



**FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Global Energy Metals Corp.:

We have audited the accompanying financial statements of Global Energy Metals Corp., which comprise the statements of financial position as at June 30, 2018 and 2017, and the statements of comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Global Energy Metals Corp. as at June 30, 2018 and 2017, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Global Energy Metals Corp.'s ability to continue as a going concern.

A handwritten signature in dark ink, appearing to read 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
October 29, 2018

Global Energy Metal Corporation
Statement of Financial Position
For the years ended June 30
(Expressed in Canadian dollars)

	2018	2017
	- \$ -	- \$ -
ASSETS		
Current assets		
Cash	155,708	492,925
Receivables (Notes 4 and 8)	59,961	112,255
Prepaid expenses (Note 8)	17,156	145,562
Marketable securities (Note 5)	90,881	-
	323,706	750,742
Deposits (Note 11)	13,013	13,013
Equipment and leaseholds	-	1,430
Exploration and evaluation assets (Note 5)	4,152,590	3,258,941
	4,489,309	4,024,126
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 8)	105,751	205,576
Convertible debenture (Note 6)	7,843	16,593
	113,594	222,169
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	5,630,728	4,328,212
Reserves (Note 7)	686,954	547,401
Deficit	(1,941,967)	(1,073,656)
	4,375,715	3,801,957
	4,489,309	4,024,126

Nature of operation and going concern (Note 1)
Commitments (Note 11)
Subsequent events (Note 12)

Approved on behalf of the Board of Directors on October 29, 2018:

"Erin Chutter"
Erin Chutter, Director

"Paul Sarjeant"
Paul Sarjeant, Director

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

Global Energy Metals Corporation
Statement of Comprehensive Loss
For the years ended June 30
(Expressed in Canadian dollars)

	2018	2017
	- \$ -	- \$ -
Expenses		
General administrative and office	55,897	52,253
Interest expense (Note 6)	-	73,065
Consulting fees	164,840	552,105
Management fees (Note 8)	165,000	172,650
Marketing	133,920	156,973
Advertising and promotions	14,435	64,871
Corporate development	152,459	199,138
Professional fees (Note 8)	160,275	168,120
Filing fees	84,988	71,792
Stock based compensation (Notes 7 and 8)	103,157	525,184
Travel	32,144	25,279
Total expenses	1,067,115	2,061,430
Loss from operations	(1,067,115)	(2,061,430)
Other income (Note 5)	190,054	-
Gain on debt settlement (Notes 6 and 8)	8,750	902,578
Net loss	(868,311)	(1,158,852)
Other comprehensive loss		
Items that will be reclassified to profit or loss:		
Change in fair value of investment (Note 5)	(7,090)	-
Comprehensive loss	(875,401)	(1,158,852)
Loss per share - basic and diluted	(0.02)	(0.04)
Weighted average common shares outstanding - basic and diluted	42,179,771	25,828,290

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

Global Energy Metals Corporation
Statement of Cash Flows
For the years ended June 30
(Expressed in Canadian dollars)

	2018	2017
	- \$ -	- \$ -
Cash flows from operating activities		
Net loss	(868,311)	(1,158,852)
Items not involving cash:		
Amortization	1,430	1,460
Accrued interest	-	13,283
Gain for debt settlement	(8,750)	(902,578)
Stock-based compensation	103,157	525,184
Net change in non-cash working capital		
Amounts receivable	52,294	(92,158)
Prepaid expenses	128,406	(145,562)
Accounts payable and accrued liabilities	(99,826)	(127,024)
Cash used in operating activities	(691,600)	(1,886,247)
Cash flows from investing activities		
Exploration and evaluation expenditures	(991,620)	(247,356)
Cash used in investing activities	(991,620)	(247,356)
Cash flows from financing activities		
Share capital issued for cash, net of costs	1,200,002	2,741,828
Warrants exercised	146,000	2,200
Repayment of convertible debendure	-	(117,500)
Cash provided by financing activities	1,346,002	2,626,528
Increase (decrease) in cash	(337,218)	492,925
Cash, beginning	492,925	-
Cash, ending	155,708	492,925

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

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

	Share capital			Reserves			Total equity	
	Number of shares	Amount - \$ -	Obligation to issue shares - \$ -	Options - \$ -	Warrants valuation - \$ -	Available for sale - \$ -		Deficit - \$ -
Balance, June 30, 2016	5,288,146	1	-	-	-	-	(456,510)	(456,509)
Net loss	-	-	-	-	-	-	(1,158,852)	(1,158,852)
Private placements, net of issuance costs (Note 7)	19,382,819	2,630,980	88,631	-	22,217	-	-	2,741,828
Shares issued for debt (Note 7)	10,709,332	1,606,400	-	-	-	-	-	1,606,400
Stock option valuation (Note 7)	-	-	-	525,184	-	-	-	525,184
Warrants exercised (Note 7)	11,000	2,200	-	-	-	-	-	2,200
Fair value adjustment for shares for debt (Note 8)	-	-	-	-	-	-	541,706	541,706
Balance, June 30, 2017	35,391,297	4,239,581	88,631	525,184	22,217	-	(1,073,656)	3,801,957
Net loss	-	-	-	-	-	-	(868,311)	(868,311)
Private placements, net of issuance costs (Note 7)	10,624,598	1,202,890	(88,631)	-	43,486	-	-	1,157,745
Change in fair value of investment (Note 5)	-	-	-	-	-	(7,090)	-	(7,090)
Stock option valuation (Note 7)	-	-	-	103,157	-	-	-	103,157
Finders' fees (Note 7)	352,146	42,257	-	-	-	-	-	42,257
Warrants exercised (Note 7)	730,000	146,000	-	-	-	-	-	146,000
Balance, June 30, 2018	47,098,041	5,630,728	-	628,341	65,703	(7,090)	(1,941,967)	4,375,715

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

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

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. The Company's resource properties are located in Canada and in Australia. The Company's head office, principal address and records of office is 1501 – 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8.

On February 20, 2018 the Company announced that it was listed for trading on the OTCQB Venture Market (the "OTCQB Venture") in the United States under the symbol "GBLEF". The OTCQB is a U.S. trading platform that is operated by the OTC Markets Group in New York. The Company's common shares will continue to trade on the TSX Venture Exchange ("TSX-V") under the symbol "GEMC" as well as the Frankfurt Exchange under the symbol "5GE1".

The 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 June 30, 2018, 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 \$210,112 as at June 30, 2018, (June 30, 2017 – \$528,573) and an accumulated deficit of \$1,941,967 (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 working capital on hand, 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 financial statements as it did in the audited financial statements for the fiscal year ended June 30, 2017.

Statement of Compliance

The financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements were authorized for issue by the Board of Directors on October 29, 2018.

Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL") or available-for-sale, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Global Energy Metals Corporation
Notes to Financial Statements
For the year ended June 30, 2018 and 2017
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

i) Realization of exploration and evaluation assets

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period. The assessment of any impairment of exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

ii) Site restoration obligations

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

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property and equipment, discounted to its present value, and capitalized as part of the cost of assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to equipment. The accretion on the reclamation provision is included in the reclamation liability.

As at June 30, 2018 and 2017, the Company is not aware of any environmental concerns relating to any of its exploration and evaluation assets that may result in a liability to the Company.

iii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions could materially affect the fair value estimate and the Company's earnings and equity reserves, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company's stock options granted and warrants.

iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses. Critical Accounting Judgments

Significant judgments about the future and other sources of judgment uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:

Global Energy Metals Corporation
Notes to Financial Statements
For the year ended June 30, 2018 and 2017
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

i) Assessment of going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

ii) Assessment of functional currency

The Company uses judgment in determining its functional currency. IAS 21 The Effects of Changes in Foreign Exchange Rates defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity by entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates.

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.

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 classified its marketable securities 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 convertible debenture are classified as other financial liabilities.

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Company's measurement of fair value of financial instruments as at June 30, 2018 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
	- \$ -	- \$ -	- \$ -	- \$ -
Assets				
Cash	155,708	155,708	-	-
Other receivables	59,961	-	-	59,961
Marketable securities	90,881	90,881	-	-

The Company's measurement of fair value of financial instruments as at June 30, 2017 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
	- \$ -	- \$ -	- \$ -	- \$ -
Assets				
Cash	492,925	492,925	-	-
Other receivables	112,255	-	-	122,255

Cash

Cash consists 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.

As at June 30, 2018, the Company's financial instruments are comprised of cash. With the exception of cash, all financial instruments held by the Company are measured at amortized cost.

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketable Securities

Marketable securities are non-derivative financial assets that are designated as available-for-sale or that are not classified in any of the preceding categories. Financial assets classified as available-for-sale are carried at fair value at each reporting date. Unrealized gains and losses, including changes in foreign exchange rates for non-monetary financial assets, are recognized in other comprehensive income (loss) (OCI) in the period in which the changes arise and are transferred to income when the assets are derecognized or an other than temporary impairment occurs. If objective evidence of impairment exists these changes are recognized in income in the period incurred. If a reliable estimate of the fair value of an unquoted equity instrument cannot be made, this instrument is measured at cost, less any impairment losses. Dividends are recognized in income when the right of payment has been established. 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.

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.

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 behavioural considerations.

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.

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2018 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 1, 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.

4. FINANCIAL RISK 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's functional currency is the Canadian dollar, limited current assets are in Australian dollars and is therefore exposed to foreign currency risk on those assets.

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.

Global Energy Metals Corporation

Notes to Financial Statements

For the year ended June 30, 2018 and 2017

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4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

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.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at June 30, 2018:

	Within 60 days	Between 61-90 days	More than 90 days
	-\$-	-\$-	-\$-
Accounts payable and accrued liabilities	105,751	-	-
Convertible debenture	7,843	-	-
	113,594	-	-

Receivables

At June 30, 2018, the Company's receivables comprised of \$11,961 in GST receivable (June 30, 2017 - \$88,255). Other receivable includes \$48,000 (June 30, 2017 - \$24,000) in rent charges to a company with directors and officers in common.

	June 30, 2018	June 30, 2017
	-\$-	-\$-
Receivables:		
GST Receivable	11,961	88,255
Other	48,000	24,000
	59,961	112,255

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5. EXPLORATION AND EVALUATION ASSETS

Werner Lake Project

On January 19, 2016, the Company acquired exploration and evaluation assets in the Werner Lake mineral belt in the Kenora Mining Division, Ontario, Canada from Global Cobalt Corp. ("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 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% net smelter return ("NSR") on all ores, minerals or concentrates produced from the property. Puget retained the right to acquire 50% of the NSR for a price of \$2 million. The Company has assumed this right.

On February 28, 2018, all conditions precedent were met in the Werner Lake transaction with Marquee Resources Ltd. ("Marquee"). As consideration for Marquee's option to earn either a 30% or a 70% interest in Werner Lake, the Company received a cash payment totalling \$196,848 (A\$200,000) and common shares in Marquee valued at \$97,971 (A\$100,000). The shares were revalued at June 30, 2018 to \$90,881 and the Company recorded \$7,090 in available for sale reserve.

In order to maintain and enforce the option granted, Marquee must incur expenditures of A\$1,000,000 to earn a 30% interest in Werner Lake within year one and a further A\$1,500,000 (for a total of A\$2,500,000) to earn a 70% interest in Werner Lake by year two. The parties will enter into a customary joint venture agreement once Marquee exercises its option to acquire either a 30% or 70% interest in Werner Lake. In addition, upon obtaining a pre-feasibility study according to a commercially reasonable standard, Marquee will pay the Company A\$150,000.

Millennium Project

On September 25, 2017, the Company acquired an option from Hammer Metals Ltd. ("Hammer") for the Millennium Cobalt-Copper Project ("Millennium") located in the Mt. Isa mining region of Queensland, Australia.

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

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 the 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 paid to Hammer a total of \$200,000 in cash in two equal payments of \$100,000.

On March 22, 2018 the Company complied with its obligations under its agreement with Hammer in order to earn a 25% interest in Millennium. Having now incurred exploration expenditures of at least \$500,000 the Company has given notice that it intends to move forward with the next phase of its earn-in for a 65% interest in the project. In order to earn a 65% interest, the Company must incur additional exploration expenditures of at least \$1,000,000 within 18 months of the effective date.

Global Energy Metals Corporation

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

On March 14, 2018 the Company entered into a letter of intent (the "LOI") with Hammer setting the terms for the strategic acquisition of the Mount Dorothy Cobalt Project and the Cobalt Ridge Project, collectively the "Mt. Isa Projects".

Upon completing its due diligence and upon meeting the conditions set in the LOI, should the Company elect to enter into a Definitive Agreement with Hammer, the Company would have the exclusive right to acquire a 100% interest in the Mt. Isa Projects.

	June 30, 2016	Addition (disposal)	June 30, 2017	Addition (disposal)	June 30, 2018
	-\$-	-\$-	-\$-	-\$-	-\$-
Werner Lake:					
Acquisition costs	2,953,185	-	2,953,185	(294,820)	2,658,365
Exploration expenditures	-	109,231	109,231	25,437	134,668
Camp cost	10,400	8,550	18,950	9,034	27,984
Geological services	48,000	61,219	109,219	77,905	187,124
Total Werner lake	3,011,585	179,000	3,190,585	(182,444)	3,008,141
Millennium Project					
Acquisition costs	-	50,000	50,000	225,244	275,244
Drilling	-	-	-	739,016	739,016
Permits and Licences	-	-	-	15,570	15,570
Property maintenance	-	-	-	24,913	24,913
Travel	-	-	-	3,013	3,013
Geological services	-	18,356	18,356	68,337	86,693
Total Millennium Project	-	68,356	68,356	1,076,093	1,144,449
	3,011,585	247,356	3,258,941	893,649	4,152,590

Other

During the year ended June 30, 2018, the Company provided access to road and mining lands to an arm's length party until December 31, 2022 for total consideration of \$150,000. The proceeds are recorded as other income in the statement of comprehensive loss.

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6. CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities

	June 30, 2018	June 30, 2017
	-\$-	-\$-
Accounts payable	85,751	177,027
Accrued liabilities	20,000	28,549
	105,751	205,576

Included in accounts payable is \$10,811 (2017 - \$9,361) due to related parties.

Convertible debenture

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 5).

As at June 30, 2018, the balance of the principal owing plus interest on the convertible debenture is \$7,843 (2017 - \$16,593), 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 conversion price of \$0.05 per share at the option of the holder. During the year ended June 30, 2018 no interest was accrued (2017 - \$13,283) on the convertible debenture and the Company wrote off \$8,750 of convertible debt. During the year ended June 30, 2017, the Company paid \$120,000 in cash to settle principal and interest owing of \$247,121 and recorded a gain in the statement of comprehensive loss. In addition, \$41,791 was re-allocated to the Company's accounts payable.

7. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued

Fiscal Year 2018

At June 30, 2018 there are 47,098,041 common shares outstanding (June 30, 2017 – 35,391,297) and 6,259,198 escrow shares issued (June 30, 2018 – Nil).

In January 2018, the Company issued 730,000 common shares at \$0.20 for a total of \$146,000 pursuant to the exercise of warrants.

On December 15, 2017 the Company issued a total of 9,382,133 units for gross proceeds of \$1,125,856. Each unit consists of one common share at \$0.12 and one common share purchase warrant exercisable at \$0.20 for a period of 30 months. The Company paid \$96,911 in finders' fees, \$54,653 in cash and \$42,257 in shares by issuing 352,146 common shares at \$0.12 per share. No value was attributed to the share purchase warrants using the residual method.

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 \$217,431. 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. A value of \$43,486 was attributed to the share purchase warrants using the residual method.

Global Energy Metals Corporation

Notes to Financial Statements

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(Expressed in Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

Fiscal year 2017

On March 30, 2017, the Company issued 11,000 common shares at \$0.20 for a total of \$2,200 pursuant to the exercise of warrants.

On March 1, 2017, the Company issued 8,433,333 units at \$0.15 per unit. Each unit issued consists of one common share at a price of \$0.15 per share for total gross proceeds of \$1,265,000 and one transferable share purchase warrant. Each warrant shall be exercisable to acquire an additional common share at a price of \$0.30 per share for a period of 12 months following the listing of the Company's common shares on the TSX-V. The warrants contain an acceleration provision, whereby in the event the Company completes a future equity financing at a price equal to or greater than \$0.40, the expiry date of the warrants will be reduced to 60 days following the completion of such financing. No value was attributed to the share purchase warrants.

On closing of the private offering, the Company paid an aggregate commission comprised of \$254,226 in cash and issued 300,000 in finder's warrants. Each finder's warrant will be exercisable to purchase one additional common share at \$0.20 per share for a period of 12 months from March 1, 2017. The fair value of the finder's warrants was determined to be \$6,217 using the Black-Scholes Option Pricing Model using the following assumptions: Risk-free rate of 0.73%, Expected life of 1 year, Expected volatility of 100% and dividend yield of nil.

On October 6, 2016, the Company issued 328,000 units at \$0.15 per unit. Each unit issued consists of one common share at a price of \$0.15 per share for total gross proceeds of \$49,200 and one transferable share purchase warrant. Each warrant shall be exercisable to acquire an additional common share at a price of \$0.20 per share for a period of 12 months following the listing of the Company's common shares on the TSXV. The warrants contain an acceleration provision, whereby in the event the Company completes a future equity financing at a price equal to or greater than \$0.20, the expiry date of the warrants will be reduced to 60 days following the completion of such financing. No value was attributed to the share purchase warrants using the residual method.

On closing of the private offering, the Company issued 358,600 in finder's warrants. Each finder's warrant will be exercisable to purchase one additional common share at \$0.20 per share for a period of 12 months from October 6, 2016. The fair value of the finder's warrants was determined to be \$16,000 using the Black-Scholes Option Pricing Model using the following assumptions: Risk-free rate of 0.54%, Expected life of 1 year, Expected volatility of 100% and dividend yield of nil.

On September 20, 2016, the Company issued 10,621,486 units at \$0.15 per unit. Each unit issued consists of one common share at a price of \$0.15 per share for total gross proceeds of \$1,593,223 and one transferable share purchase warrant. Each warrant shall be exercisable to acquire an additional common share at a price of \$0.20 per share for a period of 12 months following the listing of the Company's common shares on the TSX-V. The warrants contain an acceleration provision, whereby in the event the Company completes a future equity financing at a price equal to or greater than \$0.20, the expiry date of the warrants will be reduced to 60 days following the completion of such financing. No value was attributed to the share purchase warrants using the residual method.

On August 26, 2016, the Company issued 10,709,322 common shares to convert outstanding indebtedness of \$2,677,333. The fair value of shares issued for debt was \$1,606,400, which resulted in a gain on debt settlement of \$529,227, which was recorded in the statement of comprehensive loss, and a gain of \$541,706, which was recorded in deficit, as it resulted from a transaction with a significant shareholder.

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7. SHARE CAPITAL (CONTINUED)

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 from 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, 2018, the Company issued 1,235,000 incentive stock options to officers, directors and consultants of the Company. The fair value of the stock options was determined to be \$103,157 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.

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.

The following table is a summary of stock options transactions during the year ended June 30, 2018 and year ended June 30, 2017:

	June 30, 2018		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	1,235,000	\$ 0.15	3,538,029	\$ 0.18
Cancelled	(66,547)	\$ 0.15	-	-
Expired	-	-	-	-
Balance, ending	4,706,482	\$ 0.16	3,538,029	\$ 0.18

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7. SHARE CAPITAL (CONTINUED)

The following summarizes information about stock options outstanding at June 30, 2018:

			June 30, 2018	June 30, 2017
Issue Date	Expiry Date	Exercise Price	Number of Options Outstanding	
October 3, 2016	October 2, 2026	\$0.20	2,661,894	2,661,894
May 31, 2017	May 30, 2027	\$0.15	876,135	876,135
June 12, 2018	June 11, 2028	\$0.15	1,168,453	-
Total outstanding			4,706,482	3,538,029
Weighted average remaining contractual life of options			8.82 yrs.	9.76 yrs.

Warrants

The following is a summary of share purchase warrants transactions during the year ended June 30, 2018 and year ended June 30, 2017:

		June 30, 2018		June 30, 2017	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price	
Balance, beginning	20,030,419	\$ 0.23	426,206	\$ 0.16	
Issued	10,624,598	\$ 0.21	20,041,419	\$ 0.24	
Exercised	(730,000)	\$ 0.20	(11,000)	\$ 0.20	
Expired	(19,300,419)	\$ 0.24	(426,206)	\$ 0.13	
Balance, ending	10,624,598	\$ 0.21	20,030,419	\$ 0.23	

The following summarizes information about share purchase warrants outstanding at June 30, 2018:

			June 30, 2018	June 30, 2017
Issue Date	Expiry Date	Exercise Price	Number of Warrants Outstanding	
September 20, 2016	September 20, 2017 *	\$0.20	-	11,249,486
March 1, 2017	March 1, 2018 **	\$0.20	-	347,600
March 1, 2017	March 1, 2018 *	\$0.30	-	8,433,333
July 4, 2017	July 3, 2018	\$0.30	1,242,465	-
December 15, 2017	December 15, 2020	\$0.20	9,382,133	-
			10,624,598	20,030,419
Weighted average remaining contractual life of warrants (years)			1.73	0.66

*Share warrants will expire 12 months from the date of listing in the TSX-V.

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

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Notes to Financial Statements

For the year ended June 30, 2018 and 2017

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7. SHARE CAPITAL (CONTINUED)

Basic and diluted loss per share

The calculation of basic and diluted loss per shares for the year ended June 30, 2018 was based on the loss attributable to common shareholders of \$868,311 (2017 - \$1,158,852) and the post consolidation weighted average number of common shares outstanding of 42,179,771 (2017 – 25,828,290).

Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense until such time the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant reserve

The warrant reserve records the proceeds allocated to warrants on the issuance of units in private placements until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Available for sale reserve

The available for sale reserve records unrealized gains and losses arising from available for sale financial assets except for impairment losses and foreign exchange gains and losses.

8. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2018, the Company entered into the following transactions with related parties:

Incurred \$73,500 (2017 – \$63,500) to an officer of the Company for professional fees;

Incurred \$56,000 (2017 – \$63,150) to the chairman and director of the Company, for management fees;

Incurred \$109,000 (2017 – \$109,500) to the president and CEO of the Company, for management fees;

Incurred \$77,905 (2017 – \$61,220) to a director of the Company for geological services which has been capitalized to exploration and evaluation assets (Note 6);

Recorded \$32,158 (2017 - \$317,625) in stock-based compensation expense for the grant of stock options to directors and officers; and

Recorded \$24,000 (2017 - \$24,000) in rent recovery with a company with a common director.

Related party balances

At June 30, 2018, accounts payable balance to related parties consist of \$10,811 (June 30, 2017 - \$9,361) 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). During the year ended June 30, 2017, \$2,304,130 owed to related parties was settled by the issuance of 9,216,520 common shares. This settlement resulted in a gain of \$379,946, which was recorded in the statement of comprehensive loss, and a gain of \$541,706, which was recorded in deficit as it resulted from a transaction with a significant shareholder.

At June 30, 2018, included in prepaid expenses is an amount of \$17,156 (June 30, 2017 - \$Nil), representing a prepayment made to the President and CEO of the Company to cover expenses incurred on behalf of the Company.

As at June 30, 2018, included in other receivables is an amount of \$48,000 (June 30, 2017 - \$24,000) owed by a company with a common officer. This amount is unsecured, non-interest bearing and due on demand.

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8. RELATED PARTY TRANSACTIONS (CONTINUED)

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 year ended June 30, 2018, the Company paid \$73,500 to an officer for professional fees and paid \$56,000 to the chairman as well as \$109,000 to the president and CEO for management fees.

9. SEGMENTED INFORMATION

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

Geographic segments

The following non-current assets, which consist of equipment and exploration and evaluation assets, are located in the following countries:

	June 30, 2018	June 30, 2017
	- \$ -	- \$ -
Canada	3,008,141	3,192,015
Australia	1,144,449	68,356
	4,152,590	3,260,371

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	June 30, 2018	June 30, 2017
	- \$ -	- \$ -
Loss before income taxes	(868,311)	(1,158,852)
Expected income tax recovery	(225,761)	(301,302)
Change in valuation allowance	(8,236)	464,705
Non-deductible items	26,821	137,366
Other	207,176	(300,769)
Total income tax recovery	-	-

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	June 30, 2018	June 30, 2017
	- \$ -	- \$ -
Non-capital loss carry-forwards	2,361,074	1,938,409
Equipment	-	2,190
Share issuance costs	230,064	203,381
Marketable securities	(3,545)	-
Mineral properties	(475,290)	-
	2,112,303	2,143,980

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10. INCOME TAXES (CONTINUED)

The Company has non-capital carry forward losses of \$1,527,123 that expire in 2037, \$833,951 that expire in 2038, and Canadian resource pools of \$3,677,300 with no expiry date.

11. COMMITMENTS

The Company is committed to pay monthly office lease payments of \$4,583 per month until January 31, 2018. In March 2018 the Company renewed the lease for 36 months for \$3,979 per month to February 2022. The lease commitments for the next five fiscal years are:

	- \$ -
2019	47,748
2020 - 2023	47,748

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

12. SUBSEQUENT EVENTS

On July 3, 2018, 1,242,465 share purchase warrants expired unexercised.

On September 11, 2018, the Company entered into a non-binding letter of intent (the "LOI") with Nevada Sunrise Gold Corporation ("Nevada Sunrise") to acquire an 80% interest in the Lovelock Cobalt Mine and the Treasure Box Project, located in Nevada. In order to exercise the option, the Company is required to complete the following terms:

A) Issue to Nevada Sunrise of such number of common shares of the Company (the "Payment Shares") as is equal to USD \$200,000 at a price per share equal to the greater of:

(a) \$0.15; and

(b) the volume weighted average of the closing price of the Company's shares for the 20 trading days immediately prior to the execution of the Definitive Agreement, as herein defined.

B) Assume all future cash payments to the underlying vendor payable as scheduled below subject to an existing 2.0% net smelter royalty (the "Existing Royalty"):

- December 22, 2018: USD \$20,000 in cash;
- December 22, 2019: USD \$25,000 in cash; and
- December 22, 2020: USD \$30,000 in cash.

C) Reimburse Nevada Sunrise for the issue by Nevada Sunrise of Nevada Sunrise common shares to the underlying vendor, with common shares of the Company, payable as scheduled below:

- December 22, 2018: such number of shares as is equal in value to 200,000 shares of Nevada Sunrise on the day prior to their issuance;
- December 22, 2019: such number of shares as is equal in value to 250,000 shares of Nevada Sunrise on the day prior to their issuance; and
- December 22, 2020: such number of shares as is equal in value to 300,000 shares of Nevada Sunrise on the day prior to their issuance.

D) Incur USD \$2,500,000 in exploration expenditures as follows:

- USD \$1,000,000 in exploration expenditures by the second anniversary date of the Definitive Agreement to be entered into by the parties, and
- an additional \$1,500,000 in exploration expenditures by the third anniversary date of the Definitive Agreement.

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12. SUBSEQUENT EVENTS (CONTINUED)

The transaction is subject to TSX-V approval.