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American Lithium Corp.

Condensed Interim Consolidated Financial Statements

For the three and six months ended August 31, 2018 and 2017

(Expressed in Canadian Dollars)

American Lithium Corp.

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(Expressed in Canadian Dollars – Unaudited)

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

American Lithium Corp.
(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Financial Position

	August 31, 2018	February 28, 2018
	$	$
ASSETS		
Current		
Cash	**421,027**	3,934,384
Term deposit (Note 4)	**28,821**	28,956
Amounts receivable (Note 5)	**16,729**	12,073
Prepaid expenses and deposits	**649,224**	61,478
	1,115,801	4,036,891
Non-current assets		
Exploration and evaluation assets (Note 6)	**18,019,443**	13,282,390
Reclamation deposits (Note 7)	**59,101**	58,176
	19,194,345	17,377,457
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	**379,522**	227,079
Due to related parties (Note 9)	**38,074**	98,790
	417,596	325,869
EQUITY		
Share capital (Note 11)	**35,803,428**	31,550,468
Equity reserves (Note 11)	**1,907,547**	1,522,467
Deficit	**(18,934,226)**	(16,021,347)
	18,776,749	17,051,588
	19,194,345	17,377,457

Nature and continuance of operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 16)

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

/s/ Michael Kobler
Michael Kobler, Director

/s/ Andrew Squires
Andrew Squires, Director

American Lithium Corp.

(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

	For the three months ended August 31,		For the six months ended August 31,	
	2018	2017	**2018**	2017
	$	$	**$**	$
Operating Expenses				
Consulting and management fees (Note 9)	**254,239**	111,338	**471,623**	268,062
Exploration and evaluation	**666,896**	252,088	**901,190**	299,239
Filing and listing fees	**8,635**	13,317	**37,104**	18,768
Foreign exchange loss	**5,934**	7,495	**7,974**	8,442
General and administrative	**9,701**	2,416	**16,008**	6,352
Insurance	**3,530**	3,780	**10,236**	7,560
Investor relations	**1,354**	7,943	**1,354**	8,943
Marketing	**710,569**	24,218	**893,380**	49,046
Professional fees	**10,860**	30,603	**32,985**	67,702
Registrar and transfer agent fees	**3,224**	1,549	**23,712**	6,089
Rent	**13,644**	150	**21,286**	9,379
Share-based compensation	**385,080**	-	**385,080**	-
Travel	**58,996**	17,779	**110,947**	29,797
	(2,132,662)	(472,676)	**(2,912,879)**	(779,379)
Other Item				
Write off of exploration and evaluation assets (Note 6)	**-**	(425,533)	**-**	(425,533)
Net loss and comprehensive loss for the period	**(2,132,662)**	(898,209)	**(2,912,879)**	(1,204,912)
Basic and diluted loss per share	**(0.05)**	(0.08)	**(0.07)**	(0.10)
Weighted average number of common shares outstanding - basic and diluted	**46,413,933**	11,723,063	**41,153,607**	11,666,215

American Lithium Corp.
(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Cash Flows

	For the six months ended August 31, 2018	2017
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(2,912,879)**	(1,204,912)
Item not affecting cash:		
Foreign exchange	**(925)**	8,442
Share-based compensations	**385,080**	-
Write off of exploration and evaluation assets	**-**	425,533
Accrued interest receivable	**135**	-
Changes in non-cash working capital items:		
Amounts receivable	**(4,656)**	42,686
Prepaid expenses and deposits	**(587,746)**	85,574
Accounts payable and accrued liabilities	**152,443**	(14,486)
Due to related parties	**(73,553)**	17,957
Cash used in operating activities	**(3,042,101)**	(640,206)
INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	**(453,716)**	(149,208)
Cash used in investing activities	**(453,716)**	(149,208)
FINANCING ACTIVITIES		
Share issuance costs	**(17,540)**	-
Shares subscriptions received	**-**	43,750
Cash provided by financing activities	**(17,540)**	43,750
Change in cash during the period	**(3,513,357)**	(745,664)
Cash, beginning of period	**3,934,384**	856,401
Cash, end of period	**421,027**	110,737

Supplementary cash flow disclosures (Note 15)

American Lithium Corp.

(Expressed in Canadian Dollars – unaudited)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

	Number of shares	Share capital $	Share subscription $	Reserves: Warrants $	Reserves: Share Options $	Reserves: Total $	Deficit $	Total $
Balance at February 28, 2017	**11,590,672**	**27,297,218**	**(43,750)**	**488,352**	**1,526,765**	**2,015,117**	**(10,514,774)**	**18,753,811**
Subscriptions received	-	-	43,750	-	-	-	-	43,750
Shares issued for asset acquisitions	140,000	75,000	-	-	-	-	-	75,000
Loss for the period	-	-	-	-	-	-	(1,204,912)	(1,204,912)
Balance at August 31, 2017	**11,730,672**	**27,372,218**	**-**	**488,352**	**1,526,765**	**2,015,117**	**(11,719,686)**	**17,667,649**
Private placement	24,000,000	4,200,000	-	-	-	-	-	4,200,000
Shares issue costs	-	(21,750)	-	-	-	-	-	(21,750)
Stock options cancelled	-	-	-	-	(1,526,765)	(1,526,765)	1,526,765	-
Share-based payments	-	-	-	-	1,034,115	1,034,115	-	1,034,115
Loss for the period	-	-	-	-	-	-	(5,828,426)	(5,828,426)
Balance at February 28, 2018	**35,730,672**	**31,550,468**	-	**488,352**	**1,034,115**	**1,522,467**	**(16,021,347)**	**17,051,588**
Shares issued for asset acquisitions	12,380,000	4,270,500	-	-	-	-	-	4,270,500
Share issue costs	-	(17,540)	-	-	-	-	-	(17,540)
Stock options granted	-	-	-	-	385,080	385,080	-	385,080
Loss for the period	-	-	-	-	-	-	(2,912,879)	(2,912,879)
Balance at August 31, 2018	**48,110,672**	**35,803,428**	-	**488,352**	**1,419,195**	**1,907,547**	**(18,934,226)**	**18,776,749**

1. NATURE AND CONTINUANCE OF OPERATIONS

American Lithium Corp. (the "Company") was incorporated in the Province of British Columbia. The Company is engaged in the business of identification, acquisition and exploration of mineral interests. The Company's head office is located at 1507 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada, and registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8, Canada.

On May 2, 2018, the Company implemented a share split on its outstanding share capital on a two-for-one basis. The share consolidation and share split have been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on an adjusted basis.

At the date of the condensed interim consolidated financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

A number of alternatives are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

As at August 31, 2018, the Company was in the process of exploring its principal mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a loss of $2,912,879 (six months ended August 31, 2017 - $1,204,912) for the six months ended August 31, 2018. As at August 31, 2018, the Company had an accumulated deficit of $18,934,226 (February 28, 2018 - $16,021,347), which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Condensed Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. Therefore, it is recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended February 28, 2018.

The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended February 28, 2018, except for the following:

Financial instruments

On March 1, 2018, the Company adopted IFRS 9 *Financial Instruments* which replaced IAS 39, *Financial Instruments: Classification and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes significant changes to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities.

The following summarizes the significant changes in IFRS 9 compared to the current standard:

- IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. The change did not impact the carrying amounts of any of the Company's financial assets on the transition date. Prior periods were not restated and no material changes resulted from adopting this new standard.

- The adoption of the new "expected credit loss" impairment model under IFRS 9, as opposed to an incurred credit loss model under IAS 39, had no impact on the carrying amounts of our financial assets on the transition date given the Company transacts exclusively with large international financial institutions and other organizations with strong credit ratings.

Basis of presentation

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

(Expressed in Canadian Dollars – unaudited)

2. BASIS OF PREPARATION (continued)

Principles of consolidation

The condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction	Parent company
1032701 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1032701 Nevada Ltd.	Nevada, USA	1032701 B.C. Ltd.
1065604 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1065604 Nevada Ltd.	Nevada, USA	1065604 B.C. Ltd.
1067323 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1067323 Nevada Ltd.	Nevada, USA	1067323 B.C. Ltd.
1074654 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1074654 Nevada Ltd.	Nevada, USA	1074654 B.C. Ltd.
1134989 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1134989 Nevada Ltd.	Nevada, USA	1134989 B.C. Ltd.

All intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the share-based payments;
- the determination that the Company has no decommissioning liabilities; and
- the determination of recoverability on exploration and evaluation assets.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the assessment of the deferred income tax assets and liabilities are probable to be recovered from future income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Functional currency

The majority of transactions are in Canadian dollars and therefore the reporting and functional currency of the Company and its subsidiaries is the Canadian dollar.

c) Exploration and evaluation assets

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

Exploration and evaluation costs are expensed as incurred. Costs directly related to the acquisition are capitalized once the legal rights to explore the exploration and evaluation assets are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for exploration and evaluation assets, net of write-downs and recoveries, are not intended to represent present or future values.

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties are in good standing.

d) Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

e) Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried on the balance sheet subsequent to inception and how changes in value are recorded. Receivables and reclamation bonds are measured at amortized cost with subsequent impairments recognized in profit or loss and cash and investments are classified as FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(Expressed in Canadian Dollars – unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial instruments (continued)

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the balance sheet subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the balance sheet at amortized cost.

As at August 31, 2018, the Company does not have any derivative financial liabilities.

f) Recent accounting pronouncements

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the six months ended August 31, 2018 and have not been applied in preparing these condensed interim consolidated financial statements:

IFRS 16 – Leases, establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The standard is effective for annual periods beginning on or after January 1, 2019. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

4. TERM DEPOSIT

The Company has a $28,750 term deposit which earns interest at 1.35% per annum and matures on June 25, 2019. The term deposit has been assigned as security to the BMO Bank of Montreal. As at August 31, 2018, the Company accrued $71 in interest receivable.

5. AMOUNTS RECEIVABLE

	August 31, 2018	February 28, 2018
	$	$
Other receivable	**6,419**	3,469
GST receivable	**10,310**	8,604
	16,729	12,073

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS

	Clayton Valley BFF	Colorado Property	San Emidio Property	Fish Lake Valley	Atlantis	Fish South Property	Fish Lake Claim Block Property	Gap Lode Claim Block Property	TLC Property	Total
	$	$	$	$	$	$	$	$	$	$
Balance, February 28, 2017	409,647	4,826,000	4,346,639	1,340,189	4,999,028	1,919,351	-	-	-	17,840,854
Additions:										
Common shares issued	-	-	10,500	17,000	-	47,500	-	-	-	75,000
Maintenance fees	15,886	-	-	-	-	-	-	-	-	15,886
Options payment in cash	-	-	-	133,322	-	-	-	-	-	133,322
Write-off	(425,533)	-	(4,357,139)	-	-	-	-	-	-	(4,782,672)
Balance, February 28, 2018	-	4,826,000	-	1,490,511	4,999,028	1,966,851	-	-	-	13,282,390
Additions:										
Common shares issued	-	-	-	76,500	32,000	22,000	2,898,000	1,242,000	-	4,270,500
Options payments in cash	-	-	-	128,940	12,828	-	-	12,837	65,435	220,040
Maintenance fees	-	54,309	-	122,080	32,294	25,674	-	12,156	-	246,513
Balance, August 31, 2018	**-**	**4,880,309**	**-**	**1,818,031**	**5,076,150**	**2,014,525**	**2,898,000**	**1,266,993**	**65,435**	**18,019,443**

6. EXPLORATION AND EVALUATION ASSETS (continued)

Clayton Valley BFF Property - Nevada, USA

On July 5, 2016, the Company entered into an agreement to acquire all of the outstanding share capital of 1074654 B.C. Ltd. ("1074654 BC"), a privately held British Columbia mineral exploration company. 1074654 BC held a right to acquire a 70% interest in a series of 77 placer claims comprising 1,540 acres, located in Esmeralda County, Nevada and known as "Clayton Valley BFF". The Company received TSX approval and closed the transaction on July 12, 2016. In consideration of all the outstanding share capital of 1074654 BC, the Company assumed 1074654 BC's obligations in respect of Clayton Valley BFF property.

During the year ended February 28, 2018, the Company decided not to proceed with the acquisition, terminated the option agreement, and wrote-off the related costs it had incurred, resulting in a write-off of $425,533 being recognized

Colorado Property - Nevada, USA

On May 24, 2016, the Company entered into an agreement to acquire all the outstanding share capital of 1067323 B.C. Ltd. ("1067323 BC"), a privately-held British Columbia based mineral exploration company, by issuing 1,200,000 common shares with a fair value of $8,340,000. 1067323 BC has a wholly-owned subsidiary, 1067323 Nevada Ltd. 1067323 BC holds earn-in option agreements to acquire a 100% divided interest in the Fish Lake Valley property and the San Emidio property (described below). For accounting purposes, this transaction was considered to be outside the scope of IFRS 3 *Business Combinations* since 1067323 BC was inactive prior to the transaction and was limited to the holding of the Colorado Property and accordingly did not constitute a business. The transaction was accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company was deemed to issue shares in exchange for the net assets of 1067323 BC together with its right to earn a 100% interest in mineral claims of the Atlantis Property.

1067323 BC is a party to an earn-in option agreement with Colorado Exploration Inc. ("Colorado Optionor") to acquire a series of 193 placer and 44 lode claims, over 4,870 acres (1,971 hectares) in Fish Lake Valley, Nevada, USA (the "Colorado Property"). Under an earn-in option agreement, the Company has the right to acquire a 100% interest in the Colorado property, subject to a one percent (1.0%) net smelter returns royalty, by making a payment of CAD $200,000 and issuing 80,000 common shares to the Colorado Optionor (issued at a fair value of $556,000).

During the year ended February 28, 2017, the Company issued a total of 80,000 common shares at a fair value of $556,000 to the Colorado Optionor. The payment of $200,000 was paid prior to the acquisition of 1067323 BC. Since 1067323 B.C. Ltd. holds both Colorado and San Emidio properties, the shares issued for the acquisition were allocated between these two properties accordingly.

San Emidio Property - Nevada, USA

Pursuant to an earn-in option agreement between Lithium Corp. ("Optionor") and 1067323 BC ("the Optionee"), the Company holds the rights to acquire the San Emidio property ("San Emidio Property"), representing a series of 28 placer claims, over 2,240 acres (907 hectares) in Nevada, USA.

The Company may acquire an additional 20% of the San Emidio property by paying to the Optionor, subject to a two-and-one-half (2.5%) percent net smelter returns royalty, 50% of which may be repurchased at US$1,000,000, an aggregate amount of US$1,000,000 on or before the date that is 36 months after the exercise of the initial Earn-in Option.

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

San Emidio Property - Nevada, USA (continued)

During the year ended February 28, 2018, the Company decided not to proceed with the acquisition, terminated the option agreement, and wrote-off the related costs it had incurred, resulting in a write-off of $4,357,139 being recognized.

Fish Lake Valley Project - Nevada, USA

On March 8, 2016 and amended subsequently on February 14, 2018, the Company entered into a Share Purchase Agreement to acquire 100% of 1032701 B.C. Ltd. (“1032701 BC”) by issuing 800,000 common shares at a fair value of $1,000,000. 1032701 BC has a wholly-owned subsidiary, 1032701 Nevada Ltd. (“1032701 Nevada”), which holds the earn-in option as described below. For accounting purposes, this transaction was considered to be outside the scope of IFRS 3 *Business Combinations* since 1032701 BC was inactive prior to the transaction and its only asset was the Fish Lake Valley property and accordingly did not constitute a business. The transaction was accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company was deemed to issue shares in exchange for the net assets of 1032701 BC together with its right to earn a 100% interest in the mineral claims of the Fish Lake Valley project.

The Fish Lake Valley project consists of a series of 98 placer claims comprising a total of 7,840 acres in Esmerelda County, Nevada, USA. Under an earn-in option agreement, the Company has the right to acquire a 100% undivided interest in the Fish Lake Valley project by fulfilling the commitments outlined below:

i. Initial earn-in option: the Company may acquire the initial 80% undivided interest in the Fish Lake Valley project subject to the following:

	Common Shares	Cash	Exploration Expenditures
	#	US $	US $
Upon closing (issued and paid)	40,000	130,000	-
On or before the first anniversary of the closing – March 8, 2017 (issued, paid, and incurred)	20,000	100,000	200,000
On or before the second anniversary of the closing – March 8, 2018 (issued and paid)	180,000	100,000	-
On or before September 30, 2018 (incurred)	-	-	300,000
On or before the third anniversary of the closing – March 8, 2019	-	-	600,000
Total	240,000	330,000	1,100,000

ii. Subsequent earn-in option: The Company may acquire an additional 20% of the Fish Lake Valley project by paying to the Optionor an aggregate amount of US $1,000,000 on or before the date that is 12 months after the exercise of the initial earn-in option.

The Optionor retains a 2.5% net smelter royalty (NSR), one half of which can be purchased for $1,000,000 cash.

During the year ended February 28, 2018, the Company issued 20,000 common shares at a fair value of $17,000 and paid $133,322 (US$100,000) to the Optionor.

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Fish Lake Valley Project - Nevada, USA (continued)

During the six months ended August 31, 2018, the Company issued 180,000 common shares at a fair value of $76,500 and paid $128,940 (US$100,000) to the Optionor.

Atlantis Property - Nevada, USA

On May 6, 2016, the Company entered into a Share Purchase Agreement to acquire 100% of 1065604 B.C. Ltd. ("1065604 BC") by issuing 906,666 common shares at a fair value of $4,760,000. For accounting purposes, this transaction was considered to be outside the scope of IFRS 3 *Business Combinations* since 1065604 BC was inactive prior to the transaction and was limited to the holding of the Atlantis Property and accordingly did not constitute a business. The transaction was accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company was deemed to issue shares in exchange for the net assets of 1065604 BC together with its right to earn an 80% interest in the mineral claims of the Atlantis Property.

Prior to the above noted acquisition,1065604 BC entered into a Property Option Agreement with Nevada Sunrise Gold Corporation ("Atlantis Optionor") to acquire a 80% undivided interest in the Atlantis property. The Atlantis property consists of a series of 69 placer claims and 19 association placer claims, comprising a total of 2,882 acres, located in Esmeralda County, Nevada, USA. The required cash payments of $164,046 (US$48,050 and CAD$100,000) were paid by 1065604 BC prior to the acquisition.

Under the earn-in option agreement dated March 14, 2016 and subsequently amended on May 14, 2018, 1065604 BC has the right to acquire the 80% interest by fulfilling the commitments outlined below:

	Common Shares	Cash	Exploration Expenditures
	#	$	US $
Upon closing (paid) – in US$	-	48,050	-
On or before April 28, 2016 (paid) – in CAD$	-	100,000	-
Within 60 days of closing of acquisition (issued)	50,000	-	-
On or before the first anniversary of the closing – May 11, 2017 (incurred)	-	-	100,000
On or before May 15, 2018 (issued and paid)	100,000	10,000	-
On or before November 15, 2018	-	-	250,000
On or before May 15, 2019	100,000	-	-
On or before November 15, 2019	-	-	650,000
Total	250,000	158,050	1,000,000

During the six months ended August 31, 2018, the Company issued 100,000 common shares at a fair value of $32,000 and paid $12,828 (US $10,000) to the Atlantis Optionor in consideration for entering into the amendment agreement dated May 14, 2018.

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Fish South Property - Nevada, USA

On June 1, 2016, the Company, through 1032701 Nevada Ltd., finalized an option agreement with TY & Sons Explorations (Nevada), Ltd. ("FS Optionor"), who has the right to acquire a 100% interest in a series of mineral claims located in Esmeralda County, Nevada, USA (the "Fish South Property"), subject to a 2.5% NSR. Under an earn-in option agreement, the Company has the right to acquire an 80% undivided interest in the Fish South property by fulfilling the commitments outlined below:

	Common Shares	Warrants	Cash
	#	#	US$
Within 60 days of closing to the property owner (paid)	-	-	78,800
Upon closing to the FS Optionor (issued and paid)	140,000	60,000	100,000
Within 4 months after closing to the property owner (issued)	60,000	-	-
On or before the first anniversary of the closing to the FS Optionor – June 5, 2017 (issued)	100,000	-	-
On or before the second anniversary of the closing to the FS Optionor – June 5, 2018 (issued)	100,000	-	-
Total	400,000	60,000	178,800

During the year ended February 28, 2018, the Company issued 100,000 common shares at a fair value of $47,500 to the FS Optionor.

During the six months ended August 31, 2018, the Company issued 100,000 common shares at a fair value of $22,500 to the FS Optionor.

As at June 1, 2018, the Company fulfilled its commitments and acquired an 80% undivided interest in the Fish South property.

Fish Lake Claim Block Property and Gap Lode Claim Block Property - Nevada, USA

On March 6, 2018, the Company entered into a share purchase agreement to acquire 100% of 1134989 B.C. Ltd. ("1134989 BC"), an arm's length party to the Company, by issuing 12,000,000 common shares at a fair value of $4,140,000. 1134989 BC has a wholly-owned subsidiary, 1134989 Nevada Ltd. ("1134989 Nevada"), which is the registered and beneficial owner of the Fish Lake Claim Block Property, which is a series of 113 mineral claims located in Esmeralda County, Nevada, USA, and holds the earn-in option as described below. For accounting purposes, this transaction was considered to be outside the scope of IFRS 3 *Business Combinations* since 1134989 BC was inactive prior to the transaction and was limited to the holding of the Fish Lake Claim Block and Gap Lode Claim Block properties and accordingly did not constitute a business. The transaction was accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company was deemed to issue shares in exchange for the net assets of 1134989 BC together with its right to the mineral claims of Fish Lake Claim Block Property and to earn an 100% interest in the mineral claims of the Gap Lode Claim Block Property.

Prior to the above noted acquisition, 1134989 BC entered into a mineral property option agreement with David Mough ("Gap Lode Optionor") to acquire a 100% undivided interest in the Gap Lode Claim Block Property. The Gap Lode Claim Block Property consists of a series of 54 unpatented lode claims located in Esmeralda County, Nevada, USA. The required cash payment of $12,837 (US $10,000) was paid by 1134989 BC prior to the acquisition.

(Expressed in Canadian Dollars – unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Fish Lake Claim Block and Gap Lode Claim Block Properties - Nevada, USA (continued)

Under the mineral property option agreement, the Company has the right to acquire the 100% interest by fulfilling the commitments outlined below:

	Cash	Exploration Expenditures
	US $	US $
Upon closing (paid)	10,000	-
On or before October 30, 2018	20,000	10,000
On or before October 30, 2019	30,000	20,000
On or before October 30, 2020	40,000	30,000
On or before October 30, 2021	100,000	50,000
Total	200,000	110,000

Since 1134989 B.C. Ltd. holds both Fish Lake Claim Block and Gap Lode Claim Block properties, the shares issued for the acquisition were allocated between these two properties accordingly.

Tonopah Claystone Claims (“TLC”) Property - Nevada, USA

On August 13, 2018, the Company finalized a purchase/royalty agreement with Nevada Alaska Mining Co., Inc. (“TLC Royalty Holder”), who has the claims and title to a series of unpatented lode mining claims located in Nye County, Nevada, USA (the “TLC Property”), subject to an overriding 2.5% gross royalty, of which 1.25% can be purchased within 3 years for $1 million. Under the agreement, the terms of the purchase is outlined below:

	Common Shares	Cash
	#	US$
On or before three business days following receipt of the approval of the TSX-V to the transaction (“TLC Closing Date”) (paid) (issued subsequently)	250,000	50,000
Within 90 days of the TLC Closing Date	-	50,000
Total	250,000	100,000

In addition, if the Company calculates a mineral resource on the TLC Property exceeding 500,000 tons of Lithium Carbonate Equivalent (“LCE”) in all reserve categories, the Company will issue a bonus payment of 250,000 shares to TLC Royalty Holder. An additional 250,000 shares will be issued to TLC Royalty Holder if the calculation exceeds 1,500,000 tons of LCE on the TLC Property.

During the six months ended August 31, 2018, the Company paid $65,435 (US $50,000) to TLC Royalty Holder.

(Expressed in Canadian Dollars – unaudited)

7. RECLAMATION DEPOSITS

Reclamation deposits consist of a term deposit and bonds, recorded at cost and held as security by the Provincial Government of British Columbia and the State of Nevada respectively, with regards to certain exploration properties described in Note 6.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2018	February 28, 2018
	$	$
Accounts payable	**367,486**	158,270
Accrued liabilities	**12,036**	68,809
	379,522	227,079

9. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

	For the six months ended August 31,	
	2018	2017
	$	$
Management and consulting fees	**165,061**	203,250
Share-based compensation	**112,315**	-
	277,376	203,250

In August 2017, the Company signed two consulting agreements with the new CEO and director and a new director of the Company. The agreements required total combined payments of $20,000 per month for a period of 12 months. Effective September 2018, the agreements are on a month-to month basis.

During the six months ended August 31, 2018, the Company entered into the following transactions with key management personnel:

(a) Paid or accrued $105,061 (August 31, 2017 – $103,250) to the Chief Executive Officer of the Company and to a company controlled by the Chief Executive Officer for management and consulting services.

(b) Paid or accrued $60,000 (August 31, 2017 – $Nil) to a director of the Company and a company controlled by the director for management and consulting services.

(c) As at August 31, 2018, the Company owed $38,074 (February 28, 2018 – $98,790) to related parties for unpaid fees.

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. The Company includes the components of shareholders' equity in its management of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares to raise cash and obtain bridging loans from related parties. The Company's investment policy is to invest its cash in investment instruments in financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

There were no changes in the Company's management of capital during the six months ended August 31, 2018.

11. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the six months ended August 31, 2018:

On March 20, 2018, the Company issued 180,000 common shares with a fair value of $76,500 in accordance to the amended option agreement for Fish Lake Valley Project as described in Note 6.

On May 2, 2018, the Company implemented a share split on its outstanding share capital on a two-for-one basis. This share split has been applied retrospectively and as a result all shares, options, warrants, and per share amounts are stated on a post-split basis.

On May 11, 2018, the Company issued 100,000 common shares with a fair value of $32,000 in accordance to the option agreement for the Atlantis Property as described in Note 6.

On June 1, 2018, the Company issued 100,000 common shares with a fair value of $22,000 in accordance to the option agreement for the Fish South Property as described in Note 6.

On June 13, 2018, in accordance with a share purchase agreement dated March 6, 2018, the Company issued 12,000,000 common shares with a fair value of $4,140,000 to the shareholders of 1134989 BC, to acquire all of the outstanding share capital of 1134989 BC as described in Note 6.

(Expressed in Canadian Dollars – unaudited)

11. SHARE CAPITAL (continued)

Issued (continued)

During the year ended February 28, 2018:

On March 20, 2017, the Company issued 20,000 common shares with a fair value of $17,000 in accordance to the option agreement for Fish Lake Valley Project as described in Note 6.

On May 17, 2017, the Company issued 20,000 common shares with a fair value of $10,500 in accordance to the option agreement for San Emidio Property as described in Note 6.

On June 7, 2017, the Company issued 100,000 common shares with a fair value of $47,500 in accordance to the option agreement for Fish South Property as described in Note 6.

On August 28, 2017, the Company consolidated its outstanding share capital on a ten-for-one basis. This share consolidation has been applied retrospectively.

In February 2018, the Company completed a non-brokered private placement of 24,000,000 units at a price of $0.175 per unit for gross proceeds of $4,200,000. Each unit consisted of one common share and one share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of $0.375 per share for a period of two years. The Company paid $21,750 in share issuance costs related to the private placement.

Warrants

Details of common share purchase warrants outstanding at August 31, 2018 are as follows:

Number of warrants	Exercise price	Remaining life	Expiry date
	$	(years)	
136,000	0.35	0.31	December 20, 2018
130,000	0.50	2.05	September 17, 2020
595,000	2.50	1.60	April 6, 2020
341,666	5.00	0.68	May 4, 2019
60,000	5.50	0.75	June 1, 2019
2,041,232	1.25	1.50	February 28, 2020
24,000,000	0.375	1.42	February 1, 2020
27,303,898			

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
		$
Balance, February 28, 2017	3,303,898	1.90
Issued	24,000,000	0.375
Balance, February 28 and August 31, 2018	**27,303,898**	**0.56**

(Expressed in Canadian Dollars – unaudited)

11. SHARE CAPITAL (continued)

Warrants (continued)

The holders of the warrants granted on December 20, 2013 can only exercise the number of warrants when the shares are issued, which will result, in the holder's shareholding not exceeding 10% of the Company's issued and outstanding shares as at the date of the exercise.

Stock Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the Discounted Market Price policies of the TSX Venture Exchange. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12 month period is limited to 5% of the issued shares of the Company. The options vest on the date of grant.

As at August 31, 2018, the following options were outstanding and exercisable:

Number of options	Exercise price	Remaining life	Expiry date
	$	(years)	
3,550,000	0.31	4.45	February 9, 2023
1,200,000	0.35	4.83	June 29, 2023
4,750,000			

A summary of changes of stock options outstanding is as follows:

	Options	Weighted average exercise price
		$
Balance, February 28, 2017	426,000	3.55
Cancelled	(426,000)	3.55
Granted	3,550,000	0.31
Balance, February 28, 2018	3,550,000	0.31
Granted	1,200,000	0.35
Balance, August 31, 2018	**4,750,000**	**0.32**

These options entitle the holder thereof the right to acquire one common share for each option held.

On February 9, 2018, the Board of Directors of the Company approved the issuance 3,550,000 stock options to certain officer, directors, and consultants at an exercise price of $0.31. These options were granted for a period of five years and vest upon issuance. The estimated fair value, $1,034,115, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.18%, forfeiture rate of 0%, no annual dividends, expected volatility of 165% and a market price of shares at grant date $0.31.

11. SHARE CAPITAL (continued)

Stock Options (continued)

On June 29, 2018, the Board of Directors of the Company approved the issuance 1,200,000 stock options to certain officer, directors, and consultants at an exercise price of $0.35. These options were granted for a period of five years and vest upon issuance. The estimated fair value, $385,080, was calculated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.93%, forfeiture rate of 0%, no annual dividends, expected volatility of 153% and a market price of shares at grant date $0.35.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's condensed interim consolidated financial instruments consist of cash, term deposit, amounts receivable, accounts payable and due to related parties. As at August 31, 2018, the Company classifies its cash, term deposit, and accounts receivable as fair value through profit and loss, and its accounts payable and due to related parties as other financial liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and term deposit is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable are classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and term deposit.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at August 31, 2018 relating to cash and term deposit of $449,848. The cash and term deposit is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at August 31, 2018, the Company had a cash balance of $421,027 to settle liabilities of $417,596.

Foreign Exchange Risk
The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable, and commitments that are denominated in a foreign currency. As at August 31, 2018, a 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would affect the Company's cash and account payable by approximately $52,900.

Interest Rate Risk
The Company has cash balances and term deposits with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Commodity Price Risk
The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the six months ended August 31, 2018, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

13. SEGMENTED INFORMATION

As of August 31, 2018, the Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. All of the Company's interests in mineral properties are located in Nevada, USA.

14. COMMITMENTS

In May 1, 2018, the Company signed a consulting agreement with a consultant to provide various advisory services requiring four installments of $37,500, $150,000 in aggregate.

(Expressed in Canadian Dollars – unaudited)

15. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the six months ended August 31,	
	2018	2017
	$	$
Supplemental cash-flow disclosure:		
Interest	**-**	-
Income taxes	**-**	-
Supplemental non-cash disclosure:		
Shares issued for exploration and evaluation assets (Note 6)	**4,270,500**	75,000
Exploration and evaluation assets included in accounts payable	**12,837**	-

16. SUBSEQUENT EVENTS

a) On September 20, 2018, the Company completed a private placement of 11,256,500 units at a price of $0.40 per unit for gross proceeds of $4,502,600. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of $0.75 per share for a period of two years. Finders' fees of $140,182 were paid and 350,455 common share purchase warrants, having the same terms as the warrants issued under the private placement, were issued in connection with completion of the private placement. All securities issued in connection with the private placement are subject to a four-month-and-one-day statutory hold period.

b) On October 3, 2018, the Company issued 250,000 common shares in connection with the purchase/royalty agreement for the TLC Property.

c) Subsequent to August 31, 2018, the Company issued 150,000 common shares in connection with the exercise of 150,000 stock options with an exercise price of $0.31 for total proceeds of $46,500.

d) Subsequent to August 31, 2018, the Company issued 1,208,570 common shares in connection with the exercise of 1,208,570 share purchase warrants with an exercise price of $0.375 for total proceeds of $45,321.