CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2020

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT,

	Notes	Unaudited March 31, 2020	Audited December 31, 2019
ASSETS			
Current			
Cash		$ 772	$ 22,543
Receivables	*3*	15,193	16,518
Prepaids		19,719	22,655
		35,684	61,716
Equipment	*5*	5,852	6,160
Right-of-use asset	*6*	80,262	94,425
Investment	*7*	5,760,937	5,760,937
Investment in Blackstairs Lithium Limited	*8*	1,732,891	1,626,941
Exploration and evaluation assets	*9*	1,347,645	1,347,645
		$ 8,963,271	$ 8,897,824
LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY			
Current			
Accounts payable and accrued liabilities	*10 & 15*	$ 377,035	$ 571,617
Promissory note	*11*	614,408	573,412
Lease liabilities	*12*	58,421	56,697
Convertible debentures	*13*	3,920,593	3,427,237
		4,970,457	4,628,963
Lease liabilities	*12*	29,036	45,790
Exploration loan	*14*	4,072,596	3,663,642
		9,072,089	8,338,395
Shareholders' (Deficit) Equity			
Share capital	*16*	11,480,686	11,480,686
Equity reserves	*16*	2,243,835	2,205,846
Equity component of convertible debentures	*13*	91,413	71,144
Accumulated other comprehensive loss		(19,381)	(130,778)
Deficit		(13,905,371)	(13,067,469)
		(108,818)	559,429
		$ 8,963,271	$ 8,897,824

Nature and continuance of operations *(Note 1)*
Commitments & Contingencies *(Notes 15 & 21)*

Approved and authorized by the Board on *May 29, 2020*

"John Wisbey" Director *"Maurice Brooks"* Director

The accompanying notes are an integral part of these consolidated financial statements.

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

		Three months ended March 31,	
	Notes	2020	2019
OPERATING EXPENSES			
Consulting fees	*15*	$ 95,655	$ 99,500
Depreciation expense	*5 & 6*	14,471	289
Directors' fees	*15*	37,500	37,500
Foreign exchange loss (gain)		353,702	(63,063)
Interest and bank charges		299,188	250,418
Loss on equity investments	*8*	5,447	7,137
Professional fees		22,708	33,390
Office and miscellaneous		13,440	29,086
Shareholder communications		41,999	50,455
Share-based payments	*15 & 16*	37,989	26,958
Transfer agent and filing fees		14,278	14,664
Total operating expenses		(936,377)	(486,334)
Loss on marketable securities	*4*	-	413
Change in fair value of embedded derivatives	*13*	98,475	-
		98,475	413
Loss for the period		(837,902)	(485,921)
Foreign currency translation	*8*	111,397	(62,239)
Comprehensive loss for the period		$ (726,505)	$ (548,160)
Basic and diluted loss per common share		$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		132,595,903	109,365,343

The accompanying notes are an integral part of these consolidated financial statements

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (837,902)	$ (485,921)
Items not affecting cash:		
Unrealized gain on marketable securities	-	(413)
Accrued interest expense	298,436	249,302
Depreciation expense	14,471	289
Foreign exchange	352,129	(64,088)
Loss on equity investments	5,447	7,137
Share-based payments	37,989	26,958
Change in fair value of embedded derivatives	(98,475)	-
Changes in non-cash working capital items:		
Receivables	1,325	34,791
Prepaids	2,936	16,794
Accounts payable and accrued liabilities	79,643	59,515
Net change from operating activities	(144,001)	(155,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Convertible debentures issued, net of costs	65,000	407,963
Convertible debentures repaid	-	(700,000)
Proceeds from promissory note	75,000	-
Shares issued for cash, net of costs	-	550,000
Lease payments	(17,770)	-
Interest paid	-	(190,334)
Net change from financing activities	122,230	67,629
Change in cash for the period	(21,771)	(88,007)
Cash, beginning of period	22,543	162,919
Cash, end of period	$ 772	$ 74,912

Supplemental disclosure with respect to cash flows *(Note 17)*

The accompanying notes are an integral part of these consolidated financial statements.

INTERNATIONAL LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT) EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Share capital							
	Number	Amount	Equity reserves	Subscriptions received	Equity component of convertible loan	Accumulated other comprehensive income (loss)	Deficit	Total
Balance at December 31, 2018	94,995,902	$ 9,613,611	$ 2,053,222	$ 627,500	$ 110,446	$ (23,151)	$(11,415,289)	$ 966,339
Equity portion of convertible debentures issued	-	-	-	-	3,622	-	-	3,622
Maturity of unexercised convertible debentures	-	-	-	-	(22,985)	-	22,985	-
Shares issued for cash	34,624,823	1,731,241	-	(627,500)	-	-	-	1,103,741
Share based payments	-	-	26,958	-	-	-	-	26,958
Loss for the period	-	-	-	-	-	(62,239)	(485,921)	(548,160)
Balance at March 31, 2019	129,620,725	11,344,852	2,080,180	-	91,083	(85,390)	(11,878,225)	1,552,500
Balance at December 31, 2019	132,595,903	11,480,686	2,205,846	-	71,144	(130,778)	(13,067,469)	559,429
Equity portion of convertible debentures issued	-	-	-	-	20,269	-	-	20,269
Share based payments	-	-	37,989	-	-	-	-	37,989
Loss for the period	-	-	-	-	-	111,397	(837,902)	(726,505)
Balance at March 31, 2020	132,595,903	$ 11,480,686	$ 2,243,835	$ -	$ 91,413	$ (19,381)	$(13,905,371)	$ (108,818)

The accompanying notes are an integral part of these consolidated financial statements.

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

International Lithium Corp. (the "Company") was incorporated under the Business Corporations Act, British Columbia on March 26, 2009 and is considered to be in the exploration stage with respect to its mineral properties. The Company's head office address is 1910 – 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3. The registered and records office address is 725 Granville Street, Suite 400, Vancouver, British Columbia, Canada, V7Y 1G5.

The Company is in the process of exploring and investing in mineral properties located in Argentina, Canada, and Ireland and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The following table provides information regarding the Company's working capital and accumulated deficit as at March 31, 2020 and December 31, 2019.

	March 31, 2020	December 31, 2019
Working capital deficiency	$ (4,934,773)	$ (4,567,247)
Deficit	$ (13,905,371)	$ (13,067,469)

2. BASIS OF PREPARATION

Statement of Compliance

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019.

2. BASIS OF PREPARATION (cont'd...)

Basis of Consolidation and Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned inactive subsidiary, International Lithium (US) LLC, a US company. All significant intercompany transactions and balances have been eliminated.

The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. When the Company ceases to control a subsidiary, assets, liabilities and non-controlling interests of the subsidiary are derecognized at their carrying amounts at the date when control is lost. Investment retained in the former subsidiary is recognized at its fair value and any gain or loss resulting from deconsolidation is recorded through profit or loss.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries.

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant judgments relate to the recoverability of its investment, functional currency of the Company and its subsidiary, the recoverability of capitalized amounts of exploration and evaluation assets, recognition of deferred tax assets and liabilities and the determination of the economic viability of a project.

The most significant estimates relate to the calculation of share-based payments, the valuation of deferred income tax amounts, impairment testing and investment in Litio Minera Argentina S.A. ("Litio").

Share-based payments

Share-based payments, as measured with respect to stock options granted and re-priced, are estimated by reference to the Black-Scholes pricing model; a detailed discussion of management's estimates with respect to the pricing model is found in Note 16.

Impairment testing

The Company has reviewed its exploration and evaluation assets for indications of impairment and determined that there is no such indication.

Deferred income tax amounts

The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

(Expressed in Canadian Dollars)

2. **BASIS OF PREPARATION** (cont'd...)

Significant accounting judgments and estimates (cont'd...)

Valuation of investment

The Company holds a 12.791% interest in Litio as at March 31, 2020 (December 31, 2019 - 13.753%). The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of, and near term business outlook for, the investee, including factors such as industry and sector performance, changes in technology, and operational and financing cash flow.

The determinations of fair value of the Company's investments at other than initial cost are subject to certain limitations. Financial information for privately-held company investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

3. RECEIVABLES

	March 31, 2020	December 31, 2019
Input tax credits	$ 4,947	$ 6,272
Related party receivables *(Note 15)*	10,246	10,246
Total	$ 15,193	$ 16,518

4. MARKETABLE SECURITIES

The Company held no marketable securities at March 31, 2020 and December 31, 2019.

During the year ended December 31, 2019, marketable securities consisted of shares of publicly traded companies, Pioneer Resources Limited ("Pioneer") and Ultra Resources Inc ("Ultra"). The Pioneer shares were received as part of the option agreements on the Mavis Lake and Raleigh Lake Projects, and the Ultra shares were received as part of the option agreement on the Forgan Lake Project *(Note 9)*. Marketable securities are measured at fair value by reference to quoted stock prices on established exchanges.

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES (cont'd...)

The following transactions occurred during the period:

	Three months ended March 31, 2020		Year ended December 31, 2019	
	Shares		Shares	
Pioneer shares				
Opening balance	-	$ -	4,673,913	$ 71,911
Received from Mavis Lake option agreement	-	-	-	-
Sale of marketable securities	-	-	(4,673,913)	(47,810)
Unrealized loss	-	-	-	(24,101)
Ending balance	-	-	-	-
Ultra shares				
Opening balance	-	-	140,732	11,259
Received from Forgan Lake option agreement	-	-	-	-
Sale of marketable securities	-	-	(140,732)	(10,520)
Unrealized loss	-	-	-	(739)
Ending balance	-	-	-	-
Total		$ -		$ -

5. EQUIPMENT

Furniture and fixtures	Cost	Accumulated Depreciation	Net Book Value
Balance as at December 31, 2018	$ 6,420	$ (642)	$ 5,778
Additions	1,708	(1,326)	382
Balance as at December 31, 2019	8,128	(1,968)	6,160
Additions	-	(308)	(308)
Balance as at March 31, 2020	$ 8,128	$ (2,276)	$ 5,852

6. RIGHT-OF-USE ASSET

Office lease	Cost	Accumulated Depreciation	Net Book Value
Balance as at December 31, 2018	$ -	$ -	$ -
Recognized at adoption of IFRS 16	151,077	-	151,077
Additions	-	(56,652)	(56,652)
Balance as at December 31, 2019	151,077	(56,652)	94,425
Additions	-	(14,163)	(14,163)
Balance as at March 31, 2020	$ 151,077	$ (70,815)	$ 80,262

7. INVESTMENT

As at March 31, 2020, investment securities consist of a 12.791% investment in Litio Minera Argentina S.A. ("Litio") which holds title to the Mariana property (December 31, 2019 - 13.753%). Litio was classified as an investment security through other comprehensive income after it was no longer considered an investment in associate effective December 26, 2017.

During the period ended March 31, 2020, the Company's interest in Litio was diluted to 12.791% from 13.753%.

Litio Minera Argentina S.A. ("Litio") is jointly owned by GFL International Co. Ltd. ("GFL") and the Company with GFL having an 87.209% participating interest (December 31, 2019 – 86.247%) and the Company having a 12.791% (December 31, 2019 – 13.753%) participating interest in Litio. Litio holds title to the Mariana property which is comprised of 13 mining licenses, covering approximately 22,133 hectares' land over Salar de Llullaillaco, located in Salta Province, Argentina. A participating interest that is diluted to less than 5% will be converted to a 1% NSR.

Back-In Right

At any time and up until 120 days from the completion of a Feasibility Study (as defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) that demonstrates the feasibility of placing the Mariana Property or part thereof into commercial production, the Company will have the right to elect to "buy back" a 10% participating interest in the Mariana Property (the "Back-in Right") by giving written notice to GFL of the exercise of the Back-in Right.

If the Company exercises the Back-in Right, the Company must pay to GFL 10% of the total exploration costs incurred by GFL from March 14, 2014 to the time of the Company's election to exercise the Back-in Right. In addition to the payment of this fee, the Company must also pay to GFL interest on the fee at a rate of 10% per annum calculated annually on a straight-line basis and for each budget year accordingly. The fee, along with the interest amount, must be paid by the Company to GFL within 15 days of the Company's delivery of written notice to GFL of exercise of the Back-in Right.

8. INVESTMENT IN ASSOCIATE

Avalonia Lithium Joint Venture

The Company was granted eight licenses in the Carlow and Wicklow counties, which cover the Leinster pegmatite belt in southeast Ireland.

Under the terms of an option agreement, GFL has earned a 51% interest ("First Option") by incurring $300,000 in exploration expenditures and paying $25,000 in cash on the effective date of the agreement. The Company also received option payments of $475,000 with the transfer of the exploration rights for the Avalonia Lithium Project to its subsidiary, Blackstairs Lithium Limited ("BLL"), a company now owned jointly by the Company and GFL. During the year ended December 31, 2015, the Company sold an additional 4% interest in BLL to GFL for $126,000.

BLL is recognized as an equity investment of the Company. The management committee of the joint venture is comprised of one representative of each of the Company and GFL. Voting is proportionate to each party's participating interest which is, as at March 31, 2020 and December 31, 2019, 55% to GFL and 45% to the Company.

In order to earn an additional 24% interest in the Avalonia Lithium Project, GFL must incur $10,000,000 in exploration expenditures or produce a bankable feasibility study within 10 years of the effective date of the agreement. The Company will have a carried interest through to the completion of these exploration expenditures.

Once GFL has incurred a total of $10,000,000 in exploration expenditures within the agreed timeframe, or once a positive feasibility study has been produced, the Company's participating interest will be reduced to 21% without incurring additional costs. A participating interest that is subsequently diluted to less than 10% will be converted to a 1% Net Smelter Royalty ("NSR").

(Expressed in Canadian Dollars)

8. INVESTMENT IN ASSOCIATE (cont'd...)

Avalonia Lithium Joint Venture (cont'd...)

The Company accounts for its interest in BLL on an equity basis. As at March 31, 2020 and December 31, 2019, the Company holds a 45% interest in BLL. The functional currency of BLL is the Euro. Supplementary financial information regarding the Company's investment in BLL is presented below, after adjustments to align accounting policies to those of the Company and to translate to Canadian dollars in accordance with the Company's accounting policies.

Blackstairs Lithium Limited

	March 31, 2020	December 31, 2019
Current assets	$ 70,379	$ 161,221
Non-current assets	3,814,687	3,503,781
Current liabilities	(34,196)	(49,579)
Net assets	3,850,870	3,615,423
The Company's share of the net assets – 45% (2019 - 45%)	$ 1,732,891	$ 1,626,941

	Three months ended March 31, 2020	Three months ended March 31, 2019
Loss for the period	$ (12,104)	$ (15,861)
Other comprehensive loss – foreign currency translation	247,549	(138,308)
Total comprehensive loss	235,445	(154,169)
The Company's share of comprehensive loss – 45% (2019 - 45%)	$ (105,950)	$ (69,376)

Investment in associate – Blackstairs Lithium Limited	Three months ended March 31, 2020	Year ended December 31, 2019
Balance, beginning of period	$ 1,626,941	$ 1,591,558
Equity gain on carried interest	-	173,829
Loss on equity investment	(5,447)	(30,819)
Equity – other comprehensive income (loss)	111,397	(107,627)
Ending balance, investment in associate – Blackstairs Lithium Limited	$ 1,732,891	$ 1,626,941

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

	Acquisition Costs	Exploration Costs	Recoveries and Option Payments	Property Total
Period ended March 31, 2020				
Canada				
Mavis Lake / Fairservice (Ontario)	$ 193,500	$ 1,006,005	$ -	$ 1,199,505
Raleigh Lake Project (Ontario)	56,000	92,140	-	148,140
Balance, March 31, 2020	$ 249,500	$ 1,098,145	$ -	$ 1,347,645
Year ended December 31, 2019				
Canada				
Mavis Lake / Fairservice (Ontario)	$ 193,500	$ 1,006,005	$ -	$ 1,199,505
Raleigh Lake Project (Ontario)	56,000	92,140	-	148,140
Balance, December 31, 2019	$ 249,500	$ 1,098,145	$ -	$ 1,347,645

Title to mineral property interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Mavis Lake Lithium Project (Ontario)

The Mavis Lake Lithium Project (or “Mavis Lake - Fairservice”) is 49%-owned by the Company and consists of a package of nineteen adjacent mineral claims which include thirteen unpatented mining claims (the Mavis Lake claims) and six patented mining leases (the Fairservice property). This package covers the lithium-tantalum core of the Mavis Lake Pegmatite Group adjacent to Mavis Lake near Dryden, Ontario, Canada. The property is subject to a 5% net profits royalty. The Company has the option to purchase the royalty at any time for $1,000,000.

Pioneer Option Agreement and Strategic Alliance

During the year ended December 31, 2016, the Company entered into an option agreement and strategic alliance (“Agreement”) with Pioneer. Under the terms of the Agreement, Pioneer may earn up to an 80% interest in the Mavis Lake Lithium Project.

First Earn-in: Pioneer may earn a 51% interest in the project by spending $1,500,000 on exploration activities within three years of the Agreement and paying to the Company a total of $375,000, half in cash and half in shares, over the same three years (the “Mavis Lake First Earn-in”). Following the Mavis Lake First Earn-in, the Company will be granted a 1.5% NSR, purchasable at any time for $1,500,000. During the year ended December 31, 2016, the Company received $37,500 in cash from Pioneer, a first instalment of Pioneer common shares valued at $29,316, and recoveries totaling $108,093. During the year ended December 31, 2017, the Company received $75,000 for option payments from Pioneer comprised of $37,500 in cash, a second instalment of 2,073,075 common shares valued at $37,500, and recoveries totaling $15,654. During the year ended December 31, 2018, the Company received $100,000 for option payments from Pioneer, comprised of $51,145 in cash and a third instalment of 2,173,913 common shares valued at $48,855 *(Note 4)*.

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Pioneer Option Agreement and Strategic Alliance (cont'd...)

On August 29, 2018 the Company entered into an amended agreement with Pioneer with the effect that Pioneer is deemed to have achieved the conditions for the first earn-in under the Mavis Lake joint venture agreement by issuing 2,500,000 shares to the Company and as a result now owns 51 % of Mavis Lake, with the Company retaining 49%. In addition, the Company will receive a 1.5% net smelter royalty on Mavis Lake. During the year ended December 31, 2018, the Company received 2,500,000 shares in Pioneer. *(Note 4)*

Second Earn-in: Pioneer has the option to earn an additional 29% by spending $8,500,000 within seven years ("Mavis Lake Second Earn-in"). Thereafter, the Company and Pioneer will contribute on a pro-rata basis as to 20% and 80% respectively. If the Company's interest in Mavis Lake falls below 15% owing to dilution it will be converted to a 1.5% net smelter royalty. Pioneer has the right to buy back half of this second 1.5% net smelter royalty for $750,000. This second 1.5% net smelter royalty would be in addition to the Company's existing 1.5% royalty entitlement that it would still retain.

Raleigh Lake Project

The Raleigh Lake Project is wholly owned by the Company and consists of certain mineral claims in the Kenora Mining District of Ontario, Canada.

Forgan Lake Project

The Forgan Lake property is wholly owned by the Company and consists of certain claims located in the Thunder Bay Mining District in Northwestern Ontario, Canada.

During the year ended December 31, 2018, the Company entered into a sale and royalty agreement with Ultra (TSXV: ULT). Under the terms of the agreement, Ultra may earn a 100% interest in the Forgan Lake property by spending $500,000 on exploration expenditures and paying the Company a total of $200,000, half in cash and half in shares, over the period of two years. In addition, the Company will receive a 1.5% NSR on future production from the Forgan Lake property and from an adjoining property owned by Ultra. During the year ended December 31, 2018, the Company received $25,000 in cash and 140,732 shares valued at $25,000 from Ultra recorded as recoveries in excess of carrying value.

During the year ended December 31, 2019, the Company entered into an Amendment Agreement with Ultra for Forgan Lake property. In accordance with the amended terms, Ultra may earn a 100% interest in the Forgan Lake property by spending $500,000 on exploration expenditures and paying the Company a total of $191,000, divided in cash and shares, over the period of three years from the date of underlying sale and royalty agreement. During the year ended December 31, 2019, the Company received $66,000 in cash from Ultra recorded as recoveries in excess of carrying value.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

	March 31, 2020	December 31, 2019
Accounts payable and accrued liabilities *(Note 15)*	$ 377,035	$ 571,617
Total	$ 377,035	$ 571,617

All payables and accrued liabilities of the Company fall due within the next 12 months.

(Expressed in Canadian Dollars)

11. PROMISSORY NOTES

During the year ended December 31, 2018, the Company received a total of $515,857 from an officer and director of the Company under a promissory note. Of the total proceeds, $333,964 was forwarded to Litio as cash contribution directly and $21,893 were payments to a consultant for consulting fees during the year. The note is payable on demand and bears interest at the rate of 15% per annum. The promissory note is secured by a general security agreement against the Company's assets. During the year ended December 31, 2019, the Company received further advances of $84,000 under the promissory note and settled $80,049 of the promissory note principal and $34,017 of the accumulated interest. During the three months ended March 31, 2020, the Company received further advances of $75,000, recorded interest expense of $19,600 (2019 - $18,207), and settled $53,604 of the accumulated interest. (*Note 13 and 16)*

12. LEASE LIABILITIES

Balance, December 31, 2018	$	-
Recognition on adoption of IFRS 16		151,077
Finance expense		14,685
Lease payments		(63,275)
Balance, December 31, 2019		102,487
Finance expense		2,740
Lease payments		(17,770)
Balance, March 31, 2020	$	87,457
Lease liabilities		
Current	$	58,421
Non-current	$	29,036

13. CONVERTIBLE DEBENTURES

2017 Series Convertibles

On November 22, 2017 the Company completed a tranche of a private placement of convertible debentures in the amounts of $700,000. The convertible debentures matured on January 31, 2019 and bore interest at 15% per annum payable annually. The convertible debentures were convertible into common shares at the option of the holder at any time prior to maturity at a conversion price of $0.14 per common share. During the year ended December 31, 2019, the Company repaid the convertible debentures on maturity.

2018 Series 1 Convertibles

On April 18, 2018, the Company completed a non-brokered private placement of convertible debentures, known as 2018 Series 1 Convertibles, in the principal amount of $1,180,000 with a director who is also an officer of the Company. The Debentures will mature on June 30, 2019 (revised to June 30, 2020 as per the Amending Agreement dated March 25, 2019) and bear interest at the rate of 15% per annum, payable quarterly. The debenture shareholders may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.085 per common share in the first year and $0.10 per common share thereafter until maturity (revised to $0.065 per common share until maturity as per the Amending Agreement dated March 25, 2019). The Company has the right to repay the convertible debentures on notice. The convertible debentures are secured by a general security agreement against the Company's assets.

13. CONVERTIBLE DEBENTURES (cont'd...)

2018 Series 1 Convertibles (cont'd...)

During the year ended December 31, 2019, the 2018 Series 1 Convertible Debentures matured on June 30, 2019 and the maturity date was extended until June 30, 2020. Upon maturity of the convertible debentures and extension of the maturity date, the Company reclassified the equity component related to the matured debt totaling $$42,577 to deficit and recognized equity component of $35,497 relating to the renewed debentures.

2018 Series 2 Convertibles

On May 3, 2018, June 15, 2018, and July 14, 2018, the Company completed tranches of a non-brokered private placement of secured convertible debentures known as the 2018 Series 2 Convertibles to raise proceeds of $1,800,000. The debentures will mature on June 30, 2019 and bear interest at a rate of 15% per annum, payable quarterly. The debenture holders who subscribed to the $1,007,750 tranche may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.085 per common share in the first year and $0.10 per common share thereafter until maturity. The debenture holders who subscribed to the $792,250 tranche may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.085 per common share until the maturity date. The debentures are secured by a general security agreement against the Company's assets. Directors and officers of the Company participated in the Private Placement.

On March 25, 2019 and June 28, 2019, the Company entered into an Amending Agreement with certain 2018 Series 2 Convertible Debentures holders. Pursuant to the Amending Agreement, the debentures in the aggregate amount of $1,184,993 will mature on June 30, 2020 and the debentures in the aggregate amount of $265,000 will mature on September 30, 2019 ($205,000 matured on September 30, 2019). The debenture holders may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.065 until maturity. An accrued interest of $22,993 was converted into principal. All other terms remained the same.

Upon maturity of the convertible debentures and extension of the maturity date, the Company reclassified the equity component related to the matured debt totaling $44,450 to deficit and recognized equity component of $35,647 relating to the renewed debentures.

During the year ended December 31, 2019, the Company repaid the convertible debentures in the aggregate of $75,000 on maturity.

During the period ended March 31, 2020, certain 2018 Series 2 Convertible debentures in the aggregate principal amount of $205,000 with maturity date of September 30, 2019 were settled to participate in the 2020 Series 2 Convertibles Debentures private placement.

2019 Series Convertibles

On February 13, 2019, the Company completed a non-brokered private placement of convertible debentures, known as 2019 Series Convertibles, in the principal amount of GBP 240,000 with a related party. The debenture will mature on May 31, 2019 and bears interest at the rate of 15% per annum. The debenture shareholder may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.07 per common share. The debentures are secured by a general security agreement against the Company's assets. On May 31, 2019, the Company entered into an Amending Agreement pursuant to which the debenture will now mature on September 15, 2019 and bears interest at the rate of 10% per annum. Accrued interest of GBP 6,016 was converted into principal. All other terms remained the same.

During the period ended March 31, 2020, the 2019 Series Convertible debenture principal of GBP 246,016 was settled to participate in the 2020 Series 1 Convertibles Debentures private placement.

13. CONVERTIBLE DEBENTURES (cont'd...)

2020 Series 1 Convertibles

On February 4, 2020, the Company completed a non-brokered private placement of convertible debentures, known as 2020 Series 1 Convertibles, in the principal amount of GBP 254,000 with a related party. The debenture will mature on September 30, 2020 and bears interest at the rate of 12% per annum, payable quarterly. The debenture holders will have the right to redeem the debentures on March 31, 2020. The debenture holder may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.05 per common share. The convertible debentures are secured by a general security agreement against the Company's assets. The 2019 Series Convertible debenture in the principal amount of GBP 246,016 and accrued interest of GBP 7,984 were settled to participate in the private placement.

As 2019 Series and 2020 Series 1 convertible debentures are denominated in GBP and the functional currency of the Company is the Canadian dollar, the conversion feature is considered an embedded derivative and, collectively, the convertible debentures and conversion feature are considered a hybrid instrument. The embedded derivative is recorded at fair value and re-measured each period with movements being recorded as a gain or loss on the consolidated statement of loss and comprehensive loss. The difference between the fair value of the derivative and the face value of the debt is allocated to the convertible debentures. As a result, the recorded liability to repay the convertible debentures is lower than their face value. Using the effective interest rate method, the convertible debentures were accreted up to their face value over the term. The Company recorded accretion expense of $60,230 for the period ended March 31, 2020 ($207,616 for the year ended December 31, 2019). The change in the fair value of the derivative liability will be recognized as a gain on the consolidated statement of loss and comprehensive loss.

Upon initial recognition, the fair value of the derivative was determined to be $251,603 (2019 - $207,616) using the Black-Scholes option pricing model. This amount must be revalued at period end. At period end, the fair value was $153,128 (December 31, 2019 - $nil because the debentures matured on September 15, 2019).

The Company determined the initial fair value of the embedded derivatives using the Black-Scholes model with the following assumptions:

	2020	2019
Share Price	$0.05	$0.06
Exercise Price	$0.05	$0.07
Risk-free interest rate	1.64%	1.68%
Expected life	0.65 years	0.29 years
Expected volatility	104.42%	98.96%

With the exception of the GBP denominated convertible debentures, the convertible debentures are compound financial instruments, consisting of a debt instrument and an equity conversion feature. The debt instrument was fair valued using a rate applicable to a non-compound debt instrument and is carried at amortized cost. The excess of the proceeds over the value assigned to the debt instrument was allocated as the fair value of the equity component of the convertible debentures.

(Expressed in Canadian Dollars)

13. CONVERTIBLE DEBENTURES (cont'd...)

2020 Series 2 Convertibles

On February 4, 2020, the Company completed a non-brokered private placement of secured convertible debentures, known as 2020 Series 2 Convertibles, in the principal amount of $1,027,500. The debentures will mature on September 30, 2020 and bear interest at a rate of 12% per annum, payable quarterly. The debenture holders will have the right to redeem the debentures on March 31, 2020. The debenture holder may convert at any time, all or a portion of the convertible debenture principal into common shares of the Company at a price of $0.05 per common share. The convertible debentures are secured by a general security agreement against the Company's assets. Directors and officers of the Company participated in the Private Placement. Certain 2018 Series 2 Convertible debentures in the aggregate principal amount of $205,000 with maturity date of September 30, 2019, promissory notes and convertible debenture accrued interest of $283,275, and accrued fees of $274,225 were settled to participate in the private placement. *(Note 11)*

The following table summarizes the Company's convertible debentures as at March 31, 2020:

Balance, December 31, 2018	$ 3,785,496
Convertible debentures issued	407,963
Allocation to equity component	(71,144)
Debentures settled	(1,133,000)
Issuance cost	(2,790)
Interest converted into principal	33,260
Subscriptions	200,000
Finance expense	768,612
Interest paid	(357,774)
Change in fair value of embedded derivative	(207,616)
Foreign exchange	4,230
Balance, December 31, 2019	3,427,237
Convertible debentures issued	1,463,720
Allocation to equity component	(20,269)
Debentures settled	(627,509)
Subscriptions	(200,000)
Finance expense	208,180
Interest paid	(243,263)
Change in fair value of embedded derivative	(98,475)
Foreign exchange	10,972
Balance, March 31, 2020	$ 3,920,593

Equity component of convertible debentures	
December 31, 2019	$ 71,144
March 31, 2020	$ 91,413

During the year ended December 31, 2019, $358,000 principal and $56,885 interest of the convertible debentures were applied as subscription towards a share private placement. *(Note 16)*

(Expressed in Canadian Dollars)

14. EXPLORATION LOAN

In conjunction with the Mariana Property Joint Venture, GFL has made available to the Company a loan of US$2,000,000 ("Exploration Loan") to cover a portion of the Company's required contribution to the joint venture. The loan carries 10% interest per annum. The Company must repay the Exploration Loan and accrued interest within 30 days of receipt of its proportionate share of the proceeds from the Mariana Property Joint Venture, or NSR as applicable, until such time the Exploration Loan and accrued interest are repaid in full. The Company will not receive proceeds from the NSR until the Exploration Loan and accrued interest are repaid to GFL. In the event that no proceeds are derived from the joint venture, the Exploration Loan and accrued interest will be due by March 14, 2024.

The Exploration Loan is secured by a promissory note in the amount of US$2,000,000.

The accumulated drawdown on the Exploration Loan as at March 31, 2020 was US$2,000,000 (December 31, 2019 - US$2,000,000). Total interest accrued as at March 31, 2020 was US$870,653 (December 31, 2019 – US$820,790).

		March 31, 2020		December 31, 2019
Opening balance	$	3,663,642	$	3,575,282
Interest		67,916		265,402
Foreign exchange		341,038		(177,042)
Ending balance	$	4,072,596	$	3,663,642

15. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the period ended:

Transaction	Relationship		March 31, 2020		March 31, 2019
Exploration expenditures and consulting fees	Officer, company controlled by an officer	$	36,000	$	36,000
IT Support Services	Officer, company controlled by an officer		7,142		6,775
Consulting fees	Director and officer		30,000		30,000
Consulting fees	Director and officer		22,500		22,500
Consulting fees	Officer		7,155		5,640
Directors' fees	Four directors	$	37,500	$	37,500

At March 31, 2020, due to related parties consisted of $208,405 (December 31, 2019 - $379,453) to various directors, officers and related companies for services detailed above and is included in accounts payable and accrued liabilities.

At March 31, 2020, convertible debentures with a face value of $2,664,993 and GBP 254,000 (December 31, 2019 - $1,907,493 and GBP 246,016) were due to five directors of the Company or their related parties (December 31, 2019 – three directors of the Company or their related parties), convertible debenture subscriptions of $nil (December 31, 2019 - $200,000) from an officer and director of the Company, and a promissory note in the amount of $603,525 was due to an officer and director of the Company (December 31, 2019 - $519,808). *(Notes 11 & 13)*

15. RELATED PARTY TRANSACTIONS (cont'd...)

At March 31, 2020, $10,246 (December 31, 2019 - $10,246) was receivable from a former significant shareholder.

During the year ended December 31, 2019, the Company granted 4,070,000 options to the directors and officers pursuant to the Company's stock option plan. The options have an exercise price of $0.065 per share and an expiry date of May 31, 2024. A total of 695,000 options vested immediately and a total of 3,375,000 vest one year from the date of grant subject to a vesting condition of the Company's share price closing above $0.10 for 20 consecutive days. The fair value of these options calculated using the Black-Scholes option-pricing model was $181,734, of which $37,989 were recognized as share-based payments during the period ended March 31, 2020 ($86,830 during the year ended December 31, 2019).

Commitments **-** *Consulting agreements*

The Company entered into consulting agreements with two officers, who are also directors, of the Company for the provision of consulting services at a current cost of $180,000 and $120,000 per annum respectively. If either of the agreements are terminated without cause, the Company is required to pay a lump sum equal to twelve months' worth of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to the prior twelve months gross pay.

On March 14, 2018, the Board removed Kirill Klip from his executive position 'for cause', which would not place any obligation or liability on the Company to pay Kirill Klip any termination amount. However, the Company has received notice from Kirill Klip that he intends to claim for unfair dismissal, although at the date of these financial statements, he has not quantified his claim.

16. SHARE CAPITAL AND EQUITY RESERVES

Authorized share capital

As at March 31, 2020, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

Issued share capital

On February 6, 2019, March 29, 2019 and April 15, 2019, the Company completed tranches of a non-brokered private placement consisting of 37,600,001 units at $0.05 per unit for gross proceeds of $1,880,000. Each unit comprised one common share and a half share purchase warrant. Each warrant is exercisable into one common share at an exercise price of $0.10 per share for two years from issue. Four of the Company's directors and officers participated in the private placement. The 2018 Convertible Debentures principal of $358,000 and interest payable of $56,885, and the promissory notes principal of $80,049 and interest of $18,807 were settled to participate in the private placement. ***(Note 11 and 13)***

(Expressed in Canadian Dollars)

16. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding and exercisable, December 31, 2018	4,360,000	0.17
Warrants expired	(3,235,000)	0.12
Warrants issued	18,800,000	0.10
Balance outstanding and exercisable, December 31, 2019	19,925,000	0.11
Warrants expired	(1,125,000)	0.30
Balance outstanding and exercisable, March 31, 2020	18,800,000	$ 0.10

At March 31, 2020, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
12,000,000	$ 0.10	February 6, 2021
5,312,411	$ 0.10	March 29, 2021
1,487,589	$ 0.10	April 15, 2021
18,800,000		

Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

At March 31, 2020, options were outstanding enabling holders to acquire common shares as follows:

Number of Options	Exercise Price	Expiry Date
300,000	$ 0.06	October 28, 2020
1,400,000	$ 0.155	February 23, 2022
700,000	$ 0.15	April 20, 2022
2,050,000	$ 0.18	December 8, 2022
680,000	$ 0.065	June 18, 2022
1,505,000	$ 0.085	April 18, 2023
4,070,000	$ 0.065	May 31, 2024
10,705,000		

(Expressed in Canadian Dollars)

16. SHARE CAPITAL AND EQUITY RESERVES (cont'd...)

The changes in options were as follows:

	Number of options	Weighted Average Exercise Price
Balance outstanding, December 31, 2018	9,085,000	0.14
Options granted	4,070,000	0.065
Options expired/cancelled	(2,450,000)	0.16
Balance outstanding, December 31, 2019 and March 31, 2020	10,705,000	$ 0.11
Vested and exercisable	7,330,000	$ 0.13

Share-based payments

During the period ended March 31, 2020, the Company recognized a total of $37,989 (2019 - $26,958) in share-based compensation for the options vested during the period.

During the year ended December 31, 2019, the Company granted 4,070,000 stock options with a weighted average fair value of $0.065. The fair value of these options calculated using the Black-Scholes option-pricing model was $181,734.

During the year ended December 31, 2019, 680,000 options were re-priced to an exercise price of $0.065 per option. The Company recognized share-based compensation of $2,411 as a result of the re-pricing.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the period:

	2020	2019
Risk-free interest rate	-	1.33%
Expected life of options	-	5
Expected annualized volatility	-	102.1%
Dividend yield	-	Nil

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash financing and investing activities during the period ended March 31, 2020 consisted of:

a) Applied directors and consulting fees of $274,225 towards convertible debentures subscriptions.
b) Applied promissory note interest of $53,604 towards convertible debentures subscriptions.
c) Applied convertible debentures interest of $229,671 and GBP 7,893 towards convertible debentures subscriptions.
d) Applied convertible debentures principal of $205,000 and GBP 246,016 towards convertible debentures subscriptions.
e) Convertible debentures were issued again subscriptions of $200,000 received in the prior year.

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd...)

The significant non-cash financing and investing activities during the period ended March 31, 2019 consisted of:

a) Applied directors and consulting fees of $20,000 towards share subscriptions.
b) Applied promissory note principal of $80,049 and interest of $18,807 towards share subscriptions.
c) Applied convertible debentures principal of $358,000 and interest of $56,885 towards share subscriptions.

18. SEGMENT INFORMATION

The Company operates in one business segment which is the exploration of mineral properties. The geographic distribution of exploration and evaluation assets is disclosed in Notes 9 and 10.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Financial assets and liabilities measured at fair value are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The fair value of receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash and marketable securities are classified as financial instruments at fair value through profit or loss and are measured using level 1 inputs of the fair value hierarchy. The Company's embedded derivatives are measured using level 3 inputs as disclosed in Note 13. Receivables, accounts payable and accrued liabilities, promissory note, convertible debentures, lease liabilities and exploration loan are classified as financial instruments at amortized cost.

Promissory notes, convertible debentures, lease liabilities and exploration loan are measured at amortized cost. The fair value of the Company's long-term exploration loan approximates its carrying value. The interest rate is considered to be comparable to other borrowing arrangements made available to the Company.

Risk management

In the mining industry there is always a risk over contractual interpretation of royalty rights and obligations, and it is possible that the Company's interpretation of its rights and obligations could be different from other parties' interpretation of them. The Company is exposed to varying degrees of financial instrument related risks:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company considers that credit risk with respect to the receivables *(Note 3)* is minimal.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Risk management (cont'd...)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company will endeavor to raise funds for future use from equity financings and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing activities. The Company is exposed to risk that it will encounter difficulty in satisfying these obligations on maturity. The Exploration Loan is secured by a promissory note.

There can be no assurance that the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the completion of other debt and/or equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in generating revenue, cash flows or earnings.

Market risk

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value. The exploration loan bears a fixed, simple interest rate of 10%, and the promissory notes and convertible debentures bear interest at a fixed rate of 15%.

b) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly lithium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

c) Foreign currency risk

The Company's operations are in Canada, Argentina, and Ireland. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars. Exploration programs are in Canadian dollars. Activity in associates occurs in Ireland and is denominated in the Euro. The Company is also subject to fluctuations in the Euro in conducting exploration work and investment in Ireland. Consequently, the Company's investments and expenditures are subject to currency transaction risk and currency translation risk. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

20. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

21. COMMITMENTS & CONTINGENCIES

On March 14, 2018, the Board removed Kirill Klip from his executive positions 'for cause', which would not place any obligation or liability on the Company to pay Kirill Klip any termination amount. However, the Company has received notice from Kirill Klip that he intends to claim for unfair dismissal, although at the date of these financial statements, he has not quantified his claim.