



**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017 AND  
2016.**

(Unaudited)

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The condensed interim financial statements of Global Energy Metals Corporation are the responsibility of the Company's management. These condensed financial statements are prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**Global Energy Metal Corporation**  
**Condensed Interim Statement of Financial Position**  
(Expressed in Canadian dollars)

	September 30, 2017	June 30, 2017
	- \$ -	- \$ -
<b>ASSETS</b>		
Current assets		
Cash	178,405	492,925
Receivables (Note 5)	125,617	112,255
Prepaid expenses	94,806	145,562
	398,828	750,742
Deposits	13,013	13,013
Equipment and leasehold	1,065	1,430
Exploration and evaluation assets (Note 6)	3,394,702	3,258,941
	3,807,608	4,024,126
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7,9)	143,413	205,576
Convertible debenture (Note 7)	16,593	16,593
	160,006	222,169
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 8)	4,457,012	4,328,212
Reserves (Note 8)	547,401	547,401
Deficit	(1,356,811)	(1,073,656)
	3,647,602	3,801,957
	3,807,608	4,024,126

Nature of operation and going concern (Note 1)  
Subsequent events (Note 12)

Approved on behalf of the Board of Directors on November 29, 2017:

"Erin Chutter"                      "Paul Sarjeant"  
Erin Chutter, Director              Paul Sarjeant, Director

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

**Global Energy Metals Corporation**  
**Condensed Interim Statement of Comprehensive Loss**  
(Expressed in Canadian dollars)

	Three months ended September 30,	
	2017	2016
	- \$ -	- \$ -
Expenses		
General administrative and office	14,919	4,505
Interest expense	-	73,064
Consulting fees	20,113	72,674
Management fees	42,000	45,000
Marketing and corporate development	125,665	30,000
Advertising and promotions	2,288	-
Corporate development	42,500	-
Professional fees	20,311	24,344
Filing fees	9,009	11,499
Travel	6,350	-
Total expenses	(283,155)	(261,086)
Accounts payable and debt forgiven	-	28,457
Gain from debt settlement	-	531,589
Net loss and comprehensive loss	(283,155)	298,960
Loss per share - basic and diluted	(0.01)	0.03
Weighted average common shares outstanding - basic and diluted	36,372,129	11,563,903

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

**Global Energy Metals Corporation**  
**Condensed Interim Statement of Cash Flows**  
(Expressed in Canadian dollars)

	Three months ended September 30,	
	2017	2016
	- \$ -	- \$ -
Cash flows from operating activities		
Net loss from continuing operations	(283,155)	298,960
Items not involving cash:		
Amortization	365	365
Accrued interest	-	73,064
Gain for debt settlement	-	(560,046)
Net change in non-cash working capital		
Amounts receivable	(13,362)	(643,522)
Prepaid expenses	50,756	(102,822)
Accounts payable and accrued liabilities	(62,163)	(241,516)
Cash used in operating activities	(307,559)	(1,175,517)
Cash flows from investing activities		
Exploration and evaluation expenditures	(135,761)	(67,769)
Cash used in investing activities	(135,761)	(67,769)
Cash flows from financing activities		
Share capital issued for cash, net of costs	128,800	1,435,172
Obligation to issue shares	-	45,000
Repayment of convertible debenture	-	(110,000)
Cash provided by financing activities	128,800	1,370,172
Increase (decrease) in cash from continuing operations	(314,520)	126,886
Cash, beginning	492,925	-
Cash, ending	178,405	126,886

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

**Global Energy Metals Corporation**  
**Condensed Interim Statement of Changes in Shareholders' Equity**  
(Expressed in Canadian dollars)

	Share capital		Reserves				Total equity
	Number of shares	Amount	Obigation to issue shares	Options reserve	Warrants reserve	Deficit	
		- \$ -	- \$ -	- \$ -	- \$ -	- \$ -	- \$ -
Balance, June 30, 2016	5,288,146	1	-	-	-	(456,510)	(456,509)
Comprehensive loss	-	-	-	-	-	298,960	298,960
Private placements, net of issuance costs	10,621,486	1,593,223	45,000	-	-	-	1,638,223
Shares issued for debt	10,709,332	1,606,400	-	-	-	-	1,606,400
Agent's warrants	-	(16,000)	-	-	16,000	-	-
Finders' fees	-	(158,051)	-	-	-	-	(158,051)
Gain on settlement of related party loan	-	-	-	-	-	539,344	539,344
<b>Balance, September 30, 2016</b>	<b>26,618,964</b>	<b>3,025,573</b>	<b>45,000</b>	<b>-</b>	<b>16,000</b>	<b>381,794</b>	<b>3,468,367</b>
Balance, June 30, 2017	35,391,297	4,239,581	88,631	525,184	22,217	(1,073,656)	3,801,957
Comprehensive loss	-	-	-	-	-	(283,155)	(283,155)
Private placement, net of issuance costs	1,242,465	217,431	(88,631)	-	-	-	128,800
<b>Balance, September 30, 2017</b>	<b>36,633,762</b>	<b>4,457,012</b>	<b>-</b>	<b>525,184</b>	<b>22,217</b>	<b>(1,356,811)</b>	<b>3,647,602</b>

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

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Global Energy Metals Corporation (the "Company") was incorporated under the Business Corporations Act of British Columbia on April 27, 2015. The Company is in the business of exploring resource properties. All of the Company's resource properties are located in Ontario, Canada. The Company's head office, principal address and records of office is 1501 – 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8.

The unaudited condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at September 30, 2017, the Company had not advanced its resource properties to commercial production and is not able to finance day to day activities through operations. The Company had a working capital of \$238,822 as at September 30, 2017, (June 30, 2017 - \$528,573) and an accumulated deficit of \$1,356,811 (June 30, 2017 – deficit of \$1,073,656). The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and private placements of common shares.

### 2. BASIS OF PREPARATION

The Company is following the same accounting policies and methods of computation in these condensed interim financial statements as it did in the audited financial statements for the fiscal year ended June 30, 2017.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Interpretations Committee ("IFRIC") issued and outstanding as at November 27, 2017, the date the audit committee to the board of directors approved these condensed interim financial statements for issue.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### *Financial Instruments*

#### Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Regular way purchases and sales of FVTPL financial assets are accounted for at the trade date. The Company has no assets classified as FVTPL.

Financial assets classified as held-to-maturity are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. Any changes to the carrying amount, including impairment losses, are recognized through profit or loss. The Company classifies its deposits as held-to-maturity.

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income/loss, except for losses in value that are considered other than temporary. The Company has no assets classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

#### Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and loans payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

#### *Fair Value Hierarchy*

The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of bank deposits or highly liquid investments that are readily convertible to known amounts of cash with original maturities of 90 days or less and which are subject to an insignificant risk of change in value.

At September 30, 2017, the Company's financial instruments are comprised of cash. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

#### *Exploration and Evaluation Assets ('E&E')*

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability.

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the statement of comprehensive loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

#### *Equipment*

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	15% - 45% declining-balance
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#### *Impairment of Non-Financial Assets*

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

#### *Reclamation Obligations*

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

#### *Share Capital*

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

#### *Valuation of Equity Units issued in Private Placements*

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Share-based Payments*

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

#### *Share-based Payments (continued)*

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

#### *Loss per Share*

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

#### *Income Taxes*

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### *Foreign Currency Translation*

Transactions in currencies are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

#### *Provisions*

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

#### *New Standards and Interpretations*

The following new standard has been issued by the IASB or the IFRIC that are mandatory for accounting periods beginning July 1, 2016 or later periods:

IFRS 9, Financial Instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments; Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of this new standard will be for periods beginning on or after January 18, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

IFRS 9, Financial Instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments; Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of this new standard will be for periods beginning on or after January 18, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

# Global Energy Metals Corporation

Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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## 4. FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's has exposure to credit risk on its deposits. The maximum exposure to loss arising from deposits is equal to their carrying amounts.

### *Foreign Exchange Risk*

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's convertible debentures bear fixed interest rate and therefore does not expose to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

### *Capital Management*

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

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

### 4. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at September 30, 2017:

	September 30, 2017	June 30, 2017
	-\$	-\$
Loans payable – current:		
Convertible debenture	16,593	16,593
Loans payable - current	16,593	16,593

### 5. RECEIVABLES

At September 30, 2017, the Company's receivables comprised of \$95,617 in GST receivable (June 30, 201 - \$88,255). Other receivable includes \$30,000 in rent charges to a Company with directors and officers in common.

	September 30, 2017	June 30, 2017
	-\$	-\$
Receivables:		
GST Receivable	95,617	88,255
Other	30,000	24,000
	125,617	112,255

### 6. EXPLORATION AND EVALUATION ASSETS

#### *Werner Lake Project*

On January 19, 2016, pursuant the Arrangement, the Company acquired exploration and evaluation assets in Werner Lake mineral belt in the Kenora Mining Division, Ontario, Canada from GCO with a fair value of \$2,953,185. From 2008 to 2010, GCO acquired certain claims in the Werner Lake mineral belt from three optionors: Benton Resources Corp. ("Benton"), Commerce Capital Inc. ("Commerce"), and Teck Resources Ltd. ("Teck"), together the Werner Lake Project ("Werner Lake"). Pursuant to an agreement between Puget Ventures Inc. ("Puget", later known as GCO) and Commerce", Puget acquired from all of Commerce interest in the property. Commerce received a payment of \$1 million and the claims acquired from Commerce are subject to a 2% NSR to all ores, minerals or concentrates produced from the property. Puget retained the right to 50% of the defined NSR for a pice of \$2 million. GEMC has assumed this condition. The claims acquired from Benton are subject to a 2% Net Smelter Royalty ("NSR"). The claims acquired from Teck are subject to a 1.5% NSR and the Company may purchase 0.5% of the NSR for \$1,500,000. The claims acquired from Benton and Teck have since lapsed.

On September 6, 2017, the Company completed and published the results of NI 43-1010 Mineral Resource. At a cut-off 0.25% Co, the model returned a total of 57,900 indicated tonnes grading 0.51% Co, containing 653,000 lbs of cobalt and 6,300 inferred tonnes grading 0.48% Co, containing 67,000 lbs of cobalt.

A number of key recommendations in the report, including additional diamond drilling designed to further define the known deposit at depth and bring some Inferred Resources to Indicated category. Dewatering of the underground workings and resampling of the workings and metallurgical testwork was also recommended by AGP Mining Consultants Inc. The deposit remains open to depth and along strike.

# Global Energy Metals Corporation

## Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

### 6. EXPLORATION AND EVALUATION ASSETS (continued)

#### *Millennium Project*

On September 25, 2017, the Company acquired an option from Hammer Metals ("Hammer") for the Millennium Cobalt-Copper Project ("Millennium" and/or the "Project") located in the heart of Mt. Isa, Queensland Australia covering five separate mining leases with existing JORC (2012) mineral resource estimate defined by historical drilling and a 2016 drill campaign by Hammer.

Additionally, the Company holds a right of first refusal ("RoFR") to acquire any additional interest in the Millennium project, which Hammer may wish to sell.

The Mount Isa Inlier is a highly mineralised, established mining jurisdiction with significant regional infrastructure and several world-class copper-gold-cobalt and lead-zinc-silver mines and deposits, including CuDeco Limited's operating Rocklands copper-gold-cobalt project located 19 kilometres to the northwest

The Project comprises five Mining Leases; ML's 2512, 2761, 2762, 7506 and 7507. Hammer currently has a 100% interest in all five Mining Leases. The tenements are in good standing with no known impediments.

The option agreement outlines the principal terms and conditions to earn up to 75% interest in the Millennium project upon making project related expenditures to further advance the Millennium project. Total consideration for the option is \$2,700,000. Before the third-year anniversary of signing a definitive option agreement, the Company must expend a minimum of \$2,500,000 in project exploration and development work on the Millennium project as follows:

- \$500,000 within 6 months for 25% interest;
- \$1,000,000 within 18 months for 65% cumulative interest; and
- \$1,000,000 within 36 months for cumulative 75% interest

The Company will also pay to Hammer a total of \$200,000 in cash in two equal payments of \$100,000, the first payment completed on September 25, 2017, upon signing the definitive agreement and the second on the 6-month anniversary of the first payment.

#### **Historical Estimate - Hammer Resources: Millennium November 2016 Mineral Resource**

Classification <sup>1</sup>	Tonnes	CuEq (%)	Cu (%)	Co (%)	Au (ppm)
Inferred	3,070,000	1.29	0.35	0.14	0.12

<sup>1</sup> Cut-off of 1.0% CuEq has been applied for reporting of Mineral Resources; metal prices used were, Cu US\$ 4,600/t, Co US\$ 27,000/t, Au US \$1,330/oz, Ag US\$20/oz (October 1, 2016); metallurgical recoveries were not assumed.

# Global Energy Metals Corporation

Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

## 6. EXPLORATION AND EVALUATION ASSETS (continued)

Cumulative expenditures incurred are as follows:

	June 30, 2016	Addition (disposal)	June 30, 2017	Addition (disposal)	September 30, 2017
	-\$-	-\$-	-\$-	-\$-	-\$-
<b>Werner Lake:</b>					
Acquisition costs	2,953,185	-	2,953,185	-	2,953,185
Exploration expenditures	-	109,231	109,231	7,226	116,457
Camp cost	10,400	8,550	18,950	2,145	21,095
Geological services	48,000	61,219	109,219	10,762	119,981
Total Werner lake	3,011,585	179,000	3,190,585	20,133	3,210,718
<b>Millennium Project</b>					
Acquisition costs	-	50,000	50,000	100,000	150,000
Geological services	-	18,356	18,356	15,627	33,983
Total Millennium Project	-	68,356	68,356	115,627	183,983
	3,011,585	247,356	3,258,941	135,760	3,394,701

## 7. CURRENT LIABILITIES

### *Accounts Payable and Accrued Liabilities*

At September 30, 2017, the accounts payable and accrued liabilities balance consisted of accounts payable of \$114,863 (2016 - \$385,585) and accrued liabilities of \$28,550 (2016 - \$17,000). Included in accounts payable is \$8,924 (2016 - \$353,869) due to related parties (Note 9).

### *Loans Payable*

	Due on demand	Within one year	Between one and five years	More than five years
	-\$-	-\$-	-\$-	-\$-
Accounts payable and accrued liabilities	143,413	-	-	-
Convertible debenture	16,593	-	-	-
	160,006	-	-	-

The convertible debenture was issued on December 28, 2015 and has a maturity date of 180 days from the date it was issued. The debenture is secured by the Company's resource properties in Ontario (Note 6). As at September 30, 2017, the balance of the principal owing on the convertible debenture is \$5,299 (2016 - \$79,519), which bears an annual interest of 20% and interest is calculated and accrued monthly before and after maturity until the convertible debentures is repaid. The debenture is convertible to the Company's shares at a conversion price of \$0.05 per share at the option of the holder. During the year ended June 30, 2017, \$13,283 (2016 - \$26,566) in interest was accrued on the convertible debenture. The Company paid \$120,000 in cash to settle principal and interest owing of \$247,121. In addition, \$41,791 was re-allocated to the Company's accounts payable.

# Global Energy Metals Corporation

Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

## 8. SHARE CAPITAL

### Authorized

An unlimited number of common shares without par value.

### Issued:

During the three months ended September 30, 2017:

On July 4, 2017 the Company issued a total of 1,242,465 Units at a price of \$0.175 per Unit for gross proceeds of \$217,465. Each Unit consist of one common share and one common share purchase warrant. Each share purchase warrant is exercisable into one common shares at \$0.30 per share for a period of 12 months.

At September 30, 2017 there are 36,633,762 common shares outstanding (June 30, 2017 – 35,391,297), 3,538,029 stock options outstanding (June 30, 2017 – 3,538,029) and 20,586,284 share purchase warrants outstanding (June 30, 2017 – 19,702,419).

### Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers and employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The maximum discount allowed varies with share price, with a maximum of 25% and minimum price of \$0.05. Options may be exercised no later than 30 days following cessation of the optionee's position with the Company or other reasonable time of period approved by the Board of Directors. Pursuant to the stock option plan, options granted in respect of investor relation activities are subject to vesting in a stage of one year form the grant date. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

During the year ended June 30, 2017, the Company issued 3,538,029 incentive stock options to officers, directors and consultants of the Company. The fair value of the stock options was determined to be \$525,184 using the Black-Scholes Option Pricing Model using the following assumptions: Risk-free rate of 1.03%, Expected life of 10 years, Expected volatility of 97.3% and dividend yield of nil. All stock options vested upon issuance.

At September 30, 2017, there were 3,538,029 stock options issued and outstanding

The following table is a summary of stock options transactions during the three months ended September 30, 2017 and year ended June 30, 2017:

	September 30, 2017		June 30, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning	3,538,029	\$ 0.18	-	-
Issued	-	-	3,538,029	\$ 0.18
Expired	-	-	-	-
Balance, ending	3,538,029	\$ 0.18	3,538,029	\$ 0.18

# Global Energy Metals Corporation

Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

## 8. SHARE CAPITAL (continued)

The following summarizes information about stock options outstanding at September 30, 2017:

		September 30, 2017		June 30, 2017
Issue Date	Expiry Date	Exercise Price	Number of Options Outstanding	
03-Oct-16	02-Oct-26	\$0.15	2,661,894	2,661,894
31-May-17	30-May-27	\$0.20	876,135	876,135
Weighted average remaining contractual life of options			9.51 Yrs.	9.76 yrs.

### Warrants

The following is a summary of share purchase warrants transactions during the three months ended September 30, 2017 and year ended June 30, 2017:

	September 30, 2017		June 30, 2017	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning	19,702,419	\$ 0.23	426,206	\$ 2.37
Issued	1,242,465	\$ 0.20	19,713,419	\$ 0.23
Exercised	-	-	(11,000)	\$ 2.37
Expired	(358,600)	-\$ 0.20	(426,206)	\$ 2.37
Balance, ending	20,586,284	\$ 0.23	19,702,419	\$ 0.23

The following summarizes information about share purchase warrants outstanding at September 30, 2017:

		September 30, 2017		June 30, 2017
Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	
20-Sep-16	01-Mar-18 *	\$0.20	10,610,486	10,610,486
20-Sep-16	20-Sep-17 **	\$0.20	-	358,600
01-Mar-17	01-Mar-18 *	\$0.30	8,733,333	8,733,333
04-Jul-17	03-Jul-18	\$0.30	1,242,465	-
			19,343,819	19,702,419
Weighted average remaining contractual life of warrants			0.53 years	0.47 years

\*Share warrants will expire 12 months from the date of listing in the TSX Venture Exchange.

\*\*Share warrants will expire 12 months from the date of closing of the private placement.

During the three months ended September 30, 2017, the Company entered into the following transactions with related parties:

- Incurred \$15,000 (2016 – \$15,000) to an officer of the Company for professional fees;
- Incurred \$15,000 (2016 – \$15,000) to the chairman and director of the Company, for management fees;

# Global Energy Metals Corporation

Notes to Condensed Interim Financial Statements

For the three months ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

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## 9. RELATED PARTY TRANSACTIONS

- c) Incurred \$27,000 (2016 – \$30,000) to the president and CEO of the Company, for management fees; and
- d) Incurred 16,143 (2016 – \$20,000) to a director of the Company for geological services which has been capitalized to exploration and evaluation assets (Note 6).

### *Related party balances*

At September 30, 2017, accounts payable balance to related parties consist of \$9,724,26 (June 30, 2016 - \$24,080) owed to directors, officers of the Company and companies with directors in common. These amounts are unsecured, non-interest bearing and due on demand (Note 6).

### **Key management compensation**

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. During the three months ended September 30, 2017, the Company paid \$15,000 to an officer for professional fees and paid \$15,000 to the chairman as well as \$27,000 to the president and CEO for management fees.

## 10. SEGMENTED INFORMATION

The Company currently conducts its operations in Canada and Australia in one business segment being the exploration of resource properties

## 11. COMMITMENTS

The Company is committed to pay monthly office lease payments of \$4,711 per month until January 31, 2018. The lease commitments for the next two fiscal years are:

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	- \$ -
2018	18,844

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The Company paid rental deposits totaling \$13,013 in respect of this office lease.

## 12. SUBSEQUENT EVENTS

On October 11, 2017, the Company announced a non-brokered private placement of up to \$1,000,000 to fund rapid advancement of the Millennium Cobalt Project in Mt. Isa, Australia. The private placement will consist of units to be issued at a price of \$0.12 per Unit with each unit consisting of one common share and one transferable common share purchase warrant at \$0.20 for a period of 12 months.