

# **BELMONT RESOURCES INC.**



**Financial Statements**

**&**

**Management Discussion & Analysis  
for the 3rd Quarter Ended  
October 31, 2017**

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**BELMONT RESOURCES INC.**

**FORM 51-102F1**

**Management's Discussion & Analysis  
for the 3rd Quarter Ended October 31, 2017 (and containing information as of December 29, 2017)**

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**BELMONT RESOURCES INC.**  
(the “Company”)

**FORM 51-102F1**

**Management’s Discussion & Analysis**  
**for the 3rd Quarter Ended October 31, 2017**  
**(and containing information as of December 29, 2017)**

**Item 1: INTERIM MD&A**

**Introduction**

Management’s Discussion and Analysis (“MD &A”) focuses on significant factors that affected Belmont Resources Inc.’s performance and factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the unaudited financial statements of the Company and the notes thereto for the quarter ended October 31, 2017 with comparatives to October 31, 2016; copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s financial statements and the MD&A are presented in Canadian dollars and are intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation.

**Forward-Looking Statements**

This MD&A contains “forward-looking information” and “forward-looking statements” which include, but are not limited to, statements or information concerning the future financial or operating performance of Belmont Resources Inc. and its business. Forward-looking statements are projections of events, revenues, income, future economic performance or management’s plan and objective for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company’s business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of exploration activities; requirements for additional capital; and government regulation of mining operations. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions; fluctuations in worldwide prices and demand for minerals; our lack of operating history; the actual results of current exploration activities; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; possible variations in grade and recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes or other risks of the mining industry; delays in obtaining government approvals or financing or incompleteness of development or construction activities, any of which may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgments regarding the direction of Belmont Resources Inc.’s business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of Canada, the Company does not intend to update any of the forward-looking statements or conform these statements to actual results.

**Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources:** This discussion may use the terms “measured resources” and “indicated resources”. The Company advises investors that while those terms are recognized and required by Canadian regulators, the U.S. Securities and Exchange Commission does not recognize them. **Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.**

**NATURE OF BUSINESS:**

Belmont Resources Inc. (the “Company”) was incorporated January 18, 1978 under the laws of the Province of British Columbia. The Company is listed on the TSX Venture Exchange as a Tier 2 mining exploration issuer, and is primarily engaged in the acquisition, exploration and development of resource properties. The shares of the Company trade on the TSX-V under the symbol “BEA”.

## 1.1 DATE: – DECEMBER 29, 2017

The following discussion and analysis was approved by the Directors of the Company and should be read in conjunction with the unaudited Financial Statements for the quarters ended October 31, 2017 and 2016 and the accompanying notes thereto. All figures are in Canadian dollars unless otherwise noted.

## 1.2 OVERALL PERFORMANCE AND DEVELOPMENT:

### (a) Crackingstone River (“CRR”) –Uranium City area, Northern Mining District, Northern Saskatchewan

On **April 11, 2006** the Company, Montoro and a non-related third party vendor entered into a property option agreement to acquire 100% interest (each as to 50%) in one Mineral Claim in northern Saskatchewan near Uranium City. The CRR claim comprises approx. 750 hectares.

On **April 5, 2007** the Companies acquired 100% interest (each as to 50%) in an additional 232-hectare claim adjoining the CRR from a non-related third party vendor for \$5,000 cash (\$2,500 each from the Company and Montoro).

From **2006 to 2008**, the Companies have completed the following exploration work in a number of successive programs:

- A NI 43-101 geological report dated **July 11, 2006**;
- An 87 km line-cutting program consisting of establishing grid lines and a Mag/VLF-EM ground geophysical survey over the 750 ha Crackingstone claim –**February 2007**;
- Channel (278) and grab (12) sampling program from 18 of 32 known uranium showings with samples assaying over 0.58% up to a high of 1.24% U<sub>3</sub>O<sub>8</sub> –**August-October 2007**
- Radon Gas survey covering approx. 4.65 km at 50 meter sample intervals (93 samples), around the intersection point of the Crackingstone and Boom Lake faults –**August-October 2007**.
- MPX Geophysics Ltd. conducted 1,391 km of helicopter airborne magnetic and radiometric survey - 100 meter flight line spacing – **October 2007**
- A 20-hole diamond drill program totaling 3,075 meters, confirming the presence of uranium mineralization for a strike distance of 1800 meters. See news releases July 22, 2008, October 9 & 23, 2008, and November 6, 2008 on the Company website and SEDAR – **July – October 2008**

**No significant exploration programs were conducted on the properties during 2009, 2010 and 2011.** Assessment work completed has been filed with and accepted by the Saskatchewan Ministry of Energy and Resources. The claims have work credits available to keep the properties in good standing for the next 20+ years. During the year ended January 31, 2012, the Company assessed that impairment has occurred due to inactivity on the property. An impairment charge of \$534,832 has been recorded to record it at its recoverable amount, being the estimated fair value from the sale of the property interest. We estimated the fair value in relation to current estimates of consideration and historical property transfers in the area.

**The technical portion of the above information has been reviewed and approved by Raymond A. Bernatchez, P. Eng., Consulting Geologist.**

**During the year ended January 31, 2013, the Company assessed the likelihood of funding exploration activities and the ability to attract a suitable joint venture partner to participate on its property as very low due to global concerns of uranium use and overall market conditions. Accordingly, the Company has charged an additional impairment of \$199,999 to the property reducing it to a nominal \$1.**

### (b) Orbit Lake, Uranium City area, Northern Mining District, Northern Saskatchewan

During **October 2006** the Company together with Montoro (50/50 J. V.) arranged the staking of three additional claim blocks totaling 11,109 hectares adjacent to and surrounding the Crackingstone claim block. See the Companies’ news release dated **October 24, 2006** and **March 26, 2007** as filed on SEDAR for more specific details on the merits of this staking area.

**From 2006 to 2008**, the Companies have completed the following exploration work:

- Additional grab and chip sampling conducted during the Crackingstone program abovementioned, conducted over 3 separate locations. 5 samples returned from 0.23% - 0.81% U3O8 near historical sampling conducted in 1951 which returned up to 2.88% U3O8. Two samples were taken from a showing which Orbit Uranium Development (1951) reported 21 small select grab samples containing veining pitchblende assaying from 2.42% to 22.12% U3O8. See further details in the February 1, 2008 news release as filed on SEDAR – **October 2007** program;
- The MPX Geophysics Ltd. helicopter airborne magnetic and radiometric survey abovementioned was conducted over the Crackingstone and Orbit claims –**October 2007**;
- Aeroquest Airborne magnetic/electromagnetic survey. Consisted of 1,391 line km's using the Aerotem IV system. Confirmed 19 electromagnetic conductors of which 6 have significant strike length from 1 to 3.5 km. Four of the conductors are coincident with significant radioactive zones detected in the 2007 airborne survey above, and historical showings –**April 2008**.

**No exploration programs were conducted on the properties during 2009 and 2010..** Assessment work completed has been filed with and accepted by the Saskatchewan Ministry of Energy and Resources. The Orbit claims have work credits available to keep the properties in good standing for the next 10+ years.

**On September 22, 2011** the Company and Montoro announced they have returned to the Orbit-Crackingstone properties to conduct a further sampling program. The airborne radiometric surveys previously completed outlined several NE linear radiometric (U) anomalies. Three of the anomalies transect the property from the southwest corner at Orbit Bay to the northeast corner of the claim group at Orbit Lake. Further details of the objective of the sampling program and various locations being sampled can be reviewed in the news release as posted on the Company website and filed on SEDAR.

**On December 5, 2011** the Company and Montoro announced the results of the sampling program, including numerous Rare Earth Elements encountered. Further details of the sample assay highlights can be reviewed in the news release on the Company website or as filed on SEDAR. The complete results of all the samples are posted in Tables 1-6 – titled '*2011 Sampling Program*' on the Crackingstone/Orbit property pages on the website.

**The technical portion of the above information has been reviewed and approved by Raymond A. Bernatchez, P. Eng., and Consulting Geologist.**

**The Companies are pursuing other potential joint ventures to continue exploration on these properties.**

**During the year ended January 31, 2013**, the Company recorded \$31,743 as impairment due to inactivity on this property and a write-down to a nominal value of \$1.

**(c) Kibby Basin – Esmeralda County, Nevada-U.S.A.**

**On March 29, 2016** the Company entered into a Property Purchase Agreement (the "Agreement") with Zimtu Capital Corp. ("Zimtu") to acquire a 100% interest in the Kibby Basin Property (the "Property") located 65 km north of Clayton Valley, Nevada-U.S.A. Terms of the Agreement are:

- Pay to Zimtu the sum of \$25,000 as follows:
  - (i) \$5,000 upon signing of the Agreement (**paid**);
  - (ii) \$20,000 upon regulatory approval of the Agreement (**paid**).
- Issue 1,000,000 common shares of Belmont to Zimtu as follows:
  - (i) 500,000 common shares upon regulatory approval (**issued**) and
  - (ii) 500,000 common shares at six months from regulatory approval (**issued**).

The Agreement is subject to a 1.5% NSR of which the Company has the right to purchase half (50%) from Zimtu, at any time for \$1,000,000

**On April 11, 2016** the Company received conditional acceptance of the Kibby Basin Property Purchase Agreement as detailed above. Final acceptance will be conditional upon the Company satisfying the filing requirements as outlined in Policy 5.3, Section 5, of the TSX Venture Exchange Corporate Finance Manual.

On **May 26, 2016** the Company the TSX Venture Exchange (the “Exchange”) has accepted for filing the Property Purchase Agreement (the “Agreement”) to acquire a 100% interest in the Kibby Basin Property (the ‘Property’) located 65 km north of Clayton Valley, Nevada-U.S.A.

In addition the Exchange has accepted for filing the NI 43-101 Technical Report dated May 26, 2016. Further information on the Technical Report can be reviewed as filed on SEDAR and on the Company’s website Project page at [www.BelmontResources.com](http://www.BelmontResources.com)

On **June 10, 2016** the Company announced receipt of a Geophysical Review and Work Proposal Report from James L. Wright, M.Sc. of Wright Geophysics on the Kibby Basin Property. Further details of the report can be reviewed in the news release as filed on SEDAR and on the Company website.

On **June 16, 2016** the Company engages Magee Geophysical Services LLC (“Magee”) of Reno, Nevada to conduct the detailed gravity survey on the Kibby Basin property.

On **June 23, 2016** the Company announced that Magee has completed the detailed gravity survey on the Kibby Basin property. The data has been forwarded to Wright Geophysics for interpretation.

On **July 5, 2016** the Company announced that Wright Geophysics Inc. has completed the three-dimensional interpretation of the gravity survey. The results of the survey are integrated with an earlier airborne magnetic survey completed by the USGS and reported upon by Wright (2016).

The detailed gravity survey confirms the large scale structural hypothesis of a pull-apart basin and also added considerable structural detail. A basin model is generated which reveals the basin to be on the order of 4000m deep with an east-west asymmetry, the east side being steeper than the west. This asymmetry is similar to the Clayton Valley basin as described by Zampirro (2003).

For further details review the news release on the Company website and as filed on [www.SEDAR.com](http://www.SEDAR.com).

On **July 5, 2016** Rockstone Research delivers Research Report #4 –titled ‘The Perfect Lithium Basin?’ – Belmont to prove the case with deep drilling. For further details on this report you can review this report on our website at [www.BelmontResources.com](http://www.BelmontResources.com) – Kibby Basin property page as well as Rockstone Research reports #1-3. Also for more information and sign-up for free newsletters, please visit: [www.rockstone-research.com](http://www.rockstone-research.com)

**July 11, 2016.** Further to recommendations of James Wright –Wright Geophysics and Mr. Hunsaker III, Consulting Geologist; the Company has arranging the staking of 213 x 20 acre additional placer mineral claims totaling approx. 4,260 acres (1,724 ha), increase the total Kibby Basin land position (the “Property”) to 6,820 acres (2,760 ha).

**On September 21, 2016** the Company announces plans for Kibby Claims –Nevada drilling program; and contracts Robert (“Bob”) G. Cuffney, Exploration Geologist of Reno-Nevada to oversee the continued exploration and development of the Kibby Basin Property. For further details of his experience, please review the news release as posted on the Company’s website and on SEDAR.

**October 5, 2016** – Bob Cuffney recently visited the Kibby Basin property to review road access and locate drill sites for the proposed drilling program. While on site Mr. Cuffney flagged the various drill sites and collected ten (10) samples of the playa sediments for lithium assaying.

A Notice of Intent to drill up to 10 exploration holes has been submitted to the Bureau of Land Management (“BLM”) office in Tonopah, Nevada for review and approval.

**October 27, 2016** – The Company reports that the lithium assay results as reported collecting October 5, 2016 above; were about what was to be expected for preliminary sampling of source rocks. The abundance of lithium in the continental crust is about 35 ppm Li, according to recent studies.

Some of the samples were as much as 2 times the crustal average with a high of 73.8 ppm Li. For further details, please review the news release as filed on [www.Sedar.com](http://www.Sedar.com) and on the Company’s website.

**November 9, 2016** - Belmont Resources Inc. wholly owned subsidiary, Belmont Nevada Inc. (“BNI”) is pleased to report that the BLM, Tonopah field office has completed its review of the Kibby Basin – Notice of Intent (“NOI”) to drill up to nine (9) holes (200-500 feet in depth).

**November 21, 2016** – BNI is pleased to report that the BLM has issued its drilling permit for the Kibby Basin, Nevada project. The drill holes will require only minimal pad and access road construction, with a limited disturbance area of approximately 3.46 acres. A reclamation bond of \$10,245 USD has been posted.

**On May 29, 2017** the Company reported that Harris Drilling completed the 1<sup>st</sup> Phase HQ (3.875”) core drilling program commencing Hole #1 on April 23, 2017. Hole KB-1c was drilled to a depth of 548 feet on the eastern basin-bounding fault, and Hole KB-2c was drilled to a depth of 1,498 feet in the playa, about 5000 feet southwest of Hole KB-1c.

**June 27, 2017** – Further to the news release of May 29, 2017, Belmont confirms the presence of up to 200 ppm Lithium in Drill Core Samples on Kibby Basin Sediments. The Company announced the completion of the 1<sup>st</sup> Phase HQ (3.875”) core drilling program commencing Hole #1 on April 23, 2017. Hole KB-1c was drilled to a depth of 548 feet on the eastern basin-bounding fault, and Hole KB-2c was drilled to a depth of 1498 feet in the playa, about 5000 feet southwest of Hole KB-1c.

Hole KB-2c was advanced in the playa (dry lake bed) area and encountered fine-grained clay-rich sediments: silts and muds punctuated by thin gravel intervals and some thicker fine-grained sand zones typical of playa lake sediments. Layers containing ground water were encountered at numerous depths. Core was logged, photographed, and sampled in the field and at Belmont’s field office facility in Mina, NV. Samples of clay-rich core intervals were transported to ALS Labs in Sparks, NV for analysis. The Company was pleased with the core sample assays, ranging from 70 ppm to 200 ppm Li with 13 of 25 core samples assaying over 100 ppm Li; indicating that the sediments could be a potential source of lithium for the underlying aquifers.

Hole KB-1c targeted the approximate location of the basin-bounding fault as defined by a gravity survey, and was drilled east of the playa. The hole encountered unconsolidated alluvial sand and gravel deposits with minor occurrences of silt, clay, and water courses. Three samples of thin clay-rich zones in the gravels were analyzed for lithium, but were not anomalous (20-40 ppm) Li.

Belmont’s next stage of evaluation will consist of carrying out geophysical surveys (Electromagnetic Resistivity survey-‘EM’ and possibly seismic surveys) of the property, which should generate higher aquifer probability targets for further drilling this year.

Further details of the drilling can be reviewed in the news release on the Company’s website [www.BelmontResources.com](http://www.BelmontResources.com) and as filed on SEDAR.

**See Subsequent Event Notes Section 1.14 (C) (i) & (ii) following, for further updates.**

### 1.3 SELECTED ANNUAL INFORMATION:

The following table sets forth selected audited financial information of Belmont Resources Inc. for the last three completed financial years.

	<i>FISCAL YEARS ENDED</i>		
	<b>January 31, 2017</b>	<b>January 31, 2016</b>	<b>January 31, 2015</b>
Net Sales or Total Revenues	<b>(\$Nil)</b>	(\$Nil)	(\$Nil)
Net Income (Loss)	<b>*(\$612,716)</b>	**(\$501,323)	***(\$988,729)
Loss Per Share	<b>(\$0.02)</b>	(\$0.03)	(\$0.07)
Total Assets	<b>(\$297,134)</b>	\$80,991	\$302,945
Total long-term financial liabilities	<b>\$89,514</b>	\$Nil	\$Nil
Cash dividends declared per share	<b>\$Nil</b>	\$Nil	\$Nil

\* During the year-ended January 31, 2017 the Company recorded Unrealized Gains on financial assets of \$2,554. Operating expenses during the year increased by \$222,787 over the previous twelve months ended

January 31, 2016.

**\*\*During the year-ended January 31, 2016** the Company recorded impairments of \$224,985. In addition the Company recorded a gain on disposal of marketable securities of \$3,740.

**\*\*\*During the year ended January 31, 2015** the Company recorded impairments of \$732,924. In addition the Company recorded a loss on disposal of marketable securities of \$7,205; and an impairment of Marketable Securities of \$20,817.

#### **1.4 DISCUSSION OF OPERATIONS UP TO AND INCLUDING THE NINE MONTHS ENDED OCTOBER 31, 2017:**

The Company reports its financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Company’s MD&A is presented in Canadian dollars and is intended to provide a reasonable basis for the investor to evaluate the Company’s development and financial situation. A significant part of the Company’s value is in Resource Property Interests relating to the Kibby Basin property in Nevada, USA.

**For the nine months ended October 31, 2017, the Company reported in its Statement of Comprehensive Loss a Total Comprehensive loss including other items of (\$458,733)** compared to a Total Comprehensive loss of (\$382,884 for the nine months ended October 31, 2016. Total operating expenses before Other Items increased by **\$88,347 (23.146%) for the nine months ended October 31, 2017** compared to the nine months ended October 31, 2016. **The majority of this increase is due to more activity throughout the Company in consulting fees; and shareholder relations combined with travel and promotion.**

The Company has no producing properties, and consequently no sales or revenues.

**Increases** were in: Loan interest and accretion was \$16,733 (\$1,579 in 2016), as a result of the Company entering into three promissory note loans totaling \$105,000 in September 2016 and \$35,000 in August 2017 in order to secure additionally staked claims in the Kibby Basin, Nevada. Consulting Fees were \$81,612 (\$50,000 in 2016) for review and recommendations of property acquisitions. Regulatory fees increased proportionally as a result of additional filings to \$16,025 in 2017 (\$11,427 in 2016). Salaries and administrative services increased to \$98,630 (\$98,205 in 2016) as a result of increased payroll costs (ie. C.P.P./EI/ and Ext. Health benefits). Shareholder Relations combined with Travel and promotion was \$183,081 (\$89,761 in 2016), the largest increase. On June 22, 2017 the Company renewed its Consulting Agreement with Zimtu Capital Corp. to assist coordinating participation in tradeshow and road trips on a cost-sharing basis at a cost of \$8,333 per month. The Company also entered into an Investor Relations Agreement on March 29, 2016 at a fee of \$2,500 per month for the first six months, and increasing to \$3,500 per month thereafter. The Company on June 27, 2017 also renewed its agreement with IRW Press & IR-WORLD.com of Germany for the translation and distribution of Belmont’s press releases exclusively within the context of its news distribution services “IRW-Press”. In addition the Company presented at the Vancouver Resources Investment Conference (January 22-23, 2017); the PDAC in Toronto, Ontario (March 5-8, 2017); the Mines & Money-New York, U.S.A. (May 3-4, 2017); and the International Metal Writers Conference in Vancouver, B.C. (May 28 & 29, 2017), incurring additional costs of travel, accommodation and printing information for distribution. Transfer agent fees also increased to \$11,076 (\$7,754 in 2016) as a result of more share issuance activity relating to private placements.

**Decreases** were in: Amortization decreased to \$502 in 2017 (\$581 in 2016) due to assets depreciating value. Legal, Audit, and Accounting decreased to \$25,468 (\$29,790 in 2016) due to the timing of additional preparation of private placement subscriptions, property purchase agreements, and other legal filing requirements. Office and miscellaneous combined with Rent, Telephone and facsimile decreased to \$20,105 in 2017 (\$23,171 in 2016) as a result of a one month base rental abatement of \$3,390 received annually on our renewed office lease. Stock based payment expense (a non-cash item) was \$6,087 in 2017 (\$44,995 in 2016).

## 1.5 SUMMARY OF QUARTERLY RESULTS:

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	<i>QUARTERS ENDED</i>			
	<b>October 31, 2017</b>	<b>July 31, 2017</b>	<b>April 30, 2017</b>	<b>January 31, 2017</b>
Total Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net (Loss) Gain	*(52,346)	** (213,185)	**(\$189,500)	***(\$231,367)
(Loss) per Share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)

	<b>October 31, 2016</b>	<b>July 31, 2016</b>	<b>April 30, 2016</b>	<b>January 31, 2016</b>
	Total Revenues	\$Nil	\$Nil	\$Nil
Net (Loss) Gain	***(\$126,436)	*(\$176,663)	***(\$78,250)	***(\$306,774)
(Loss) per Share	(\$0.01)	(\$0.02)	(\$0.00)	(\$0.03)

\*The major differences in the third quarter ended October 31, 2017 compared with October 31, 2016 was in travel, promotion and shareholder relations expense of \$12,534 (\$34,207 - 2016) and recovery of bad debt of \$15,278 (\$nil - 2016).

\*\* The major differences in the second quarter ended July 31, 2017 compared with July 31, 2016 were numerous operating expenses as detailed in section 1.4 above.

\*\*The major differences in the first quarter ended April 30, 2017 compared with April 30, 2016 were numerous operating expenses as detailed in section 1.4 above.

\*\*The major difference in the fourth quarter ended January 31, 2017 compared with January 31, 2016 was the Impairment of Exploration and Evaluation Assets write down of (\$224,985) at January 31, 2016. This was offset by an increase of Operating Expenses throughout the year ending January 31, 2017; and a bad debt expense of \$120,703.

## 1.6 LIQUIDITY:

At October 31, 2017 the Company had working capital deficiency of \$239,731 compared to January 31, 2017 working capital deficiency of \$146,270. The Company expended \$411,246 on operating activities during the period ending October 31, 2017. The Company raised gross proceeds of \$690,750 through the issuance of securities during the period ended October 31, 2017 and paid \$68,092 in promissory notes and interest expense. The Company also arranged a promissory note for \$35,000. The Company has insufficient working capital to continue administrative operations and to provide care and maintenance on its mineral properties, and will continue to raise further financing in order to continue developing its mineral properties.

See Subsequent Event Notes Section 1.14 (C) (i) following for further details.

## 1.7 CAPITAL RESOURCES:

The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company obtains financing by the issuance of share capital or from the disposition of its mineral prospects. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing in the near future may result in the delay of exploration on new acquisitions.

**During the first quarter ended April 30, 2017** the following share issuances occurred to raise share capital:

- (i) On **February 22, 2017**, the Company issued 4,210,000 units at \$0.05 for total proceeds of \$157,000. Each unit comprises one common share and one whole transferable warrant. Each whole warrant will permit the holder to acquire one additional share at a price of \$0.08 in the first year and at \$0.10 in the second year. The company paid finder's fees of \$250 in cash and issued 43,000 broker warrants.
- (ii) On **March 1, 2017** the Company issued 3,140,000 units at \$0.05 for total proceeds of \$157,000. Each unit comprises one common share and one whole transferable warrant. Each whole warrant will permit the holder to acquire one additional share at a price of \$0.08 in the first year and at \$0.10 in the second year. Finder's fees of 170,000 broker warrants and \$8,500 cash were paid.

- (iii) On **March 15, 2017** the Company issued 2,000,000 units at \$0.05 for total proceeds of \$100,000. Each unit comprises one common share and one whole transferable warrant. Each whole warrant will permit the holder to acquire one additional share at a price of \$0.08 in the first year and at \$0.10 in the second year.

**During the second quarter ended July 31, 2017** the following share issuances occurred to raise share capital and other financing transactions:

- (i) **On May 16, 2017** – 150,000 stock options were exercised for common shares (125,000 at \$0.05 per share; and 25,000 at \$0.08 per share)
- (ii) **On May 8, 2017** the Company entered into a Share for Debt Agreement with American CuMo Mining Corporation (“CuMo”) for \$25,900 to acquire a field office and core storage facility in Mina, Nevada. The Company issued of 370,000 common shares at a deemed price of \$0.07.
- (iii) **On May 19, 2017** the TSX Venture Exchange accepted for filing the Company’s proposal to issue 370,000 shares at \$0.07 per share to settle outstanding debt for \$25,900 as disclosed on May 8, 2017 above and 370,000 common shares were issued. The shares have a hold period from trading until September 20, 2017.
- (iv) **June 27, 2017** - The Company issued 4,000,000 units (the “Units”) at a price of \$0.05 per Unit for gross proceeds of \$200,000. Each Unit will consist of one common share of the Company and one transferable share purchase warrant (a “Warrant”). Each whole warrant will permit the holder to acquire one additional share of the Company at a price of \$0.08 in the first year (up to June 27, 2018) and at \$0.10 in the second year after closing on or before June 27, 2019. Nine placees participated including one insider for 100,000 units. A finder’s fee of \$2,500 cash was paid.

**During the third quarter ended October 31, 2017** the following share issuances occurred to raise share capital and other financing transactions:

- (i) **On August 15, 2017** the Company arranged a promissory note for \$35,000 and issued 140,000 bonus shares valued at \$7,000.

See Subsequent Event Notes Section 1.14 (C) (i) following for further details of financial matters.

## **1.8 OFF-BALANCE SHEET ARRANGEMENTS:**

The Company has no other long-term debt, does not have any used lines of credit or other arrangements in place to borrow funds, and has no undisclosed off-Balance Sheet Arrangements.

## **1.9 TRANSACTIONS BETWEEN RELATED PARTIES:**

The Company entered into the following transactions with and had balances due to and from related parties as at the period ended October 31, 2017 (with comparative to October 31, 2016) as follows:

**Transactions between related parties during the periods are summarized below:**

- Salaries and benefits \$91,529 in 2017 (\$110,735 in 2016)
- Management fees \$45,000 in 2017 (\$45,000 in 2016)
- Rent recovery<sup>1</sup> 42,300 in 2017 (\$42,300 in 2016)
- Office supplies and administrative services recovery<sup>1</sup> \$10,260 in 2017 (\$10,260 in 2016)

<sup>1</sup> In the normal course of operations, the Company shares administrative, staff, occupancy and management costs with a group of related companies (International Montoro Resources Inc. and Highbank Resources Ltd.).

Effective September 1, 2012 the Company signed an Amended Office Services Agreement with the Chief Financial Officer increasing his salary from \$4,000 per month to \$5,000 per month for a further two year term. This was automatically renewed for an additional two year term.

(i) **Amounts due from related parties at the period ended October 31, 2017:**

- Companies with directors and officers in common \$38,492 in 2017 (\$97,659 in 2016). During the year ended

January 31, 2017, the Company recorded a bad debt expense of \$120,703 in connection of impairments of the balances due from the companies with common directors and officers.

**(ii) Amounts due to related parties at the period ended October 31, 2017 were:**

- A total of \$164,800 is due to officers and directors of the Company for management fees, salaries and expenses incurred; compared to \$129,055 as at January 31, 2017.
- A total of \$4,410 compared to a total of \$1,679 as at January 31, 2017 had been advanced to the Company in consideration of prepaid office services and rent by a Company with directors and officers in common.

Related party transactions have been recorded at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to and from related parties are non-interest bearing, unsecured, and have no specified terms of repayment.

**1.10 PROPOSED TRANSACTIONS/COMMITMENTS:**

- (i) On September 17, 2015** the Company negotiated an office lease renewal for a five year period expiring November 30, 2020 (the “Fifth Renewal Term”), at a basic rent increase from \$3,029 to \$3,228.75 per month until November 30, 2017; \$3,382.50 from December 1, 2017 to November 30, 2019; and \$3,536.25 from December 1, 2019 to November 30, 2020.

All other terms of the Fifth Renewal Term remain the same as per the original lease and the new rates become **effective December 1, 2015**. However, the Company shall not be responsible for the payment of Basis Rent for the 1<sup>st</sup>, 13<sup>th</sup>, 25<sup>th</sup>, 37<sup>th</sup>, 38<sup>th</sup>, 49<sup>th</sup> and 50<sup>th</sup> months of the extension terms, being December 2015, December 2016, December 2017, December 2018, January 2019, December 2019 and January 2020 (the “Basic Rent Free Period”).

The Company is committed to paying its proportionate share of all property taxes, operating costs and other charges as outlined in the lease agreement. These costs are estimated to total \$2,736 per month.

- (ii) On March 5, 2014** the Company and EuroGas, Inc. entered into a Funding Agreement with La Francaise IC FUND, SICAV-FIS (the “fund”) regarding EuroGas, Inc. and the Company claims against the Slovak Republic. The Parties specifically agree that the Fund shall finance a joint Arbitration proceeding before International Arbitration (“ICSID”). The Funding Agreement defines the terms and conditions under which EuroGas and the Company, with the assistance of the Fund, will pursue the Claim in the framework of ICSID and/or settlement negotiations with the Slovak Republic.

The Company and EuroGas, Inc. have also agreed that subject to TSX Venture Exchange (“TSXV”) approval, Belmont shall grant to EuroGas 1,400,000 share purchase warrants (the “Warrants”) and each, a “Warrant”) exercisable at the price of \$0.12 per share, whereby upon the occurrence of both: (1) an award or settlement in favour of EuroGas in relation to the ICSID Arbitration; and (2) Belmont’s entitlement to a portion of the award or settlement (net of legal fees and financial charges which EuroGas will incur and in addition to the amounts owing to the Company in relation to the share purchase agreement between the parties for the purchase of Rozmin, or \$810,000 USD. Also, as consideration for the Company assisting EuroGas in the ICSID Arbitration against the Slovak Republic and for the granting of the Warrants, EuroGas will pay to Belmont an undivided 3.5% interest in any award or settlement received from the ICSID Arbitration by EuroGas (net only of the legal fees and financial charges which EuroGas will incur) with respect to the ICSID Arbitration.

**On March 7, 2014** the TSX Venture Exchange (the “TSXV”) accepted for filing an amended and restated agreement dated November 18, 2013, and amended February 21, 2014, between EuroGas Inc., Rozmin s.r.o. and Belmont Resources Inc. whereby Belmont will grant to EuroGas 1.4 million non-transferable share purchase warrants that are exercisable into common shares for a period of five years at the price of \$0.12 per share.

**April 10, 2017-** The Company and EuroGas retained a law firm in France, under a legal retainer and funding arrangement (the “Funding Agreement”); to pursue legal action by filing a claim for damages against the Slovak Republic through the International Centre for Settlement of Investment Disputes (ICSID). As reported on a United Nations website (see: <http://investmentpolicyhub.unctad.org/ISDS/Details/594>) the summary of

Case No. ARB/14/14 is as follows: Claims arising out of the revocation of claimants’ exclusive rights for mining activities at the Gemerska Poloma talc deposit allegedly without compensation, despite three decision of Slovakia’s Supreme Court declaring such action illegal. Pursuant to such Funding Agreement, the Company terminated its agreement with EuroGas to receive 3.5% of any final award, subject to legal fees and financing charges.

The Company shall be entitled to receive its share of any final award, corresponding to the losses incurred in proportion to the Company’s 57% holdings in Rozmin S.R.O.; subject to legal fees incurred, financing and associated payments, and other necessary adjustments and deductions.

**August 22, 2017** - The Company has been informed of the decision by the Tribunal of the International Centre for Settlement of Investment Disputes (ICSID) in reviewing the dispute involving the Company, EuroGas Inc. (“EuroGas”), and the Slovak Republic in connection with Rozmin S.R.O. and its ownership of the Gemerska Poloma talc deposit. The Tribunal, comprised of 3 members, in a majority decision with one (1) member dissenting, has declined to accept jurisdiction for the review and determination of the dispute on technical grounds related to the inter-jurisdictional treaty between Canada and Slovakia. **The Company** is very disappointed given the length of time, effort and expense incurred by all parties that were seeking a proper determination of the dispute itself and **is in discussion with its legal counsel in regards to a judicial review of the Tribunal’s decision to decline jurisdiction.**

**See Subsequent Event Notes Section 1.14 (C) (ii) following for further updates.**

### 1.11 CRITICAL ACCOUNTING ESTIMATES:

Our financial statements have been prepared in conformity with International Financial Reporting Standards (“IFRS”) and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, the fair value of investments and share-based compensation, and the recoverability of future income tax assets. Financial results as determined by actual events could differ materially from those estimates.

#### Risk management:

The Company’s mineral property holdings and exploration activities create potential exposure to environmental liabilities, including site reclamation. The Company is currently in the initial exploration stages on its United States property interests and management has not determined whether significant site reclamation costs will be required. The Company records liability for site reclamation when determinable on a systematic accrual basis in the period in which such costs can be reasonably determined.

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they come due. Due to current economic conditions in capital markets the Company has a high risk associated with liquidity. The Company does not hold complex financial instruments or significant long-term assets.

### 1.12 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after February 1, 2017 or later periods.

The following new standard has not been early adopted in these financial statements and is not expected to have a material effect on the Company’s future results and financial position: IFRS 9 Financial Instruments (new; to replace IAS 39 and IFRIC 9).

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

### 1.13 FINANCIAL AND OTHER INSTRUMENTS:

The Company's financial instruments consist of cash, marketable securities, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

### 1.14 OTHER MD&A REQUIREMENTS:

Additional information relating to the Company's operations and activities can be found by visiting the Company's website [www.BelmontResources.com](http://www.BelmontResources.com) as well as numerous news releases and NI 43-101 reports filed on SEDAR at [www.sedar.com](http://www.sedar.com)

On **August 8, 2006** the Company announced that its shares have been accepted for trading on the Frankfurt Stock Exchange under the trading symbol L3L1. This listing represents an opportunity to increase our liquidity and broaden our shareholder base throughout Europe. For more information on the Frankfurt Stock Exchange visit [www.exchange.de](http://www.exchange.de)

**May 21, 2015.** The Company announced the appointment of Mr. Dusan Berka, P.Eng. as an Independent Director to the Board, and appointed to the audit committee. For further details of his experience and qualifications please review the Company news release on our website or as filed on SEDAR.

**June 22, 2016** the Company announced the appointment of James H. Place, P.Geo. to its advisory board. For further details of his experience please review the news release as filed on SEDAR and on the Company website.

**November 17, 2016** – Belmont is pleased to introduce the Company's newly appointed advisory board member and welcomes Mr. Abdolaziz ("Aziz") Khalili, MSc. EE, engineering consultant to the advisory board. For further information on Mr. Khalili's experience please review the news release as filed on SEDAR and on the Corporate Information page of our website at [www.BelmontResources.com](http://www.BelmontResources.com)

#### **April 28, 2017 - DTC Eligible:**

Belmont Resources Inc. has been made eligible for book-entry delivery and depository services of the Depository Trust Company (DTC) to facilitate electronic settlement and transfer of its common shares on the U.S. stock exchange OTC.

The Depository Trust Company is one of the world's largest securities depositories. While there is no requirement that any security be held at DTC to trade, many brokerage firms and issuers want to take advantage of the efficiencies and cost benefits that DTC offers. In contrast many stock exchanges require DTC eligibility prior to listing of a security.

The DTC accepts deposits of securities from its participants only, which are usually clearing firms. DTC helps boost efficiencies, reduce risk and lower costs for participants, issuers and investors throughout the cycle of a security. The benefits begin with the eligibility/underwriting process, which enables the initial distribution of a security offering to be made electronically to financial institutions that are DTC participants and ultimately to investors. Once a security becomes eligible, DTC, through its nominee Cede & Co., is the registered holder of the securities, routinely managing the electronic, book-entry transfers of interests in securities among participants. These participants are often holding and transferring interests in the securities at the direction of their customers, including ultimate beneficial owners.

This electronic method of clearing securities accelerates the receipt of stock and cash, and thus streamlines the settlement process for investors and brokers, enabling the stock to be traded over a much wider selection of brokerage firms by coming into compliance with their requirements.

**July 21, 2017** - The Annual General Meeting ("AGM") of Belmont Resources Inc. was held and at the meeting the shareholders re-elected Vojtech Agyagos, Gary Musil, Roger Agyagos, and Dusan Berka for the upcoming year. Jake Bottay did not stand for re-election. The scrutineer reported that there were a total of 24 shareholders holding 5,017,462 common shares represented in person or by proxy at the meeting. This represents 11.02% of the total 45,520,953 shares issued and outstanding at record date.

On a show of hands, the Chairman declared that the shareholders ratified the election of directors for all nominees

listed until the next annual meeting of shareholders or until their successors are duly elected or appointed. Directors Vojtech Agyagos and Gary Musil received 5,014,959 (99.95%) votes for re-election; Roger Agyagos 4,984,959 (99.35%), and Dusan Berka 4,987,459 (99.40%). Other resolutions submitted by management to shareholders for consideration were approved as presented, including the approval of the Company's Stock Option Plan as summarized in the Information Circular.

At the Directors Meeting following the AGM; the directors re-appointed Vojtech Agyagos as President/Chief Executive Officer, and Gary Musil as Corporate Secretary/Chief Financial Officer. The Audit Committee appointees are: Gary Musil, Roger Agyagos & Dusan Berka. The Board of Directors would like to thank Jake Bottay for his 17 years of support and service as a Director.

### **Stock Option Plan – Rolling:**

**On November 22, 2017** the TSX Venture Exchange accepted for filing the Company's annual renewal of its Rolling 10% Stock Option Plan (the "Plan") for 2017, which was approved by the Company's shareholders at its AGM that was held on July 21, 2017.

### **Shareholder and Investor Relations:**

**On March 29, 2016** the Company entered into an Investor Relations Agreement ("IR Agreement") with 360 Aviation Services Inc. ("360") of Vancouver, B.C. to conduct investor relations on behalf of the Company for a six month contact. Compensation to 360 will be Cdn. \$2,500 + GST per month for the first six months and increased to \$3,500 per month upon a negotiated renewal. 360 will also be granted an option to purchase 150,000 common shares, exercisable at the price of \$0.05 for three years. The stock option granted will be in accordance with the Company's Stock Option Plan, will have the required four (4) month hold period, and will have vesting provisions attached. The transaction is subject to the approval of the TSX Venture Exchange (the "Exchange")

**On April 14, 2016** the Exchange accepted for filing the IR Agreement dated March 29, 2016 between the Company and 360. In addition to the above mentioned remuneration, the Exchange acknowledges that 360 had been granted 150,000 incentive stock options.

**On June 14, 2016** the Company presented at the first annual Vancouver Commodity Forum hosted by Zimtu Capital Corp.; as one of the companies who have joined the Zimtu-Advantage awareness program.

**On July 6, 2016** the Company entered into an agreement with IRW Press & IR-WORLD.com to the translation and distribution of Belmont's press releases exclusively within the context of its news distribution services "IRW-Press".

**October 31 – November 4, 2016** – Mr. Gary Musil, CFO/Director of Belmont joined Zimtu Capital Corp. along with several other Zimtu associated companies on its European roadtrip. Mr. Musil was networking with industry experts and financial analyst in Geneva & Zurich –Switzerland, and Frankfurt –Germany; as well as showcasing the Company for the final two days at the International Precious Metals & Commodities (Edelmetall & Rohstoffmesse) Show in Munich – see <http://www.zimtu.com/s/Roadtrip.asp>

**On January 22-23, 2017** the Company presented at the annual Vancouver Resources Investment Conference.

**On March 5-8, 2017** the Company presented at the annual Prospectors & Developers Conference (PDAC) in Toronto, Ontario.

**On May 3 & 4, 2017** the Company presented its Kibby Basin, Nevada-lithium project at Mines & Money – New York, U.S.A.

**On May 17, 2017** the Company presented its Kibby Basin, Nevada-lithium project at a Luncheon held at Zimtu Capital Corp's. ("Zimtu") head office, to interested shareholders and investors.

**On May 28 & 29, 2017** the Company again presented its Kibby Basin, Nevada-lithium project with Zimtu at the International Metal Writers Conference in Vancouver, B.C., Canada.

**June 22, 2017 –Zimtu Advantage program:**

Belmont has signed a renewal agreement with Zimtu Capital Corp., (TSX.V: ZC) for its ZimtuAdvantage program.

ZimtuAdvantage is a program designed to provide opportunities, guidance, cost savings and assistance to companies covering multiple aspects of being a public company. The services may include building financial networks, building business networks, shared costs with other public companies, building a social media presence, conference opportunities, media outlets and guidance, and special group pricing provided by Zimtu’s network of public company professionals. The program provides the flexibility to allow companies to customize the products and services to best support their needs. The program also provides participating companies access to and meetings with Zimtu’s market participants in Europe and North America.

During the last year, Belmont has attended and presented its Kibby Basin, Nevada-Lithium project with Zimtu at various conferences and venues in North America and Europe as further detailed in the news release and filed on our website and on [www.Sedar.com](http://www.Sedar.com).

**A. Authorized and Issued Share Capital as at December 29, 2017:**

Authorized: Unlimited common shares without par value.

Issued and outstanding: **61,567,620 common shares post-consolidated, (November 8, 2011 –Consolidated 8 old for 1 new).**

**B. Options, Warrants & Convertible Securities Outstanding as at December 29, 2017:**

The following options, warrants, and convertible securities were outstanding:

<u>Options Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
525,000	\$0.05	June 24, 2018
2,000,000	\$0.05	November 17, 2018
150,000	\$0.05	March 29, 2019
750,000	\$0.08	June 22, 2019
500,000	\$0.08	November 17, 2019
<b>3,925,000</b>		

-During the 1<sup>st</sup> quarter-ended April 30, 2017 – no options were exercised.

-During the 2<sup>nd</sup> quarter-ended July 31, 2017 – 150,000 options were exercised

**-During the 3<sup>rd</sup> quarter-ended October 31, 2017 – no options were exercised**

<u>Warrants Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
250,000	\$0.10	February 23, 2018
2,448,000	\$0.10	March 3, 2018
1,135,000	\$0.10	April 19, 2018
4,050,000	\$0.15	April 28, 2018
2,805,000	\$0.15	June 2, 2018
10,668,267	\$0.05	December 8, 2018
4,252,000	\$0.08	February 22, 2018
	\$0.10	February 22, 2019
3,310,000	\$ 0.08	March 1, 2018
	\$0.10	March 1, 2019
2,000,000	\$0.08	March 15, 2018
	\$0.10	March 15, 2019
4,000,000	\$0.08	June 27, 2018
	\$0.10	June 27, 2019
1,400,000	\$0.12	March 7, 2019
<b>36,318,267</b>		

- During the 1<sup>st</sup> quarter-ended April 30, 2017 – 250,000 warrants were exercised at \$0.06 per share.
- During the 2<sup>nd</sup> quarter-ended July 31, 2017 – 1,865,000 warrants expired unexercised at \$0.10 per share.
- During the 3<sup>rd</sup> quarter-ended October 31, 2017 – no warrants were exercised.**

### C. Subsequent Events following October 31, 2017 to December 29, 2017

#### Other Transactions and News Releases:

(i) Share Capital Transactions:

**November 17, 2017 – Option Grants**

Belmont Resources Inc. granted incentive stock options to certain consultants of the company to purchase a total of 2,000,000 common shares of the Company at a price of 5 cents per common share for a period of one year.

**November 21, 2017 - Property Acquisition**

Belmont Resources Inc. announced that that entered into a Purchase Agreement (the “Agreement” to acquire a 100% interest in the Mid Corner/Johnson Croft Property (the “MC Property”) northwest of Saint John, New Brunswick.

In consideration for a 100% interest in the MC Property, the Company will issue 2,000,000 common shares (issued 1,500,000 common shares) and make cash payments totaling \$10,000 (paid \$3,500) over a 12-month period to the vendor. The Agreement is subject to a 2.5% NSR of which the Company has the right to purchase 1%.

**December 8, 2017 - Financing:**

The Company issued 10,406,667 units (the “Units”) at a price of \$0.03 per Unit for gross proceeds of \$312,200. Each Unit consists of one common share of the Company and one transferable share purchase warrant (a “Warrant”). Each whole Warrant will permit the holder to acquire one additional share of the Company at a price of \$0.05 for one year until December 8, 2018. Thirty-three (33) places participated including three (3) pros for 920,000 units; and four (4) insiders for 1,000,000 units. Finder’s fee of \$10,536 cash was paid, as well as 261,600 non-transferable warrants that are exercisable into common shares under the same terms as described above.

The Common Shares and Warrants are subject to a statutory hold period until April 9, 2018.

The Company intends to use the net proceeds from the private placement for continued exploration on its 100% owned Kibby Basin-lithium property, Nevada. Approximately \$100,000 will be expended on a planned electromagnetic resistivity (‘EM’), Vertical Electrical Sounding (VES), and/or Geothermal Probe survey with a view to pin point the higher aquifer probability targets for the next phase of drilling. \$35,000 will be allocated to repayment of a loan including interest and \$65,000 to paying trade payables and accrued liabilities. The balance of \$112,200 working capital will be required as follows: Professional fees (legal and accounting) - \$15,000; Regulatory fees - \$5,000; Office Rent & Communication expenses - \$15,000; Transfer Agent Fees - \$5,000; Investor & Shareholder Relations including travel & advertising -\$25,000; Management & Administrative fees - \$30,000; Finder’s fees & Miscellaneous - \$17,200.

(ii) News Releases and other Transactions:

**December 14, 2017** – Belmont reviews satellite data on the Kibby Basin and identifies significant anomalies. For further details review the full news release as filed on [www.SEDAR.com](http://www.SEDAR.com) and the Company’s website.

## **D. Evaluation of Disclosure Controls and Procedures**

An internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company operates with a small executive board and internal staff. Accordingly, lack of segregation of duties is an identified internal control weakness. There have been no significant changes in the Company's system of internal financial controls over the past year.

The Company's interim and annual filings and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

## **E. Corporate Governance Disclosure**

The Company has submitted to its members and shareholders details in the Information Circular dated **June 16, 2017** Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Company's Information Circular can be reviewed on [www.Sedar.com](http://www.Sedar.com)

## **F. Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

The Company has no producing properties, no significant sources of operating cash flows and consequently no sales or revenues from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Property interests in whom the Company owns are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

### 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 cash held in bank accounts. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

### Foreign Exchange Risk:

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. There is minimal foreign exchange risk to the Company as its mineral property interests are located in Canada.

Interest Rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates.

Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this risk by careful management of its working capital. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. The Company has a working capital deficiency of \$239,731 as at October 31, 2017, and as discussed in Note 1: Going Concern, will require additional funding for ongoing operations and exploration.

Price Risk:

The Company is exposed to price risk in relation to its listed marketable securities held. A 10% change in the market would result in a change of approximately \$620 to comprehensive loss. Management regularly reviews the expected returns from holding such investment on an individual basis.

# **BELMONT RESOURCES INC.**

## **CORPORATE DATA**

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Website: www.BelmontResources.com

### **Directors and Officers**

Vojtech Agyagos, CEO/ President/Director  
Gary Musil, Secretary/CFO/Director  
Roger Agyagos, Director  
Dusan Berka, Director

### **Registrar and Transfer Agent**

AST Trust Company (Canada) (formerly CST  
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### **Solicitors**

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### **Auditors**

Dale, Matheson, Carr-Hilton, LaBonte, LLP,  
Chartered Professional Accountants  
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### **Listing**

TSX Venture Exchange  
Symbol: **BEA**  
Frankfurt Stock Exchange  
Symbol: **L3L1**