also acquired an additional 4,438 hectares of prospective Vanadium mineral claims near Mackenzie, BC. The mineral rights were obtained by staking.

At April 30, 2019 the Company wrote-off $32,250 of acquisition costs related to the Wells Vanadium project as management has decided to not incur any exploration or further acquisition payments on the project.

(Expressed in Canadian dollars)

The Company expenses its exploration costs incurred in the year. Exploration costs for the year ended April 30, 2019 and 2018 are as follows:

	2019		2018	
	Lucky Mica	**Lara**	**Lucky Mica**	**Lara**
	$	**$**	**$**	**$**
Field work	125,923	15,040	5,469	13,949
Environmental and community	-	36,612	-	41,962
Geological	9,578	18,492	4,980	8,407
Mining title permit payments	96,056	55,455	51,943	52,891
Total	231,557	125,599	62,392	117,209

7. Share Capital

a) Authorized and issued
Unlimited common shares, without par value – 25,869,539
Unlimited preferred shares, issuable in series – Nil

During the year ended April 30, 2019 the Company received proceeds of $3,072 pursuant to the exercise of 19,200 broker warrants.

During the year ended April 30, 2018 the Company completed the following financings:

On December 28, 2017 the Company closed a non-brokered private placement of 7,600,000 units at $0.16 per unit, for gross proceeds of $1,216,000. Each unit is comprised of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of $0.24 for a period of two years. The warrants are subject to acceleration in certain circumstances. The Company applied a residual attribution approach andallocated a value of $nil to the warrants. The Company also issued 608,000 brokers warrants with each warrant consisting of one common share of the Company and one-half of one share purchase warrant, exercisable at $0.16 per unit for a period of two years. The Company fair valued the broker’s warrants at $97,280. The Company incurred cash share issuance costs of $113,345.

On June 6, 2017 the Company closed a non-brokered private placement pursuant to which it issued 4,766,250 units at $0.16 per unit for gross proceeds of $762,600. Each unit consists of one common share of the Company and one-half share purchase warrant, with each whole share purchase warrant entitling the holder to acquire on additional common share at an exercise price of $0.24, for a period of two years. The applied a residual attribution approach and allocated a value of $47,663 to the warrants. The Company incurred share issuance costs of $18,138 related to the private placement.

During the year ended April 30, 2018 the Company received proceeds of $369,983 pursuant to the exercise of 2,369,055 warrants.

(Expressed in Canadian dollars)

b) Stock options

The balance of options outstanding and exercisable as at April 30, 2019 and April 30, 2018 and the changes for the years then ended is as follows:

	Number of options	**Weighted average exercise price**	**Weighted average remaining life (years)**
Balance April 30, 2017	956,000	$0.14	4.13
Granted	600,000	$0.14	
Balance April 30, 2018	1,556,000	$0.14	3.69
Granted	1,015,000	$0.20	
Balance, April 30, 2019	2,571,000	$0.16	3.25

At April 30, 2019 the Company had the following stock options outstanding:

Expiry Date	**Exercise Price**	**Weighted average remaining life (years)**	**Number of options outstanding and exercisable**
October 13, 2020	$0.10	1.46	272,000
April 4, 2021	$0.10	1.93	234,000
August 9, 2021	$0.20	2.28	150,000
February 24, 2022	$0.18	2.82	300,000
November 30, 2022	$0.14	3.59	600,000
May 30, 2023	$0.20	4.08	1,000,000
November 26, 2023	$0.09	4.58	15,000
		3.25	2,571,000

During the year ended April 30, 2019 the Company granted 1,015,000 (April 30, 2018 – 600,000) stock options, vesting immediately and with a life of 5 years, to directors, officers and consultants of the Company. The Company fair valued the options and recorded share-based payments expense of $173,092 (April 30, 2018- $80,338) for the year ended April 30, 2019.

The fair value was determined using the Black-Scholes option pricing model using the following assumptions:

	2019	**2018**
Risk free rate	2.11 % - 2.27%	1.63%
Expected life	5 years	5 years
Expected volatility	143% - 148%	236%
Forfeiture rate	-	-
Expected dividends	-	-

(Expressed in Canadian dollars)

c) Warrants

The balance of warrants outstanding at April 30, 2019 and April 30, 2018 and the changes for the years then ended is as follows:

	Number of warrants	Exercise price	Weighted average remaining life (years)
Balance, April 30, 2017	5,599,888	$0.15	4.17
Issued[1]	6,791,125	$0.24	
Exercised	(2,369,055)	$0.16	
Balance, April 30, 2018	10,021,958	$0.20	2.05
Exercised	(19,200)	$0.16	
Issued	9,600	$0.24	
Balance, April 30, 2019	10,012,358	$0.20	1.05

[1] 608,000 are broker warrants consisting of one common share of the Company and one-half common share purchase warrant. As a result of the broker warrant exercise the Company issued 9,600 warrants to the broker.

At April 30, 2019 the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of warrants outstanding
June 6, 2019	$0.24	0.10	2,220,625
December 28, 2019	$0.24	0.67	3,809,600
December 28, 2019[1]	$0.16	0.67	588,800
June 29, 2021	$0.15	2.17	3,393,333
	$0.20	1.05	10,012,358

[1] Each warrant consists of one common share of the Company and one-half common share purchase warrant

Subsequent to April 30, 2019 a total of 2,220,625 warrants with an exercise price of $0.24 per warrant expired unexercised.

8. Income taxes

The provision for income taxes reported differs from the amounts computed by applying the cumulative federal and provincial income tax rates to the net loss before tax provision due to the following:

	2019	2018
Statutory tax rate	27%	27%
Loss for the year	(1,439,088)	(745,411)
Expected income tax-recovery	(389,000)	(196,000)
Change in tax rate	-	(52,000)
Difference in foreign tax rate	(2,000)	(5,000)
Non-deductible items and expiry of losses	111,000	218,000
Change in unrecognized deductible temporary differences	280,000	35,000
Income tax expense	-	-

(Expressed in Canadian dollars)

Unrecognized deferred tax assets

Deferred tax assets have not been recognized for the following deductible temporary differences:

	2019	2018
	$	$
Share issuance costs	85,000	101,000
Non-Capital losses	7,152,000	6,082,000
Other assets	273,000	241,000
	7,510,000	6,424,000

The Company has available for deduction against future taxable income Canadian non-capital losses of approximately $5,909,000. These losses, if not utilized, will expire between 2026 and 2039. The Company has available for deduction against future taxable income Peruvian tax losses of approximately $772,000. These losses, if not utilized, will expire in various years between 2020 and 2023. The Company has US tax losses of approximately 470,000, these loss carry forward indefinitely and can be used to shelter 80% of future taxable income. The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit in the same entity will allow the deferred tax asset to be recovered

9. Related Party Transactions

Compensation paid or payable to Directors, the Chief Executive Officer and the Chief Financial Officer, for services provided during the years ended April 30, 2019 and 2018 was as follows:

	2019	2018
	$	$
Management salaries and benefits	150,000	93,060
Business investigation	36,600	-
Consulting fees	16,303	19,818
Exploration expenses	5,700	13,755
Share-based payments	130,630	80,338
	339,233	206,971

Included in accounts payable and accrued liabilities at April 30, 2019 is $1,050 (April 30, 2018 - $21,990) due to a director of the Company. The amount owing is non-interest bearing and due on demand.

10. Segmented Information

The Company has one operating segment, which is mineral exploration and development. Geographic information related to the location of the Company's significant non-current assets as at April 30, 2019 and April 30, 2018 is as follows:

	April 30, 2019	April 30, 2018
	$	$
Mineral property interests		
Ireland	133,645	-
USA	-	203,558
Peru	5,514,107	5,375,404
Total	5,647,752	5,578,962

(Expressed in Canadian dollars)

11. Non-controlling interest

The Company owns a 55% controlling interest in Minas Dixon S.A; the remaining 45% is held by Lara Exploration and accounted for as a non-controlling interest. Financial information related to Minas Dixon S.A is as follows:

	April 30, 2019	April 30, 2018
	$	$
Current assets	9,149	31,635
Long term assets	5,514,107	5,375,404
Current liabilities	(56,667)	(54,484)
Long term liabilities	(1,026,742)	(903,087)

	2019	2018
	$	$
Loss for the year	(176,762)	(164,430)
Other comprehensive income (loss) for the year	136,993	(351,133)
Comprehensive loss for the year	(39,769)	(515,563)
Cash flows for the year:		
Cash flows from (used in) operating activities	(174,569)	(190,512)
Cash flows from financing activities	153,793	160,416
Net decrease in cash	(20,776)	(30,096)
Cash, beginning of year	31,635	62,027
Effect of foreign exchange rates on cash	(1,710)	(296)
Cash, end of year	9,149	31,635

12. Financial Instruments

Classification of financial instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company classifies its cash and accounts payable and accrued liabilities as amortized cost. The fair value of these instruments approximate their carrying amounts due to their short-term to maturity.

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign currency risk

A portion of the Company's financial assets and liabilities are denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in Peru and Ireland. As at April 30, 2019, future changes in exchange rate would not have a material impact on the Company's financial instruments. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

The Company's liquidity requirements arise principally from the need to finance operating and exploration costs. The Company's approach to managing liquidity risk is to manage expenditures in a manner which ensures that it will have sufficient cash on hand to meet liabilities when due. The Company actively evaluates opportunities to minimize operating expenditures and plans its exploration activities to maintain liquidity.

13. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets. As at April 30, 2019, the Company has not entered into any debt financing.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any capital requirements imposed by a regulator.

14. Contingencies

The Company has approved a compensation package to the Chief Executive Officer. On the completion of a corporate acquisition or merger, bonuses of up to 500,000 stock options, restricted share unit's equal to 1% of the value of the transaction and cash in the amount equal to 0.25% of the value of the transaction would become payable. As at April 30, 2019 no corporate acquisition or merger has been entered into and therefore no accrual for the compensation package has been recorded.

15. Subsequent events

The Company closed a non-brokered private placement of 6,431,300 units at $0.16 per unit, for gross proceeds of $1,029,008. Each unit is comprised of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of $0.24 for a period of two years. As at April 30, 2019 the Company had received $246,000 in subscription receipts.