



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

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NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

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

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	Note	September 30, 2018	March 31, 2018
ASSETS		\$	\$
Current			
Cash		68,823	270,240
Accounts receivable		41,752	37,070
Prepaid expenses		27,371	95,328
		<u>137,946</u>	402,638
Non-Current			
Exploration and evaluation assets	3	1,623,779	991,213
		<u>1,761,725</u>	<u>1,393,851</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	1,105,206	301,429
Flow-through share premium liability	4	77,833	70,432
Short-term loan	5	61,000	11,000
		<u>1,244,039</u>	382,861
SHAREHOLDERS' EQUITY			
Share capital	6	11,833,427	10,786,259
Share-based payment reserve		537,820	434,575
Deficit		(11,853,561)	(10,209,844)
		<u>517,686</u>	1,010,990
		<u>1,761,725</u>	<u>1,393,851</u>

Approved on behalf of the Board:
"Mike Rowley", Director

"Bill Harris", Director

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(Unaudited)
(Expressed in Canadian Dollars)

	Three months ended September 30,		Six months ended September 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Expenses				
Consulting	7	78,670	60,291	144,957
Exploration and evaluation assets expenditures	3, 7	712,366	113,471	1,012,761
Investor relations		59,713	32,399	170,434
Office and administration		30,260	6,640	44,109
Professional fees		154,501	21,378	177,246
Property evaluation		-	25,459	-
Share-based payment expense	6	53,947	90,721	103,245
Transfer agent, regulatory and filing fees		25,894	12,540	30,307
Travel and accommodation		7,267	424	10,758
		<u>1,122,618</u>	<u>363,323</u>	<u>1,693,817</u>
Other Items				
Other income		(16,309)	(22,525)	(50,100)
Net loss and comprehensive loss for the period		<u>(1,106,309)</u>	<u>(340,798)</u>	<u>(1,643,717)</u>
Basic and diluted loss per share		\$ (0.02)	\$ (0.01)	\$ (0.04)
Basic and diluted weighted average number of shares outstanding		47,502,109	36,502,577	46,230,296
				35,133,758

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited)
(Expressed in Canadian Dollars)

	Note	Number of shares	Share capital \$	Share-based payments reserve \$	Deficit \$	Total \$
Balance, March 31, 2017		36,161,465	9,519,516	29,334	(8,820,639)	728,211
Shares issued for properties	6(b)(vi),(vii),(viii),(ix)	1,128,569	149,572	-	-	149,572
Shares issued pursuant to exercise of warrants	6(b)(x)	1,236,666	148,400	-	-	1,385,066
Share-based payment expense		-	-	182,383	-	182,383
Net loss for the period		-	-	-	(574,571)	(574,571)
Balance, September 30, 2017		38,526,700	9,817,488	211,717	(9,395,210)	633,995
Balance, March 31, 2018		44,759,143	10,786,259	434,575	(10,209,844)	1,010,990
Shares issued for properties	6(b)(i)	2,371,428	425,428	-	-	425,428
Shares issued pursuant to exercise of warrants	6(b)(ii),(v)	973,500	104,240	-	-	1,077,740
Shares issued pursuant to FT private placement, net of share issue costs	6(b)(iii)	2,875,000	517,500	-	-	3,392,500
Share-based payment expense		-	-	103,245	-	103,245
Net loss for the period		-	-	-	(1,643,717)	(1,643,717)
Balance, September 30, 2018		50,979,071	11,833,427	537,820	(11,853,561)	517,686

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Unaudited)

(Expressed in Canadian Dollars)

	Note	Six months ended September 30, 2018	2017
		\$	\$
Operating Activities			
Net loss for the period		(1,643,717)	(574,571)
Items not involving cash:			
Other income		(50,100)	(28,791)
Share-based payment expense		103,245	182,383
		<u>(1,590,572)</u>	<u>(420,979)</u>
Net change in non-cash working capital		867,053	13,497
Cash used in operating activities		<u>(723,519)</u>	<u>(407,482)</u>
Investing Activity			
Acquisition of exploration and evaluation assets		(207,138)	(222,991)
Cash used in investing activity		<u>(207,138)</u>	<u>(222,991)</u>
Financing Activity			
Proceeds on received from private placement, net		575,000	
Proceeds received from short term loan		50,000	
Proceeds on exercise of warrants		104,240	148,400
Cash provided by financing activity		<u>729,240</u>	<u>148,400</u>
Net decrease in cash		<u>(201,417)</u>	<u>(482,073)</u>
Cash, beginning of period		270,240	547,595
Cash, end of period		<u>68,823</u>	<u>65,522</u>

Supplemental cash flow information

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GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Group Ten Metals Inc. (the “**Company**”), was incorporated on April 28, 2006, under the laws of British Columbia, Canada. The Company’s principal business activities include the acquisition and exploration of mineral properties.

The Company’s registered office is 904-409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company’s current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company’s mineral properties does not reflect current or future value.

These condensed consolidated financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2018, the Company had a working capital deficiency of \$1,106,093 (March 31, 2018: working capital of \$19,777), an accumulated deficit of \$11,853,561 (March 31, 2018: \$10,209,844) and a net loss of \$1,643,717 for the six-month period ended September 30, 2018 (2017: \$574,571). As at September 30, 2018, the Company’s current assets consisting of cash, receivables and prepaid expenses totaled \$137,946. In addition, the Company’s current liabilities included a flow-through premium liability of \$77,833 which is a non-cash item. Also, as at September 30, 2018, the Company had the right to accelerate the exercise of all of its outstanding warrants that will bring in up to \$3,423,534 in proceeds to the Company ahead of the warrants’ February 27, 2020 expiry dates.

As at September 30, 2018, the Company may not have sufficient working capital to meet its administrative overheads and continue with its exploration programs. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company’s ability to execute its business plan. To finance future activities, the Company will be required to enter into joint venture agreements and/or issue share capital, through private placements and the exercise of options and warrants, and is actively seeking additional equity financing. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company and, therefore, a material uncertainty exists that may cast significant doubt over the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* (“**IAS 34**”) as issued by the International Accounting Standards Board (“**IASB**”) using accounting principles consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the IASB and include the accounts of the Company and its wholly-owned subsidiaries Yankee Girl Resources Corp., incorporated in British Columbia, Canada, Group Ten (USA) Inc., incorporated in Nevada, USA, Group Ten (Alaska) Inc., incorporated in Alaska, USA and 1161932 B.C. Ltd, incorporated in British Columbia. All inter-company transactions and balances have been eliminated upon consolidation.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2018 which include the accounting policies used in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors (the "**Board**") approved these condensed consolidated interim financial statements on November 27, 2018.

3. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs for the six months ended September 30, 2018 were as follows:

	Stillwater West	Yukon Properties	Duke Island	Drayton	Black Lake	Total
	\$	\$	\$	\$	\$	\$
Balance, March 31, 2018	443,723	238,891	77,301	33,939	197,359	991,213
Cash payments	176,906	3,200	-	-	-	180,106
Licensing & maintenance costs	1,292	-	-	-	-	1,292
Shares issued	324,000	51,000	-	28,571	21,857	425,428
Staking	14,502	-	11,238	-	-	25,740
	516,700	54,200	11,238	28,571	21,857	632,566
Balance, September 30, 2018	960,423	293,091	88,539	62,510	219,216	1,623,779

a) Stillwater West (Montana, United States)

On June 26, 2017, the Company entered into an option agreement to acquire a 100% interest in the Stillwater West Project from Picket Pin Resources LLC ("**Picket Pin**"), a private entity, consisting of 282 claims in south central Montana, USA, covering approximately 22 square kilometers ("**km²**") in two claim groups. In consideration, the Company has agreed to:

- Issue a total of 3.6 million shares of the Company beginning with 900,000 shares within ten days of regulatory approval (issued on July 4, 2017) and 900,000 shares on or before May 31 of each of 2018 (issued August 7, 2018), 2019 and 2020;
- Make United States dollars ("**USD**") \$40,000 in cash payments with USD\$20,000 on or before each of May 31, 2018 (outstanding) and 2019;
- Make advance royalty payments until commencement of commercial production of USD\$15,000 within ten days of regulatory approval (paid), USD\$30,000 on or before May 31, 2018 (outstanding) and USD\$50,000 on or before May 31, 2019 and annually thereafter; and
- Execute a work contract for a minimum of USD\$50,000 per year for the duration of the option agreement for technical and management work, which is three years.

Pursuant to further staking from November 2017 to July 2018, the Company's land holdings at the Stillwater West Project have increased to approximately 54 km².

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

a) Stillwater West (Montana, United States) (continued)

The claims are subject to a 2% Net Smelter Return royalty (“**NSR**”) and the Company has an option to buy down the NSR to 1%.

The Company is in discussions with Picket Pin to resolve the outstanding share issuance and cash payments.

b) Yukon Properties (Kluane PGE-Ni-Cu Project)

The Company has option agreements to acquire a 100% interest in four platinum group properties totaling over 254 km² in the Kluane Ultramafic Belt in southwestern Yukon, and together comprise the Kluane PGE-Ni-Cu Project. Terms of the agreements are as follows:

CKR

The Company owns a 100% interest in the claims.

Spy

The Company owns a 100% interest in the Spy Property.

The Spy claims are subject to a 3% NSR and the Company has an option to buy the NSR down to 1%.

Catalyst

In order to obtain a 100% interest in the Catalyst Property, the Company has the following remaining commitments:

- Pay \$10,000 to Ashburton Ventures Inc. (“**Ashburton**”) on or before December 29, 2017 (outstanding);
- Provide Ashburton proof of payment of invoices totaling \$28,062 on or before December 29, 2017 (outstanding);
- Issue 300,000 common shares to Denali Resources Ltd. (“**Denali**”) on or before July 31, 2018 (issued); and
- Issue 300,000 common shares to Denali on or before July 31, 2019.

Certain claims on the Catalyst Property are subject to a 3% NSR and the Company has an option to buy the NSR down to 1%.

Ultra

In July 2018, the Ultra Property option agreement was amended to remove the remaining earn-in requirements, being exploration expenditure commitments totaling \$950,000. As a result, effective July 2018, the Company owns a 100% interest in the Ultra Property.

In July 2018, the Company acquired a 100% interest in 24 additional claims adjoining the Ultra Property from two arms-length private vendors in exchange for 100,000 common shares of the Company.

The claims are subject to a 2% NSR and the Company has an option to buy the NSR down to 1%.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

c) Duke Island (Alaska, United States)

The Company owns a 100% interest in 31 unpatented mineral claims located on Duke Island, Alaska. Pursuant to an agreement dated August 28, 2015, the only remaining commitment for the Company is a requirement for geological and/or geophysical work from a specified vendor which may be completed on any of the Company's properties. The claims are subject to a 1% NSR.

d) Drayton (Ontario, Canada)

On April 27, 2018, the Company earned a 100% interest in 7 mineral claims located in the Patricia Mining Division near Sioux Lookout, Ontario, by issuing a final share issuance of 142,857 common shares to the vendor (Note 6(b)(i)).

The claims are subject to a 1% NSR upon commencement of commercial production.

e) Black Lake (Ontario, Canada)

(i) In order to obtain a 100% interest in 19 mineral claims located in the Patricia Mining Division near Sioux Lookout, Ontario, the Company has the following remaining cash commitments:

- \$25,000 on or before September 30, 2016 (outstanding); and
- \$50,000 on or before September 30, 2018 (paid).

The claims are subject to a 2% NSR upon commencement of commercial production and the Company has an option to buy down the NSR to 1%.

(ii) To further consolidate the area between the Black Lake and Drayton Properties, the Company:

a. entered into an option agreement to earn an undivided 100% interest in 6 mineral claims. Pursuant to an amendment, the Company has the following remaining cash commitments:

- \$10,000 on or before December 30, 2018; and
- \$15,000 on or before December 30, 2019.

As a result of an amendment to this option agreement in July 2018, the vendors have agreed to remove the \$25,000 of cash commitments as well as the 1% NSR in exchange for 200,000 common shares of the Company (issued).

b. entered into an option agreement to earn an undivided 100% interest in 5 mineral claims. On April 18, 2017, the option agreement was amended to remove \$1.25 million of work commitments that were a component of the original agreement. As consideration for the removal of the work requirement, the Company has agreed to issue 100,000 additional common shares per year in each of 2017, 2018 and 2019. The Company has the following remaining commitments:

- Pay \$10,000 (outstanding) and issue 128,571 common shares on or before March 11, 2018 (issued); and
- Pay \$10,000 and issue 128,571 common shares on or before March 11, 2019.

The claims are subject to a 3% NSR upon commencement of commercial production and the Company has an option to buy the NSR down to 2%.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

f) Yankee Dundee / Ronoke / Warkentin (British Columbia, Canada)

Yankee Dundee consists of 26 Crown-granted mineral claims located in the Nelson Mining District near Ymir, British Columbia.

On June 25, 2013, the Company closed the sale of its interests and obligations in the properties to Armex Mining Corp. ("**Armex**") in exchange for advance royalty payments, royalty payments, and production payments. Due to uncertainty surrounding completion of the transaction, the Company did not initially recognize the transaction as a sale.

Ronoke and Warkentin are also located in the Nelson Mining District. Subsequent to the sale agreement, all non-core Ronoke claims were allowed to lapse. Additionally, non-core Warkentin claims were allowed to lapse and the property now consists of nil mineral claims (2015 - 9 mineral claims).

The remaining terms of the agreement are as follows:

(i) Armex is to pay remaining advance royalty payments of:

- \$50,000 on or before August 28, 2015 (unpaid); and
- \$50,000 on or before August 28, 2016 (unpaid) and annually thereafter until the commencement of commercial production.

(ii) Armex is to pay production and additional payments of:

- \$250,000 upon the commencement of commercial production;
- \$250,000 upon the first anniversary of commencement of commercial production; and
- additional production payments aggregating \$1,000,000 payable from 30% of net revenues as defined in the agreement.

Armex has the right to satisfy the production and additional payments by paying the aggregate sum of \$1,250,000 any time during the first year of commercial production.

Armex will also assume all obligations per existing underlying option agreements with respect to the Yankee Dundee claims which consist of a 1% NSR upon commencement of commercial production until the recovery of the lesser of aggregate expenditures incurred and \$5,000,000, after such time, the NSR will increase to 2.5%. At any time up to the commencement of commercial production, an option is available to purchase 1.5% of the NSR for \$500,000 and the remaining 1% for \$500,000.

The Company will also be entitled to a 2.5% NSR upon commencement of commercial production, with Armex holding the right to repurchase the royalty at any time on the basis of \$1,000,000 for each 1%. In addition, the Company retains back-in rights pursuant to the agreement by which it can re-acquire the property in the event specific production milestones are not met.

Armex disputes the overdue advance royalty payments that were payable on or before August 28, 2015, 2016, 2017 and 2018. As the Company believes that the financial situation of Armex has deteriorated to an extent that precludes it from completing the sale agreement, the capitalized costs relating to Yankee Dundee have been reduced to \$Nil.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

g) Outpost/Pacer (Yukon Territory, Canada)

In August 2018, the Company completed an option agreement with an arms-length party whereby the Company can earn a 100% interest in the Outpost and Pacer properties which consist of three claim blocks in the Yukon Territory, totaling approximately 25km². In consideration, the Company has agreed to:

- Make an initial cash payment of \$8,000 (outstanding) and issue 200,000 common shares of the Company (issued August 7, 2018);
- Complete \$30,000 of work expenditures, make a cash payment of \$20,000 and issue 400,000 common shares of the Company on or before the first anniversary of signing; and
- Complete an additional \$105,000 of work expenditures and issue 500,000 common shares of the Company on or before the second anniversary of the acceptance of this agreement.

The claims will be subject to a 2% NSR and the Company will have the option to buy down the NSR to 1%.

f) Ellen (Yukon Territory, Canada)

In August 2018, the Company completed an agreement with an arms-length party whereby the Company earned a 100% interest in the Ellen property, which consists of 72 claims totaling approximately 13km² in the Yukon Territory, by making a cash payment of \$3,200 and issuing 600,000 common shares of the Company.

Exploration and Evaluation Expenditures

Exploration expenditures incurred for the six months ended September 30, 2018 were as follows:

	Stillwater West	Yukon Properties	Duke Island	Drayton	Black Lake	Total
Analysis	8,093	76,837	-	-	500	85,430
Camp	24,435	45,070	-	-	-	69,505
Equipment and communication	13,006	43,863	-	-	-	56,869
Geological consulting	311,650	72,349	1,302	8,805	8,805	402,911
Consulting - other	104,401	83,503	-	-	-	187,904
Fuel	1,992	44,472	-	-	-	46,464
Land and permitting	526	-	-	-	-	526
Overhead and administration	6,445	-	-	-	-	6,445
Travel and accommodation	78,574	77,133	-	250	750	156,707
	<u>549,122</u>	<u>443,227</u>	<u>1,302</u>	<u>9,055</u>	<u>10,055</u>	<u>1,012,761</u>

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

4. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	\$
Balance, March 31, 2018	70,432
Addition	57,500
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	<u>(50,099)</u>
Balance, September 30, 2018	<u><u>77,833</u></u>

5. SHORT-TERM LOANS

At September 30, 2018, the Company had short-term loans of \$61,000 (March 31, 2018: \$11,000) that was owed to the President and CEO, and certain shareholders of the Company. The short-term loans are non-interest bearing with no fixed term.

6. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value

b) Share issuance details

Six months ended September 30, 2018

- (i) The Company issued 2,371,428 common shares with a fair value of \$425,428 in connection with the Drayton Property, Stillwater West, Black Lake and Yukon Properties agreements
- (ii) The Company issued 543,500 common shares pursuant to the exercise of 543,500 share purchase warrants with a weighted average exercise price of \$0.13 per share.
- (iii) The Company completed a non-brokered private placement for gross proceeds of \$575,000 through the issuance of 2,875,000 FT Shares at a price of \$0.20 per FT Share. The Company agreed to pay finders' fees totaling \$21,000.
- (iv) The Company granted a total of 425,000 stock options to consultants of the Company at a price of \$0.20 per share with an expiry of August 22, 2023.
- (v) The Company issued 430,000 common shares pursuant to the exercise of 430,000 share purchase warrants with a weighted average exercise price of \$0.12 per share.

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Six months ended September 30, 2017

- (vi) The Company issued 42,856 common shares with a fair value of \$5,143 in connection with the Spy Property agreement.
- (vii) The Company issued 900,000 common shares with a fair value of \$108,000 in connection with the Stillwater West Property agreement.
- (viii) The Company issued 28,571 common shares with a fair value of \$3,429 in connection with the Ultra Property agreement.
- (ix) The Company issued 157,142 common shares with a fair value of \$33,000 in connection with the Black Lake Property agreement.
- (x) The Company issued 1,236,666 common shares pursuant to the exercise of 1,236,666 share purchase warrants with a weighted average exercise price of \$0.12 per share.

c) Stock options

The Company has a fixed Long-Term Incentive Plan (the "**Plan**") whereby the Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of 7,000,000 common shares. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price \$
Balance, March 31, 2018	5,938,570	0.14
Issued	425,000	0.20
Balance, September 30, 2018	6,363,570	0.14

The following stock options were outstanding as at September 30, 2018:

Outstanding	Exercisable	Weighted average Exercise Price \$	Expiry Date	Weighted average remaining life (in years)
98,570	98,570	0.35	February 3, 2020	1.35
2,840,000	1,893,334	0.15	March 20, 2022	3.47
475,000	316,667	0.12	August 30, 2022	3.92
2,525,000	1,683,333	0.12	September 28, 2022	4.00
425,000	141,667	0.20	August 22, 2023	4.90
6,363,570	4,133,571	0.14		

GROUP TEN METALS INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance, March 31, 2018	23,899,387	0.12
Exercised	(973,500)	0.13
Balance, September 30, 2018	<u>22,925,887</u>	<u>0.12</u>

The following share purchase warrants were outstanding as at September 30, 2018:

Outstanding	Exercisable	Exercise Price \$	Expiry Date
21,175,887	21,175,887	0.12 ¹	February 27, 2020
<u>1,750,000</u>	<u>1,750,000</u>	0.16 ¹	February 27, 2020
<u>22,925,887</u>	<u>22,925,887</u>		

¹ These warrants are subject to an accelerator clause, the conditions which have already been met. The Company may at any time provide written notice of acceleration of the expiry date of the warrants, to take effect a minimum of 30 days after the delivery of such notice.

e) Share-based payment expense and reserve

Pursuant to vesting schedules, the share-based payment expense for the stock options that were granted during the years ended March 31, 2017, March 31, 2018 for the six months ended September 30, 2018, was \$103,245 (2017: \$182,383) and was recorded in the condensed consolidated interim statement of loss and comprehensive loss.

The fair value of the stock options that were granted during the period ended September 30, 2018 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	1.39%
Expected stock price volatility	84%
Expected dividend yield	0.0%
Expected option life in years	5.0

7. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the Directors and Officers of the Company.

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(Unaudited)

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7. RELATED PARTY TRANSACTIONS (continued)

In addition to those transactions disclosed elsewhere in these condensed consolidated interim financial statements, the Company entered into the following related party transactions:

- a) For the six months ended September 30, 2018, MVR Consulting Inc., a company controlled by the President and CEO, charged fees of \$84,312 (2017: \$29,120) for consulting services which were recorded as consulting fees. Included in accounts payable and accrued liabilities at September 30, 2018 was an amount of \$77,923 (March 31, 2018: \$27,437) for these services.
- b) For the six months ended September 30, 2018, Midnight Mining Services Ltd., a private company controlled by Bill Harris, a director of the Company, charged fees of \$27,326 (2017: \$Nil) for consulting services. Included in accounts payable and accrued liabilities at September 30, 2018 was an amount of \$25,826 (March 31, 2018: \$11,500).
- c) For the six months ended September 30, 2018, the Company's CFO charged fees of \$17,094 (2017: \$5,663) for consulting services which were recorded as consulting fees. Included in accounts payable and accrued liabilities at September 30, 2018 was an amount of \$17,094 (March 31, 2018: \$2,402) for these services.
- d) For the six months ended September 30, 2018, the Company was charged \$13,324 (2017: \$Nil) by Foran Mining Corporation, a company with an officer in common, for the sharing of certain office operating costs. Included in accounts payable and accrued liabilities at September 30, 2018 was an amount of \$13,324 (March 31, 2017: \$Nil) for these costs.
- e) Included in accounts payable and accrued liabilities at September 30, 2018 was an amount of \$213,280 (March 31, 2018: \$45,146) owed to Metallic Minerals Corp. ("**Metallic**"), a company with directors in common, for certain shared investor relations and corporate development expenses that Metallic paid on behalf of the Company.

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

8. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the six months ended September 30 consisted of the following:

	Six months ended September 30,	
	2018	2017
	\$	\$
Accounts receivable	(4,682)	(6,675)
Prepaid expenses	67,957	12,235
Accounts payable and accrued liabilities	803,778	(1,765)
	867,053	3,795

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8. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

The non-cash transaction for the six months ended September 30, 2018 consisted of the Company issuing a total of 2,371,428 common shares valued at \$425,428 as option payments on its exploration and evaluation assets.

The non-cash transaction for the six months ended September 30, 2017 consisted of the Company issuing a total of 1,128,569 common shares valued at \$149,572 as option payments on its exploration and evaluation assets.

9. FINANCIAL INSTRUMENTS

a) Categories of Financial Instruments

The Company's financial instruments include cash, accounts payable and accrued liabilities and short-term loans. The Company has classified its financial instruments into the following categories:

<u>Financial Instrument</u>	<u>Category</u>	<u>Carrying Value</u>
Cash	FVTPL	Fair Value
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Short-Term Loan	Other Financial Liabilities	Amortized Cost

b) Fair Value

The carrying values of accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

c) Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk.

The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

(i) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure.

As at September 30, 2018, all of the Company's financial liabilities had contractual maturities of less than 90 days. The Company does not have sufficient cash to meet requirements for administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. The Company will be required to raise additional capital in the future to fund its operations.

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9. FINANCIAL INSTRUMENTS (continued)

c) Financial Risk Management (continued)

(ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools and considers the risks related to foreign currency are not significant at this time. The Company is not exposed to material currency risk.

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Based on the current cash balances and expected future interest rates, the Company is not exposed to material interest rate risk.

(iv) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash. The Company's mitigates such credit risk by risk management policies that require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better. All investments must be less than one year in duration.

(v) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

10. CAPITAL MANAGEMENT

The Company's capital includes components of shareholders' equity. The Company's objectives in managing its capital are to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its stakeholders. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditures required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been substantially funded by the issuance of equity instruments. The Company will continue to rely on equity issuances for future funding depending upon market and economic conditions at the time.

There have been no changes in the Company's approach to capital management during the six months ended September 30, 2018.

The Company is not subject to externally imposed capital requirements.

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11. SEGMENTED INFORMATION

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	September 30, 2018	March 31, 2018
	\$	\$
Non-current assets by geographic segment		
United States	1,048,962	521,024
Canada	574,817	470,189
	1,623,779	991,213

12. COMMITMENT

As a result of the issuance of flow-through shares (“**FT Shares**”) on December 28, 2017, the Company has a commitment to incur \$500,000 on qualifying Canadian exploration expenditures on or before December 31, 2018. At September 30, 2018, the Company has satisfied this commitment.

As a result of the issuance of FT Shares on August 22, 2018, the Company has a commitment to incur \$575,000 on qualifying Canadian exploration expenditures on or before December 31, 2019. At September 30, 2018, approximately \$515,475 of the commitment was remaining.