

BELMONT RESOURCES INC.

**Consolidated Financial Statements
Nine months ended October 31, 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)**

NOTICE TO READER

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

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these 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 auditor.

BELMONT RESOURCES INC.

Consolidated statements of financial position

(Expressed in Canadian dollars)

	Notes	October 31, 2019	January 31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	\$	7,712	\$ 51,176
Marketable securities		2,733	3,404
Receivables		5,193	3,000
Prepaid expense		2,167	51,515
		17,805	109,095
Non-current assets			
Due from related party	8	184,739	133,530
Property and equipment	4	21,058	23,388
Exploration and evaluation assets	5	1,192,352	926,553
Reclamation bond	5	65,454	65,454
Prepaid expense		4,150	4,150
		1,467,753	1,153,075
TOTAL ASSETS		\$ 1,485,558	\$ 1,262,170
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	\$ 153,837	\$ 85,412
Due to related parties	8	154,016	126,956
		307,853	212,368
Promissory notes	10	45,395	-
TOTAL LIABILITIES		353,248	212,368
SHAREHOLDERS' EQUITY			
Share capital	7	22,589,302	22,173,862
Share subscription payable	9	15,000	-
Reserves	7	1,399,260	1,301,692
Deficit		(22,871,252)	(22,425,752)
TOTAL EQUITY		1,132,310	1,049,802
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,485,558	\$ 1,262,170

Going concern (Note 1)

Subsequent events (Note 13)

Commitments (Note 5)

Approved on Behalf of the Board:

*"George Sookochoff"*_____
Director*"Gary Musil"*_____
Director

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Consolidated statements of comprehensive loss
(Expressed in Canadian dollars)

	Notes	Three months ended		Nine months ended	
		October 31, 2019	October 31, 2018	October 31, 2019	October 31, 2018
Expenses					
Amortization	4	\$ 777	\$ 811	\$ 2,330	\$ 2,431
Consulting fees		10,000	38,810	73,948	98,810
Foreign exchange		-	-	(1,220)	-
Legal and audit		12,724	19,869	34,544	57,832
Loan interest	10	4,561	2,714	4,561	6,741
Office and miscellaneous		1,637	3,210	6,108	6,700
Property costs		-	535	250	535
Regulatory fees		6,236	15,767	21,092	27,374
Rent	8	5,181	3,949	12,468	13,489
Salaries and administration services	8	29,610	34,596	87,466	93,191
Shareholder relations		1,301	1,075	8,812	11,078
Stock based payment	7, 8				
Directors		20,750	-	63,063	80,766
Consultants		10,364	33,557	33,269	129,295
Telephone and internet		1,112	1,272	3,439	3,423
Transfer agent fees		3,507	4,040	16,205	11,018
Travel and promotion		20,508	146,517	120,664	278,546
		(128,268)	(306,722)	(486,999)	(821,229)
Other items					
Impairment of exploration and evaluation assets	5	-	(80,000)	-	(80,000)
Bad debt recovered	8	-	-	41,499	6,153
		-	(80,000)	41,499	(73,847)
Net loss for the period		(128,268)	(386,722)	(445,500)	(895,076)
Other comprehensive income					
Unrealized gains (losses) on financial assets		246	(553)	(672)	422
Total comprehensive loss for the period		\$ (128,022)	\$ (387,275)	\$ (446,172)	\$ (894,654)
Loss per share – basic and diluted		\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.10)
Weighted average number of shares		15,895,405	10,793,408	13,426,959	9,305,347

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Consolidated statement of changes in shareholders' equity (deficiency)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share capital		Share subscription Advance	Reserves			Total
	Number of shares	Amount		Stock-based reserve	Revaluation of financial assets	Deficit	
Balance at February 1, 2018	7,695,952	\$ 20,771,386	\$ -	\$ 729,520	\$ (10,404)	\$ (21,018,847)	\$ 471,655
Loss for the period	-	-	-	-	-	(892,076)	(892,076)
Other comprehensive income	-	-	-	-	(422)	-	(422)
Total comprehensive loss for the period	-	-	-	-	(422)	(892,076)	(892,498)
Shares issued for cash							
- Private placement	1,782,500	685,000	-	-	-	-	685,000
- Options	412,500	247,155	-	(72,154)	-	-	175,001
- Warrants	1,149,875	486,529	-	(11,179)	-	-	475,350
Share issue costs	-	(37,800)	-	-	-	-	(37,800)
Stock based payment	-	-	-	210,061	-	-	210,061
	3,344,875	1,380,884	-	126,728	-	-	1,507,612
Balance at October 31, 2018	11,040,827	\$ 22,152,270	\$ -	\$ 856,248	\$ (10,826)	\$ (21,910,923)	\$ 1,086,769
Balance at February 1, 2019	11,084,989	\$ 22,173,862	-	\$ 1,312,137	\$ (10,445)	\$ (22,425,752)	\$ 1,049,802
Loss for the period	-	-	-	-	-	(445,500)	(445,500)
Other comprehensive income (loss)	-	-	-	-	(672)	-	(672)
Total comprehensive loss for the period	-	-	-	-	(672)	(445,500)	(446,172)
Shares issued for cash							
- private placement	4,387,500	319,500	15,000	-	-	-	334,500
- options	100,000	65,715	-	(25,715)	-	-	40,000
Share issue costs	-	(35,191)	-	7,891	-	-	(27,300)
Shares issued for promissory notes	166,666	9,166	-	-	-	-	9,166
Units issued to acquire exploration and evaluation asset	156,250	56,250	-	19,732	-	-	75,982
Share-based payment	-	-	-	96,332	-	-	96,332
	4,810,416	415,440	15,000	98,240	-	-	528,680
Balance at October 31, 2019	15,895,405	\$ 22,589,302	\$ 15,000	\$ 1,410,377	\$ (11,117)	\$ (22,871,252)	\$ 1,132,310

On June 6, 2019 the capital of the Company was consolidated on an 8 old shares for 1 new share. All share amounts have been restated to reflect the consolidation.

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Consolidated statements of cash flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	October 31, 2019	October 31, 2018	October 31, 2019	October 31, 2018
Operating activities:				
Net loss for the period:	\$ (128,268)	\$ (386,722)	\$ (445,500)	\$ (892,076)
Adjustments for non-cash items:				
Amortization	777	811	2,330	2,431
Interest on promissory note	4,561	-	4,561	-
Impairment of exploration and evaluation asset	-	80,000	-	80,000
Share-based payments	31,114	33,557	96,332	210,061
Changes in non-cash items:				
Receivables	(565)	(6,858)	(2,194)	(10,330)
Prepaid expenses	1,250	3,333	49,348	(1,749)
Trade payables and accrued liabilities	60,546	(30,114)	68,425	(80,774)
Due from related parties	(20,023)	(19,943)	(51,209)	(59,025)
Net cash flows from (used in) operating activities	(50,608)	(325,936)	(277,907)	(751,462)
Investing Activities				
Expenditures on exploration and evaluation assets	(71,828)	(236,401)	(189,817)	(327,009)
Advances from (to) related parties	30,750	(75,000)	27,060	(88,687)
Net cash flows from (used in) investing activities	(41,078)	(311,401)	(162,757)	(415,696)
Financing activities				
Shares issued for cash	-	277,750	359,500	1,335,350
Share subscription	15,000	-	15,000	-
Share issuance costs - cash	-	-	(27,300)	(37,800)
Promissory note financing	50,000	-	50,000	-
Promissory notes - repayment	-	(32,811)	-	(70,034)
Net cash flows from (used in) financing activities	65,000	244,939	397,200	1,227,516
(Decrease) Increase in cash	(26,686)	(392,398)	(43,464)	60,358
Cash and equivalents, beginning	34,398	513,741	51,176	60,985
Cash and equivalents, ending	\$ 7,712	\$ 121,343	\$ 7,712	\$ 121,343

Non – cash transactions (Note 11)

See accompanying notes to the consolidated financial statements

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

1. Nature and continuance of operations

Belmont Resources Inc. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of lithium claims in Nevada, USA. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BEA".

The corporate head office and principal place of business of the Company is 625 Howe Street, Suite 600, Vancouver, British Columbia, Canada, V6C 2T6.

Going concern

The consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$22,871,252. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. These adjustments could be material. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant accounting policies and basis of preparation

These financial statements were authorized for issue on December 27, 2019 by the Board of Directors.

Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. These financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

2. Significant accounting policies and basis of preparation (continued)

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 31 January 2019.

Significant estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets, the recoverability of amounts due from related parties, the recoverability and measurement of deferred tax assets, and the provisions for restoration and environmental obligations.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification and allocation of exploration and evaluation expenditures.

Exploration and evaluation assets

Exploration and evaluation assets are composed of exploration and evaluation expenditures which include the costs of acquiring rights or licenses for exploration, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Government tax credits received are recorded as a reduction to the cumulative costs incurred on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

2. Significant accounting policies and basis of preparation (continued)

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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

Stock based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. When the stock options are forfeited or expire, the amount previously recognized in the reserve is transferred to deficit.

In situations where stock options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, they are measured at the fair value of goods or services received.

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") on a retroactive basis in accordance with the transitional provisions. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). The standard promulgates a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. The adoption of IFRS 9 did not result in any change in the carrying values of any of the Company's financial assets on the transition date; therefore, comparative figures have not been restated.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial asset/liability	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Reclamation bond	Amortized cost	Amortized cost
Due from related parties	Amortized cost	Amortized cost
Marketable securities	Available –for-sale	Fair value through other comprehensive income
Accounts payable	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

2. Significant accounting policies and basis of preparation (continued)*Financial assets (continued)*

the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

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

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

Financial liabilities

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

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

2. Significant accounting policies and basis of preparation (continued)Fair value

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks. The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Income taxesCurrent income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Deferred tax

Deferred tax is recognized on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Equipment

Equipment is stated at historical cost less accumulated depreciation and impairment charges.

Amortization is calculated on the declining balance basis at the following annual rates:

Computer equipment	30%
Office equipment	20%
Exploration equipment	30%
Building	10 year straight-line

One-half the normal rate is recorded in the year of acquisition.

The Company's equipment is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the asset's recoverable amount is estimated. Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is an indication that

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

2. Significant accounting policies and basis of preparation (continued)

there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

The cost of replacing part of a piece of equipment is recognized in the carrying amount of the equipment if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of the equipment are recognized in profit or loss as incurred.

Revenue from Contracts with Customers

The Company adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 will replace IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the entity satisfies a performance obligation

The Company has concluded that there are no differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

Foreign currency translation

The consolidated financial statements of the Company are prepared in the currency of the primary economic environment in which the Company operates (its functional currency). The functional and presentation currency of the Company is the Canadian dollar.

In preparing the financial statements, transaction in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, necessary items denominated in foreign currencies are retranslated at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

Basic and diluted loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive. Diluted loss per share is equal to the basic loss per share as net losses were reported during the periods presented.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

3. New accounting standards adopted and issued

The Company has adopted the following new and revised accounting pronouncements.

New standard IFRS 16 “Leases”

This new standard replaces IAS 17 “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Overall, the Company does not expect the implementation of IFRS 17 to have a significant impact to profit or loss. The Company continues to assess the impact of the disclosure requirements under IFRS on the Company’s consolidated financial statements.

4. Property and equipment

	Computer Equipment	Office Equipment	Exploration Equipment	Building	Total
Cost:					
At January 31, 2018	\$ 4,054	\$ 18,681	\$ 27,309	\$ 27,507	\$ 77,551
At January 31, 2019	4,054	18,681	27,309	27,507	77,551
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At October 31, 2019	\$ 4,054	\$ 18,681	\$ 27,309	\$ 27,507	\$ 77,551
Depreciation:					
At January 31, 2018	\$ 3,559	\$ 18,100	\$ 26,512	\$ 2,750	\$ 50,921
Charge for the period	149	102	240	2,751	3,242
At January 31, 2019	3,708	18,202	26,752	5,501	54,163
Charge for the period	78	63	126	2,063	2,351
At October 31, 2019	\$ 3,786	\$ 18,265	\$ 26,878	\$ 7,564	\$ 56,514
Net book value:					
At January 31, 2019	\$ 346	\$ 479	\$ 557	\$ 22,006	\$ 23,388
At October 31, 2019	\$ 268	\$ 416	\$ 431	\$ 19,943	\$ 21,058

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

5. Exploration and evaluation assets

	USA		Canada		Total
	Kibby Basin	Pathfinder	Other		
Property acquisition costs					
Balance, January 31, 2019	\$ 292,494	\$ -	\$ 1	\$	292,495
Additions					
Cash payments	-	26,467	-		26,467
Claim fees and staking costs	40,715	-	-		40,715
Payments with issuance of units	-	75,982	-		75,982
Balance, October 31, 2019	333,209	102,449	1		435,659
Exploration and evaluation costs					
Balance, January 31, 2019	634,058	-	-		634,058
Costs incurred during period:					
Assays and testing	5,747	1,483	-		7,230
Drilling	64,747	-	-		64,747
Geophysics	2,705	-	-		2,705
Geological consulting	3,153	42,125	-		45,278
Camp office & accommodation	992	1,683	-		2,675
	77,344	45,291	-		122,635
Balance, October 31, 2019	711,402	45,291	-		711,402
Total	\$ 1,044,611	\$ 147,740	\$ 1	\$	1,192,352

	USA		Canada		Total
	Kibby Basin	Mid Corner	Other		
Property acquisition costs					
Balance, January 31, 2018	\$ 225,146	\$ 73,500	\$ 2	\$	298,648
Additions					
Cash payments	-	6,500	-		6,500
Claim fees and staking costs	54,289	-	-		54,289
Legal and due diligence	-	-	-		-
Payments with issuance of units	13,059	-	-		13,059
Balance, January 31, 2019	292,494	80,000	2		372,496
Exploration and evaluation costs					
Balance, January 31, 2018	386,131	-	-		386,131
Costs incurred during period:					
Assays and testing	10,644	-	-		10,644
Drilling	425,119	-	-		425,119
Geophysics	28,232	-	-		28,232
Geological consulting	64,928	-	-		64,928
Camp office & accommodation	19,004	-	-		19,004
	547,927	-	-		547,927
Other:					
Option payments received	(300,000)	-	-		(300,000)
Writedown due to impairment	-	(80,000)	(1)		(80,001)
Balance, January 31, 2019	634,058	(80,000)	(1)		634,057
Total	\$ 926,552	\$ -	\$ 1	\$	926,553

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

For the nine months ended October 31, 2019

5. Exploration and evaluation assets (continued)

a) Kibby Basin, Nevada, USA

On March 29, 2016, the Company entered into a Property Purchase Agreement (the "Agreement") with Zimtu Capital Corp. ("Zimtu") to acquire 100% interest of 16 mineral claims, the Kibby Basin Property, located north of Clayton Valley, Nevada, U.S.A. Terms of the Agreement are:

- (i) Pay to Zimtu the sum of \$25,000 (paid); and,
- (ii) Issue 125,000 common shares to Zimtu (issued).

The property is subject to a 1.5% net smelter returns ("NSR") of which the Company has the right to purchase half of the NSR from Zimtu, at any time, for \$1,000,000. As of January 31, 2018, a reclamation bond of \$13,983 (January 31, 2017 - \$13,983) is held in trust for the Company at the Bureau of Land Management. The Agreement is in good standing and the Kibby Basin Property title is in Zimtu's name as they are holding it in trust for the Company.

On September 29, 2017, in connection with the ongoing exploration program, the Company acquired a camp office and core storage facility in Mina, Nevada for \$25,900. The Company settled the amount through the issuance of 46,250 common shares valued at \$29,600 which resulted in a loss of \$3,700.

On July 12, 2018 the Company entered into a Property Option Agreement with MGX Minerals Inc. ("MGX") to acquire an initial 25% interest in return for exploration funding of up to \$300,000 for drilling and testing the first deep hole in the anomaly indicated in the MT Survey (completed). MGX can earn an additional 25% (total 50%) interest by funding a further \$300,000 in the drilling of a second deep test hole into the anomaly. The Agreement also contained a provision that MGX invest \$200,000 in the Company in the form of a non-brokered private placement for 500,000 post-consolidation units of Belmont (the "Units") at a price of \$0.40 per Unit. Each Unit consists of one common share of Belmont 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 \$0.64 in the first year and at \$1.60 in the second year until July 23, 2020.

In addition MGX was granted warrants to purchase up to 1,250,000 shares of Belmont, at a price of \$0.80 per share, exercisable until August 24, 2021.

On December 17, 2018 a finder's fee of 26,786 units was issued in connection with the completion of the MGX earn in of 25% interest in the Kibby property. Each Unit consists of one common share of Belmont 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 \$0.80 until December 17, 2020.

b) Pathfinder Property, Greenwood Mining Division, southeastern British Columbia

On March 27, 2019 the Company entered into arm's length acquisition agreement with David Heyman and Clive Brookes (the "Vendors"), to acquire 253.34 hectares of mineral claims which is part of the former Pathfinder Property, located in southern British Columbia, approximately 18 km north of Grand Forks, in the Greenwood Mining Division. Terms of the acquisition agreement include:

- Pay the Vendors \$25,000 upon signing (paid);
- Issue a total of (post-consolidation) 187,500 common shares and 187,500 warrants (to each Vendor 78,125 common shares of the Company and 78,125 transferable warrants exercisable at a price of \$0.80 per share for a period of two years from the approval date, as set out below:

BELMONT RESOURCES INC.

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5. Exploration and evaluation assets (continued)

b) Pathfinder Property, Greenwood Mining Division, southeastern British Columbia

(i) 156,250 common shares and 156,250 warrants (78,125 shares and 78,125 warrants to each vendor on the approval date (issued);

(ii) 31,250 shares and 31,250 warrants to the vendors (15,625 shares and 15,625 warrants to each vendor) on the one year anniversary of the Agreement date;

A 1.5% Net Smelter Return Royalty (“NSR”) is payable at 0.75% to each Vendor. The Company may acquire one-half of the NSR for \$1 million upon commencement of commercial production on the Property.

c) Mid Corner/Johnson Croft Property, northwest of Saint John, New Brunswick

On November 21, 2017, the Company entered into a Purchase Agreement (the “MC Agreement”) to acquire up to 100% interest in the Mid Corner/Johnson Croft Property (the “MC Property”) northwest of Saint John, New Brunswick. The Company issued 187,500 shares valued at \$67,500 and made cash payments totaling \$10,000. In 2019 the Company and the vendor agreed to mutually terminate the agreement and the Company recorded an impairment of \$80,000.

6. Trade payables and accrued liabilities

	October 31, 2019	January 31, 2019
Trade payables	\$ 135,837	\$ 68,412
Accrued liabilities	18,000	17,000
	\$ 153,837	\$ 85,412

7. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

On June 6, 2019 the Company consolidated its capital on an 8 old shares for 1 new share basis. All share figures, number of options and warrants have been presented on a post consolidation basis.

Share Issuances

During the period ended October 31, 2019, the Company issued a total of 100,000 common shares pursuant to the exercise of stock options at \$0.40 per share for proceeds of \$40,000. The fair value of \$25,715 was transferred from stock based reserve to share capital.

On August 26, 2019 the Company issued 166,666 common shares with a fair value of \$9,166 as bonus shares in consideration of promissory notes issued.

On June 28, 2019 the Company issued 4,200,000 units at \$0.06 per unit for gross proceeds of \$252,000. Each unit comprises one common share and one transferable share purchase warrant expiring June 28, 2021. Each warrant entitles the holder to acquire one additional common share at a price of \$0.08 per share. The Company paid a finder’s fee of \$10,800 in cash and issued 180,000 brokers’ warrants. Each brokers’ warrants entitles the holder to acquire one additional share at a price of \$0.08 until June 28, 2021. The brokers’ warrants were valued at \$7,891 using the Black-Scholes option pricing model with a volatility of 116.95%, expected life of 2 years, discount rate of 1.46%, and a dividend rate of 0%.

BELMONT RESOURCES INC.

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7. Share capital (continued)

On April 8, 2019 the Company issued 156,250 units valued at \$56,250 to acquire an exploration asset. Each unit comprises one common share and one transferable share purchase warrant expiring April 8, 2021. Each warrant entitles the holder to acquire one additional common share at a price of \$0.80 per share. The warrants were valued at \$19,773 using the Black-Scholes option pricing model with a volatility of 102.54%, expected life of 2 years, discount rate of 1.51% and a dividend rate of 0%.

On February 14, 2019 the Company issued 187,500 units at \$0.36 per unit for gross proceeds of \$67,500. Each unit comprises one common share and one transferable share purchase warrant expiring February 14, 2020. Each warrant entitles the holder to acquire one additional common share at a price of \$0.40 per share.

During the year ended January 31, 2019, the Company issued 1,167,250 common shares at prices between \$0.40 and \$0.48 per share for proceeds of \$487,300 in connection with the exercise of 1,167,250 warrants. The fair value of \$2,876 was transferred from stock based reserve to share capital.

During the year ended January 31, 2019, the Company issued a total of 412,500 common shares pursuant to the exercise of stock options at prices between \$0.40 and \$0.48 per share for proceeds of \$175,000. The fair value of \$80,457 was transferred from stock based reserve to share capital.

During the year ended January 31, 2019, the Company issued 1,167,250 common shares at prices between \$0.40 and \$0.48 per share for proceeds of \$487,300 in connection with the exercise of 1,167,250 warrants. The fair value of \$2,876 was transferred from stock based reserve to share capital.

On December 17, 2018 the Company issued a finder's fee of 26,786 units valued at \$9,643. Each unit comprises one common share and one transferable share purchase warrant expiring December 17, 2020. Each warrant entitles the holder to acquire one additional common share at a price of \$0.80 per share. The warrants were valued at \$3,416 using the Black-Scholes option pricing model with a volatility of 102.71%, expected life of 2 years, discount rate of 1.91% and a dividend rate of 0%.

On July 23, 2018, the Company issued 937,500 units at \$0.40 per unit for gross proceeds of \$375,000. Each unit comprises one common share and one transferable share purchase warrant expiring July 23, 2020. Each warrant entitles the holder to acquire one additional common share at a price of \$0.64 per share in the first year and \$0.80 per share in the second year.

On April 5, 2018, the Company issued 145,000 units at \$0.40 per unit for gross proceeds of \$58,000. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.48 per share until April 5, 2020.

On March 21, 2018, the Company issued 350,000 units at \$0.40 per unit for gross proceeds of \$140,000. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.48 per share until March 21, 2020.

On March 8, 2018, the Company issued 350,000 units at \$0.32 per unit for gross proceeds of \$112,000. Each unit comprises one common share and one transferable share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.40 per share until March 8, 2020.

BELMONT RESOURCES INC.

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(Expressed in Canadian dollars)

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7. Share capital (continued)**Stock Options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. The options vest at the discretion of the Board of Directors.

The changes in stock options are as follows:

	Number of options	Weighted average exercise price
Balance, January 31, 2018	490,625	\$ 0.48
Granted	665,625	0.40
Expired	(140,625)	0.40
Exercised	(412,500)	0.48
Balance, January 31, 2019	603,125	\$ 0.48
Granted	1,150,000	0.14
Expired	(112,500)	0.40
Cancelled	(100,000)	0.06
Exercised	(100,000)	0.40
Balance, October 31, 2019	1,440,625	\$ 0.275
Exercisable, October 31, 2019	1,353,125	\$ 0.275

As at October 31, 2019, stock options were outstanding as follows:

Number of Options	Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
62,500	\$0.64	November 17, 2019	0.05
100,000	\$0.48	March 9, 2021	1.36
12,500	\$0.40	May 17, 2021	1.54
240,625	\$0.48	July 9, 2021	1.69
25,000	\$0.40	September 11, 2021	1.87
300,000	\$0.40	February 22, 2022	2.32
650,000	\$0.06	August 22, 2022	2.81
50,000	\$0.06	October 17, 2022	2.96
1,440,625			

BELMONT RESOURCES INC.

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For the nine months ended October 31, 2019

7. Share capital (continued)**Stock Options (cont'd)**

During the period ended October 31, 2019, stock-based payments recognized on stock options vested were \$96,322 (January 31, 2019 - \$211,720). The fair value of the stock options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	October 31, 2019	January 31, 2019
Expected life	2.75 years	3 years
Annualized volatility	106.16%	123.79%
Risk-free interest rate	1.78%	2.01%
Dividend rate	0%	0%

Warrants

Changes in warrants are as follows:

	Number of warrants	Weighted average exercise price
Balance, January 31, 2018	4,539,783	\$ 0.72
Issued	3,059,286	0.96
Exercised	(1,167,250)	0.48
Expired	(1,819,783)	1.04
Balance, January 31, 2019	4,612,036	\$ 0.64
Issued	4,723,750	0.12
Expired	(1,615,250)	0.51
Balance, October 31, 2019	7,720,536	\$ 0.91

The warrants outstanding at July 31, 2019 are as follows:

Number outstanding	Weighted average exercise price	Weighted average remaining life (years)	Expiry date
287,500	\$ 0.40	0.61	March 8, 2020
350,000	\$ 0.48	0.64	March 21, 2020
145,000	\$ 0.48	0.68	April 5, 2020
937,500	\$ 0.80	0.98	July 23, 2020
1,250,000	\$1.60	2.07	August 24, 2021
26,786	\$ 0.80	1.38	December 17, 2020
187,500	\$ 0.40	0.54	February 14, 2020
156,250	\$0.80	1.69	April 8, 2021
4,380,000	\$0.08	1.91	June 28, 2021
7,720,536	\$ 0.47	1.66	

On May 3, 2018 the Company repriced a total of 1,543,750 two year transferable share purchase warrants. These warrants originally had an exercise price of \$0.64 in the first year and \$0.80 in the second year and have been repriced to an exercise price of \$0.48 for the entire two year term. These amended warrants also have an accelerated expiry clause.

BELMONT RESOURCES INC.

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For the nine months ended October 31, 2019

8. Related party transactions***Related party balances***

The following balances are due from related parties:

	October 31, 2019	January 31, 2019
Companies with directors and officers in common	\$ 184,739	\$ 133,530

During the year ended January 31, 2017, the Company recorded a bad debt expense of \$120,703 in connection of impairment of the balance due from the companies with common directors and officers. During the period ended July 31 2019 the Company has recovered \$41,499 of the prior year's bad debt.

The following amounts are due to related parties:

	October 31, 2019	January 31, 2019
Company with directors and officers in common	\$ 1,312	\$ 1,313
Directors	148,704	125,644
	\$ 154,016	\$ 126,957

Amounts due to and from related parties are unsecured, non-interest bearing and with no specific terms of repayment.

The Company recovered the following amounts from companies with common directors.

	Period ended October 31,	
	2019	2018
Rent recoveries	\$ 42,300	\$ 42,300
Administration services recoveries	10,260	10,260
	\$ 52,560	\$ 52,560

Key management personnel compensation

	Period ended October 31,	
	2019	2018
Management fees	\$ 45,000	\$ 45,000
Salaries and benefits	45,000	45,000
Share based payment	25,580	50,480
	\$ 115,580	\$ 140,480

The Company entered into a settlement agreement with the Company's Chief Executive Officer who retired as of January 31, 2018. The compensation includes one-time severance payment of \$60,000 as well as a bonus of 10% of any award the Company receives from the legal action against the Slovak Republic within the next five years up to a maximum of \$300,000. In the year ended January 31, 2019 the Company was notified that the proceeding was discontinued (Note 12).

On February 1, 2018 the Company entered into a Management Services agreement with Geomorph Consulting, a company owned by the Company's new Chief Executive Officer, for a monthly fee of \$5,000 for a term of two years.

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9. Financial instruments, risk and capital management

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 a major bank that is 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 is exposed to exchange risk as its mineral property interest is located in the United States and transactions are conducted in the US dollar.

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 is no assurance of continued access to significant equity funding. As discussed in Note 1: Going Concern, the Company requires additional funding to continue with its ongoing operations and exploration commitments.

Capital Management

The Company includes cash and equity in the definition of capital. Equity is comprised of issued common shares, reserves, and deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. There were no changes in the Company's approach to capital management during the year.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Marketable securities are based on level 1 inputs.

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10. Promissory notes

In August 2019 the Company arranged demand loans totaling \$50,000 from non-related parties. The loans bear interest at 1.5% per month. In consideration for the loan, the Company issued 166,666 bonus shares valued at \$9,166 on August 26, 2019. The Company accrued interest of \$4,561 during the period.

11. Non-cash transactions

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	October 31, 2019	October 31, 2018
Fair value of brokers' warrants issued	\$ 7,891	-
Fair value of bonus shares issued in connection with the issuance of promissory notes	\$ 9,166	-
Fair value of units issued on acquisition of exploration and evaluation assets	\$ 75,982	-

12. Arbitration agreements

On March 5, 2014, the Company entered into an agreement with EuroGas in respect of EuroGas' international arbitration against the Slovak Republic in connection with the soapstone talc mineral deposit located near Gemerska Poloma, Slovak Republic. The Company has agreed to provide a power of attorney to a law firm which is acting on behalf of both the Company and EuroGas in filing an action for damages against the Slovak Federal Republic.

During the year ended January 31, 2015, the Company issued 1,400,000 share purchase warrants to EuroGas whereby each warrant may be exercised for the purchase of one common share at a price of \$0.12 per share for a period of five years. The number of warrants that may be exercised by EuroGas will be based on the remuneration received by the Company pursuant to the arbitration.

On April 7, 2017 the Company terminated the March 5, 2014 agreement with EuroGas and entered into a new agreement whereby 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% holding in Rozmin S.R.O. subject to legal fees incurred, financing and associated payments and other necessary adjustments and deductions.

On August 22, 2017, the Company was 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 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. On November 21, 2017, the Company engaged its legal counsel to pursue annulment proceedings against the August 18, 2017 decision. The Company was unable to secure financing to proceed with the application within the deadline and as a result the proceeding has been discontinued.

13. Subsequent events

On November 17, 2019, 62,500 options exercisable at \$0.64 per share expired unexercised.

BELMONT RESOURCES INC.

Notes to the Consolidated Financial Statements

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13. Subsequent events (cont'd)

On November 14, 2019, the Company issued 420,000 units in connection with a property acquisition agreement. Each unit comprises one common share and one share purchase warrant exercisable at a price of \$0.08 per share until May 14, 2021.

On December 3, 2019, the Company issued 100,000 common shares in connection with a property acquisition agreement.

On December 20, 2019, the Company issued 100,000 common shares in connection with a property acquisition agreement.