

GREATBANKS RESOURCES LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JULY 31, 2018

Expressed in Canadian Funds

TABLE OF CONTENTS

Management’s Responsibility.....	i
Independent Auditor’s Report.....	ii
Statements of Financial Position.....	1
Statements of Comprehensive Loss	2
Statements of Changes in Equity	3
Statements of Cash Flows	4
Notes to Financial Statements	5-20
1) Nature of Operations and Going Concern	5
2) Basis of Preparation – Statement of Compliance	5,6
3) Summary of Significant Accounting Policies.....	6-9
4) Critical Accounting Judgements and Key Sources of Estimation Uncertainty	10,11
5) New Standards, Interpretations and Amendments Not Yet Effective	11
6) Financial Instruments and Risk Management.....	12,13
7) Cash and Cash Equivalents.....	13
8) Marketable Securities – Available-for-sale	13,14
9) Mineral Property.....	14
10) Debenture Payable	15
11) Related Party Transactions.....	15,16
12) Share Capital	16-19
13) Income Taxes.....	19,20
14) Capital Disclosure	20
15) Subsequent Events.....	20

MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Greatbanks Resources Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the external auditors to the Board.

We draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

November 28, 2018

"Sergei Stetsenko"
Sergei Stetsenko, Director

"Anthony Jackson"
Anthony Jackson, CFO



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Greatbanks Resources Ltd.

We have audited the accompanying financial statements of Greatbanks Resources Ltd., which comprise the statements of financial position as at July 31, 2018, and the statements of comprehensive loss, changes in equity and cash flows for the year 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 we have obtained in our audit 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 Greatbanks Resources Ltd. as at July 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Greatbanks Resources Ltd.'s ability to continue as a going concern.

Other Matter

The financial statements for the year ended July 31, 2017, were audited by another auditor whose report dated January 29, 2018 expressed an unqualified opinion.

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

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
November 28, 2018

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

GREATBANKS RESOURCES LTD.
STATEMENTS OF FINANCIAL POSITION
As at July 31, 2018 and 2017
Expressed in Canadian Funds

	Notes	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents	7	\$ 87,559	\$ 837,829
Sales tax receivable		42,252	19,187
Prepaid expenses		-	7,568
Total current assets		129,811	864,584
Mineral property	9	-	-
TOTAL ASSETS		\$ 129,811	\$ 864,584
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
LIABILITIES			
Current Liabilities			
Trade and other payables	11	\$ 424,706	\$ 279,375
TOTAL LIABILITIES		424,706	279,375
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	12	10,228,360	10,228,360
Share based payment reserve	12	1,872,478	1,872,478
Deficit		(12,395,733)	(11,515,629)
Total shareholders' equity (deficiency)		(294,895)	585,209
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		\$ 129,811	\$ 864,584

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

The financial statements were approved by the Board of Directors on November 28, 2018 and were signed on its behalf by:

"Sergei Stetsenko"

Sergei Stetsenko, Director

"Anthony Jackson"

Anthony Jackson, Director

GREATBANKS RESOURCES LTD.
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

	Notes	2018	2017
EXPENSES			
General and administrative			
Management fees	11	\$ 767,264	\$ 406,500
Stock-based compensation	11,12	-	87,000
Professional fees		55,847	32,824
Travel and promotion		3,009	101,810
Transfer agent and filing fees		24,568	48,872
Office and general		17,622	11,976
Bank, interest and other expenses		2,146	2,524
Investor relations		1,524	75,000
Lithium project costs	9	-	61,325
Write-down of mineral property	9	10,059	97,150
Foreign exchange (gain) loss		1,742	(917)
Loss before other items		(883,781)	(924,064)
Other items			
Interest income		3,677	2,997
Gain on sale marketable securities, net	8	-	29,514
Gain on settlement of debt	10, 11	-	8,808
Net Loss and Comprehensive Loss for the Year		\$ (880,104)	\$ (882,745)
Basic and Diluted Loss Per Share		\$ (0.01)	\$ (0.02)
Weighted Average Number of Common Shares			
Outstanding – Basic and Diluted		63,353,650	42,175,138

GREATBANKS RESOURCES LTD.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

		Common Shares							
	Notes	Shares	Amount	Share Subscriptions	Share-based Payment Reserve	Deficit	Accumulated Comprehensive Income	Shareholders' Equity (Deficit)	
Balance, July 31, 2016		14,934,545	\$ 8,108,049	\$ 447,020	\$ 1,670,478	\$ (10,632,884)	\$ 10,000	\$ (397,337)	
Shares issued - private placements	12	31,194,637	1,715,705	-	-	-	-	1,715,705	
Share subscriptions	12	17,224,468	516,734	(447,020)	-	-	-	69,714	
Share issue costs	12	-	(49,128)	-	-	-	-	(49,128)	
Finder's fee – warrants	12	-	(63,000)	-	63,000	-	-	-	
Share-based compensation	12	-	-	-	87,000	-	-	87,000	
Forgiveness of debt – related party	11	-	-	-	52,000	-	-	52,000	
Comprehensive income – reversal	8	-	-	-	-	-	(10,000)	(10,000)	
Net loss for the year		-	-	-	-	(882,745)	-	(882,745)	
Balance, July 31, 2017		63,353,650	10,228,360	-	1,872,478	(11,515,629)	-	585,209	
Net loss for the year		-	-	-	-	(880,104)	-	(880,104)	
Balance, July 31, 2018		63,353,650	\$ 10,228,360	\$ -	\$ 1,872,478	\$ (12,395,733)	\$ -	(294,895)	

GREATBANKS RESOURCES LTD.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

	2018	2017
OPERATING ACTIVITIES		
Net loss for the year	\$ (880,104)	\$ (882,745)
Items not affecting cash:		
Unrealized foreign exchange	1,742	917
Write-down of mineral property	10,059	97,150
Shares issued for services	-	121,550
Realized gains on marketable securities	-	(29,514)
Gain on settlement of debt	-	(8,808)
Stock-based compensation	-	87,000
	(868,303)	(614,450)
Net change in non-cash working capital:		
Sales tax receivable	(23,065)	(2,595)
Prepaid expenses	7,568	(7,568)
Trade and other payables	143,589	(431,057)
Net cash used in operating activities	(740,211)	(1,055,670)
INVESTING ACTIVITIES		
Acquisition of investments	-	(3,640)
Mineral property expenditures	(10,059)	
Proceeds on sale of investments	-	63,154
Net cash provided by (used in) investing activities	(10,059)	59,514
FINANCING ACTIVITIES		
Repayment of debentures	-	(12,000)
Shares issued for cash	-	1,623,884
Share issue costs	-	(49,128)
Net cash provided by financing activities	-	1,562,756
Net change in cash	(750,270)	566,600
Cash, beginning of year	837,829	271,229
Cash, end of year	\$ 87,559	\$ 837,829

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

1) Nature of Operations and Going Concern

Greatbanks Resources Ltd. (“the Company”) was incorporated in the Province of British Columbia on December 20, 1996. The Company is in the exploration stage. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol GTB. The Company’s registered and records office is at 4100 - 66 Wellington Street West, Toronto, Ontario.

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration programs will result in profitable mining operations. The recoverability of mineral property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

Consistent with other companies in the sector of mineral exploration, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant cash requirements to meet its overhead and maintain its mineral interests. The Company needs to raise equity financing in the short-term to continue its operations. These conditions indicate a material uncertainty exists that may cast significant doubt upon the Company’s ability to continue as a going concern.

For the Company to continue to operate as a going concern it needs the ongoing financial support of its related parties and vendors and must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the financial position classifications used and such adjustments could be material.

2) Basis of Preparation – Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and pronouncements of the IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board and effective for the year ended July 31, 2018. These financial statements were authorized for issue by the Board of Directors on November 28, 2018.

These financial statements have been prepared under the historical cost convention as set out in the accounting policies in Note 3.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

2) Basis of Preparation – Statement of Compliance (continued)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods (see Note 4).

3) Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements, unless otherwise noted. The Company's principal accounting policies are outlined below:

a) Foreign Currency

The financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company.

b) Share-Based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income 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 statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted 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.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

3) Summary of Significant Accounting Policies (continued)

b) Share-Based Payments (continued)

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.

Share-based payment transactions. The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes Option-Pricing Model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

c) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

d) Loss Per Share

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

3) Summary of Significant Accounting Policies (continued)

e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

f) Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded through income. Cash and marketable securities are included in this category of financial assets.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired.

Available-For-Sale Investments

Non-derivative financial assets not included in the other categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment) the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. Any subsequent increase in the fair value of available-for-sale investments are recorded through other comprehensive income. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive income to profit or loss.

Held-To-Maturity Investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

3) Summary of Significant Accounting Policies (continued)

f) Financial Instruments (continued)

Impairment on Financial Assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade and other payables and debentures payable. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

g) 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 statement of financial position date, taking into account the risks 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. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

h) Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

4) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the financial statements.

a) Share-Based Payment Transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments such as stock options and compensatory warrants at the date they are granted. Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The assumptions and model used for estimating the fair value for share-based payment transactions are disclosed in Note 12.

b) Rehabilitation Provisions

Rehabilitation provisions have been assessed based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time the rehabilitation costs are actually incurred.

c) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

4) Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

d) Recovery of Deferred Tax Assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.

5) New Standards, Interpretations and Amendments Not Yet Effective

A number of new standards, amendments to standards and interpretations are not yet effective as at the date of issuing these statements, and have not been applied in preparing these financial statements. The Company has not early adopted any of these standards and do not expect that these standards will have an impact on its financial statements.

i. IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* is part of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking 'expected loss' impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

ii. IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018, with early adoption permitted.

iii. IFRS 16 Leases

IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

6) Financial Instruments and Risk Management

a) Financial Instrument Classification and Measurement

Financial instruments of the Company carried on the Statement of Financial Position are carried at amortized cost. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at July 31, 2018 due to the immediate or short-term maturities of the financial instruments.

Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents and trade and other payables. Cash and cash equivalents, trade and other payables approximate their fair value due to their short-term nature.

b) Market Risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

c) 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 primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada accordingly the Company believes it not exposed to significant credit risk.

d) Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required. The Company is not exposed to significant foreign currency risk.

e) Interest Rate Risk

Interest rate risk arises through the rates that the Company receives on its guaranteed investment certificate because of changes in established interest rates. As at June 30, 2017, the Company had a guaranteed investment certificate that could realize a reduced interest rate if interest rates were to decrease below current levels. The Company receives a 2% rate of interest on its investment and there is a risk that this rate could reduce to zero. The maximum interest rate risk based on Company's GIC at July 31, 2018 is \$Nil per annum.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

6) Financial Instruments and Risk Management (continued)

f) Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows, this is a significant risk. The following table summarized the Company's significant remaining contractual maturities for financial liabilities as at July 31, 2018 and 2017:

	3 months	3 and 12 months	Over 12 months	Total
July 31, 2018				
Trade and other payables	\$ 400,706	\$ 24,000	\$ -	\$ 424,706

	3 months	3 and 12 months	Over 12 months	Total
July 31, 2017				
Trade and other payables	\$ 208,195	\$ 49,257	\$ 21,923	\$ 279,375

7) Cash and Cash Equivalents

	July 31, 2018		July 31, 2017	
Cash	\$	87,559	\$	5,148
Guaranteed investment certificate		-		832,681
	\$	87,559	\$	837,829

8) Marketable Securities

As of July 31, 2018, marketable securities consisted of Nil (2017 - Nil) common shares and 2,000,000 (2017 - 2,000,000) share purchase warrants of Alliance Mining Corp. ("Alliance"), a public company with a symbol of ALM listed on the TSX-V.

During the year ended July 31, 2015, the Company acquired 2,000,000 common shares and 2,000,000 share purchase warrants in Alliance by way of a private placement at a cost of \$100,000, with such instruments being classified as available-for-sale investments upon initial recognition. Each Alliance warrant entitles the Company to purchase an additional common share exercisable for five years at a price of \$0.05. The Alliance share purchase warrants are not tradable on an exchange, have a nominal value and were not allocated a value on initial recognition or subsequent re-measurement.

As at July 31, 2016, the fair value based on quoted market prices of the available-for-sale investments was \$40,000. An unrealized gain of \$10,000 was recorded before income taxes to other comprehensive income during the year ended July 31, 2016.

For the year ended July 31, 2016, the Company recorded \$10,000 as Other Comprehensive Income reflecting a valuation increase in the shares. During the year ended July 31, 2017, the Company sold all these shares and this balance has been reversed through accumulated other comprehensive income (loss) and recorded in the profit and loss.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

8) Marketable Securities (continued)

The fair value of quoted securities is based on published market prices, a level 1 input.

	July 31, 2018	July 31, 2017
Balance	\$ -	\$ 30,000
Fair value adjustment on available-for-sale securities	-	10,000
Balance	-	40,000
Acquisition of marketable securities	-	3,640
Sale of available-for-sale securities for proceeds of \$63,154	-	(43,640)
	\$ -	\$ -

9) Mineral Property

In June 2016, the Company acquired a 100% interest in British Columbia mineral tenure 1037777 (the "Windy Claims") pursuant to an asset purchase agreement dated April 21, 2016 (the "Agreement") with third parties. Pursuant to the terms of the Agreement, the vendors received an aggregate of 2,000,000 common shares (the "Shares") of the Company, and the Company has recorded these shares at a price of \$0.03 per share being the trading price of the shares, for an aggregate value of \$60,000. In addition, the vendors received a 2% net smelter royalty on any production from the Windy Claims.

During the year ended July 31, 2018 and 2017, the Company assessed the impairment indicators under IFRS 6 and impaired the property to \$Nil. Reasons for the impairment are that there was a temporary lapse in title registration and the Company has not yet committed sufficient financial resources to the Windy property.

Windy Claims

	July 31, 2018	July 31, 2017
Acquisition costs	\$ -	\$ 60,000
Report and recording fees	10,059	32,150
Balance	10,059	92,150
Mineral claim fees	-	5,000
Write-down of mineral property	(10,059)	(97,150)
	\$ -	\$ -

Lithium Project Costs

During the year ended July 31, 2017, the Company entered into and terminated a project with Ironstone Resources Ltd. over certain technology for extraction of lithium. The Company incurred \$61,325 of expenditures and recorded these costs to the statement of comprehensive loss during the year.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

10) Debentures Payable

On January 14, 2014, the Company closed a non-brokered private placement of senior unsecured debentures (the "Debentures") for gross proceeds of \$30,000. The Debentures have a minimum face value of \$1,000, each bearing interest of 10% per annum over a two year term issued together with bonus warrants. The principal amount and all accrued and unpaid interest was due and payable in full on January 14, 2016 (the "Maturity Date").

The Debentures were initially recognized at fair value of \$13,333 with the residual amount of \$16,667 being attributed to warrants. The Debentures was subsequently measured at amortized cost using the effective interest rate method.

During the year ended July 31, 2015, \$20,000 of Debentures were repaid, interest of \$3,166 was forgiven and recorded as a gain, and accretion of \$8,333 was recorded as interest on long-term debt and all warrants related to these Debentures were cancelled.

The Debenture was repaid during the year ended July 31, 2017.

11) Related Party Transactions

Related party transactions and balances not disclosed elsewhere in the financial statements are as follows:

Name and Principal Position		July 31 Remuneration of fees ⁽¹⁾	Share- based Awards	Included in Accounts Payable
A Company controlled by the former President and CEO -	2018	-	-	-
Management fees	2017	\$ 94,913	\$ 24,360	\$ -
A Company controlled by the current CEO -	2018	165,933	-	39,133
Management fees	2017	25,461	-	-
A Company controlled by the current CFO -	2018	15,000	-	15,750
Management fees	2017	-	-	-
A Company controlled by the former Corporate Secretary and former CFO -	2018	138,463	-	24,000
Management fees	2017	103,949	24,360	68,966
A Company controlled by a director -	2018	92,000	-	-
Management fees	2017	12,000	6,960	8,500
A Company controlled by the former Vice-President -	2018	-	-	-
Management fees	2017	-	17,400	-
A former director of the Company	2018	-	-	-
Management fees	2017	-	6,960	-
A Company controlled by the current President	2018	153,328	-	89,189
Management fees	2017	149,808	6,960	13,861
A current directors of the Company	2018	163,407	-	61,967
Management fees	2017	20,369	-	-
A current directors of the Company	2018	39,133	-	39,133
Management fees	2017	-	-	-

⁽¹⁾ Amounts disclosed were paid or accrued to the related party during the years ended July 31, 2018 and 2017.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

11) Related Party Transactions (continued)

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 July 31, 2018 aggregate remuneration of \$767,264 (2017 - \$406,500) was paid or accrued to key management personnel. During the year ended July 31, 2017, key management personnel and directors were granted 1,250,000 options to purchase shares at \$0.10 for a period of 5 years and management fees in the amount of \$52,000 were forgiven.

There were no payments during the year for short-term employee benefits, post-employment benefits, long-term benefits, termination benefits and share-based payments.

As at July 31, 2018, \$269,172 (2017 - \$91,327) is included in trade and other payables owing to those directors and officers for management fees and expense reimbursements.

During the year ended July 31, 2017, the Company issued 2,210,000 units in a private placement at \$0.055 per unit to current and former directors of the Company for payment of management fees. In addition, 727,000 units in the same private placement were issued to a former director of the Company as part of debt settlement agreement (Note 12).

12) Share Capital

a) Authorized:

The Company is authorized to issue 100,000,000 common shares without par value.

The holders of common shares are entitled to receive dividends which are declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

In August 2016, the Company completed a private placement and issued 17,224,468 units at a price of \$0.03 per unit for total consideration of \$516,734, of which \$447,020 was received in prior year and was recorded as share subscriptions. Each unit consisted of one share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of \$0.08 per share, vesting immediately and exercisable for a period of two years from the date of issuance.

In March 2017, the Company completed a private placement and issued 31,194,637 units at a price of \$0.055 per unit for total consideration of \$1,715,705. Each unit consisted of one share and one share purchase warrant with each warrant exercisable into one common share of the Company at a price of \$0.08 per share, vesting immediately and exercisable for a period of two years from the date of issuance. The consideration of this private placement was funded as follows:

- 727,000 units with total value of \$39,985 were issued to a former director of the Company as settlement for debt owed equal to the same amount (Note 11);
- 2,210,000 units with total value of \$121,550 to current and former directors of the Company for management fees and services rendered during the current year; and
- 28,257,637 units with total value of \$1,554,170 were issued for cash received during the current year.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

12) Share Capital (continued)

The Company uses the residual value method to account for the attached warrants issued as part of a unit and recorded the entire amount of the considerations in the share capital account.

In connection with the private placements, the Company paid finder's fees of \$37,800 and filing fees of \$11,328. The Company also issued 718,800 finder's warrants to parties who were directly related to the issuance of the shares.

The finder's warrants have been fair valued at \$63,000 and recorded as share issuance costs and share-based payment reserve. Each finder's warrant is exercisable into one common share of the Company, at a price of \$0.08 per share for a period of two years.

b) Summary of Stock Option Activity

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant, both in aggregate and in any one-year period. The maximum number of common shares reserved for issue to any one person other than employees conducting investor relations activities and any consultants under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant, both in aggregate and in any one-year period.

The number of options granted to all persons who are consultants or employed to perform investor relations activities shall not exceed 2% of the then issued and outstanding shares of the Company. Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company.

The stock option activity during the fiscal years ended July 31, 2018 and 2017 is summarized as follows:

STOCK OPTION ACTIVITY	July 31, 2018	Exercise Price	July 31, 2017	Exercise Price
Balance, beginning of year	1,250,000	\$ 0.10	-	\$ -
Granted during the year	-	-	1,250,000	0.10
Cancelled	(900,000)	0.10	-	-
Balance, end of year	350,000	\$ 0.10	1,250,000	\$ 0.10

During the year ended July 31, 2017, 1,250,000 stock options were issued to directors, officers, employees, or consultants. In the year ended July 31, 2017, the Company recorded a stock compensation expense of \$87,000.

The weighted average remaining life of the options at July 31, 2018 was 3.38 years (2017 - 4.38 years). As at July 31, 2018, all of the outstanding options had vested and were exercisable.

During the year ended July 31, 2018, 900,000 stock options granted to former directors and officers of the Company were cancelled.

Share-based compensation

The Company recognizes compensation expense for all stock options granted using the fair value based method of accounting. The Company calculated the fair value of options issued using the Black-Scholes Option-Pricing Model, with the following assumptions:

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

12) Share Capital (continued)

	July 31, 2017
Weighted average fair value of options granted	\$ 0.07
Expected life	5 years
Risk-free interest rate	10%
Expected volatility	235%
Expected dividends yield	0.00%
Forfeiture rate	0.00%

c) Share Purchase Warrants

Warrant activity during the years ended July 31, 2018 and 2017 is summarized as follows:

WARRANT ACTIVITY	July 31, 2018	Exercise Price	July 31, 2017	Exercise Price
Balance, beginning of year	56,004,105	\$ 0.08	6,866,200	\$ 0.08
Issued - finders fee	-	-	718,800	0.08
Issued - private placement	-	-	48,419,105	0.08
Expired	(6,866,200)	0.08	-	-
Balance, end of year ⁽ⁱ⁾	49,137,905	\$ 0.08	56,004,105	\$ 0.08

⁽ⁱ⁾ The number of warrants is expressed in equivalent number of common shares, which may be issuable upon exercise.

Details of warrants outstanding as at July 31, 2018 and 2017 are as follows:

Expiry Date	July 31, 2018	Exercise Price	July 31, 2017	Exercise Price
July 3, 2018	-	\$ -	6,866,200	\$ 0.08
August 25, 2018	17,224,468	0.08	17,224,468	0.08
March 22, 2019	31,913,437	0.08	31,913,437	0.08
	49,137,905	\$ 0.08	56,004,105	\$ 0.08

The weighted average exercise price of the warrants at July 31, 2018 was \$0.08 (2017 - \$0.08). The remaining life of the warrants at July 31, 2018 was 0.44 years (2017 - 1.33 years).

During the year ended July 31, 2018, 6,866,200 share purchase warrants expired.

The Company recognizes warrant valuation for finder's fee warrants for granted using the fair value based method of accounting. There were no finder's fee warrants issued for the year ended July 31, 2018.

For the year ended July 31, 2017, the Company recorded warrant valuation of \$63,000. The Company calculated the fair value of warrants issued using the Black-Scholes Option-Pricing Model, with the following assumptions:

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

12) Share Capital (continued)

c) Share Purchase Warrants (continued)

	July 31, 2017
Weighted average fair value of warrants granted	\$ 0.09
Expected life	2 years
Risk-free interest rate	10%
Expected volatility	235.37%
Expected dividends yield	0.00%
Forfeiture rate	0.00%

d) Reserves

Share-based payment reserve

The share-based and warrant payment reserves recorded items recognized as share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

13) Income Taxes

Taxation in the Company's operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

	July 31, 2018	July 31, 2017
Loss for the year before taxes	\$ (880,104)	\$ (882,745)
Income tax recovery at local statutory rates at 27.00% (2017 – 26.00%)	(238,000)	(230,000)
Non-deductible expenses and other items	-	(3,000)
Non-taxable portion of capital gains	-	31,000
Expiry of losses	-	94,000
Impact of (over) under provision in prior year	(101,000)	24,000
Share issue cost	(3,000)	(12,000)
Other	(92,000)	-
Change in unrecognized deferred tax assets	434,000	96,000
Total income tax recovery	\$ -	\$ -

The Canadian combined Federal and British Columbia tax rates changes from 26% in 2017 to 27% in 2018.

GREATBANKS RESOURCES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JULY 31, 2018 AND 2017
Expressed in Canadian Funds

13) Income Taxes (continued)

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities as at July 31, 2018 and 2017 are summarized as follows:

	July 31, 2018	July 31, 2017
Non-capital losses	\$ 1,670,000	\$ 1,278,000
Other items	14,000	13,000
Exploration and development expenses	1,083,000	1,042,000
Total deferred tax assets	2,767,000	2,333,000
Unrecognized deferred tax assets	(2,767,000)	(2,333,000)
Net deferred tax assets	\$ -	\$ -

The total benefits of these carry-forward non-capital loss, and deductible temporary differences have not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax assets to be recovered.

The Company has non-capital losses of \$6,190,000 that will expire between 2027 to 2038.

14) Capital Disclosure

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. 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 defines capital that it manages as share capital.

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 Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock. Capital raised is held in cash in an interest bearing bank account until such time as it is required to pay operating expenses or mineral property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company is not subject to any externally imposed capital requirements and the Company's objectives have not changed during the year ended July 31, 2018.

15) Subsequent Events

Subsequent to July 31, 2018, the Company cancelled 250,000 options issued to a former director and a total of 17,224,468 warrants expired unexercised.