MONTERO MINING AND EXPLORATION LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2019 and 2018
Expressed in Canadian Dollars

The accompanying unaudited interim consolidated financial statements of Montero Mining and Exploration Ltd. (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 the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MONTERO MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars – unaudited)

	Notes	March 31, 2019	December 31, 2018
ASSETS		**$**	**$**
Current assets			
Cash		5,651	32,758
Other receivables		27,813	12,952
Prepaid expenses and deposits		40,353	15,237
Total current assets		73,817	60,947
Non-current assets			
Equipment		2,896	3,161
Exploration and evaluation assets	4	377,256	403,781
Total non-current assets		380,152	406,942
TOTAL ASSETS		**453,969**	**467,889**
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Trade and other payables	9	412,782	282,349
Total current liabilities		412,782	282,349
SHAREHOLDERS' EQUITY			
Equity attributable to the owners of the Company			
Share capital		16,448,943	16,448,943
Warrants		306,361	306,361
Share-based payment reserve	6	7,292,626	7,292,626
Foreign currency translation reserve		1,011,786	1,045,113
Accumulated deficit		(25,018,529)	(24,907,503)
Total shareholders' equity		41,187	185,540
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**453,969**	**467,889**

Subsequent events 14

On behalf of the Board:

"Antony Harwood"	*"Andrew Thomson"*
Antony Harwood, Director	Andrew Thomson, Director

See accompanying notes to the condensed consolidated interim financial statements

MONTERO MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars - unaudited)

	Notes	Three months ended March 31, 2019	Three months ended March 31, 2018
		$	$
EXPENSES			
Consulting, directors', administrative and management fees	9	70,689	75,928
Depreciation		1,052	2,894
General and administrative	9	15,341	5,759
Other expenses		9,883	10,538
Professional fees		11,594	35,207
Project investigation costs	4	-	34,352
Shareholder and regulatory		2,217	19,567
OPERATING LOSS		(110,776)	(184,245)
OTHER ITEMS			
Foreign exchange gain (loss)		(250)	705
		(250)	705
NET LOSS		**(111,026)**	**(183,540)**
OTHER COMPREHENSIVE INCOME/(Loss)			
Exchange difference on translating foreign operations		(33,327)	29,035
COMPREHENSIVE LOSS		**(144,353)**	**(154,505)**
LOSS PER SHARE – BASIC AND DILUTED	7	$ (0.01)	$ (0.01)

See accompanying notes to the condensed consolidated interim financial statements

MONTERO MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars - unaudited)

	Note	Share Capital		Warrants	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	TOTAL EQUITY
		Number of Shares	$	$	$	$	$	$
Balance, December 31, 2017		**18,370,369**	**15,928,556**	—	**6,871,179**	**995,765**	**(21,238,414)**	**2,557,086**
Net loss and comprehensive loss		—	—	—	—	29,035	(183,540)	(154,505)
Balance, March 31, 2018		**18,370,369**	**15,928,556**	—	**6,871,179**	**1,024,800**	**(21,421,954)**	**2,402,581**
Shares issued for cash	5	3,244,635	778,713	—	—	—	—	**778,713**
Shares issued for debt settlement	5	196,214	47,091	28,647	—	—	—	**75,738**
Fair value of warrants issued	5	—	(294,509)	294,509	—	—	—	—
Share and warrant issue costs	5	69,600	(10,908)	(16,795)	—	—	—	**(27,703)**
Stock-based compensation	5	—	—	—	421,447	—	—	**421,447**
Net loss and comprehensive loss		—	—	—	—	20,313	(3,485,549)	**(3,465,236)**
Balance, December 31, 2018		**21,880,818**	**16,448,943**	**306,361**	**7,292,626**	**1,045,113**	**(24,907,503)**	**185,540**
Net loss and comprehensive loss		**—**	**—**	**—**	**—**	(33,327)	(111,026)	(144,353)
Balance, March 31, 2019		**18,370,369**	**16,448,943**	**306,361**	**7,292,626**	**1,011,786**	**(25,018,529)**	**41,187**

See accompanying notes to the condensed consolidated interim financial statements

MONTERO MINING AND EXPLORATION LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars – unaudited)

	Three months ended March 31, 2019	Three months ended March 31, 2018
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(111,026)	(183,540)
Adjustments to loss for non-cash items:		
Depreciation	1,052	2,894
Net changes in non-cash working capital items:		
Other receivables	4,047)	(4,604)
Prepaid expenses and deposits	(25,116)	(36,788)
Trade and other payables	96,391	157,200
Net cash flows used in operating activities	(34,725)	(64,838)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on equipment	-	(1,556)
Expenditures on exploration and evaluation assets	(1,537)	(71,471)
Recoveries of exploration and evaluation assets	9,154	-
Net cash flows used in investing activities	7,617	(73,027)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(27,107)	(137,865)
CASH AND CASH EQUIVALENTS, BEGINNING	32,758	222,580
CASH AND CASH EQUIVALENTS, ENDING	5,651	84,715

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Montero Mining and Exploration Ltd ("Montero" or the "Company") was incorporated on October 5, 2006, under the laws of British Columbia, Canada. Montero and its subsidiaries (collectively, the "Company") are engaged in the acquisition and exploration of mineral properties in Nairobi, South Africa and Tanzania.

Montero is a publicly listed company with its shares listed on the TSX Venture Exchange ("TSX-V"). The Company's registered office is located at 1040 West Georgia Street, Suite 1900, Vancouver, BC, V6E 4H3 and its head office address is Suite 1080, 789 West Pender Street, Vancouver, BC V6C 1H2.

Going Concern

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2019, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions give rise to substantial doubt about the Company's ability to continue as a going concern. When further funds are required, they will be financed through a private placement of common shares or by debt instruments.

2. STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements of the Company, including comparatives, have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements comply with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements do not include all of the information required of a complete set of consolidated financial statements and are 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 the performance of the Company since the end of its last annual reporting period. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2018, which were prepared in accordance with IFRS as issued by the IASB.

The condensed consolidated interim financial statements were authorized for issue on May 28, 2019 by the Audit Committee of the Company.

3. BASIS OF PRESENTATION

The significant accounting policies that have been used in the preparation of these condensed consolidated interim financial statements are summarized in the Company's annual consolidated financial statements for the year ended December 31, 2018. The condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise indicated.

3. BASIS OF PRESENTATION – *Continued*

Changes in Accounting Policies—Financial Instruments
The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carry value of any of the financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Other receivables	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Reclamation bonds	Amortized cost	Amortized cost
Trade and other payables	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholder's equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated comprehensive loss on January 1, 2018.

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net loss in the period in which they arise.

(Expressed in Canadian dollars - unaudited)

3. BASIS OF PRESENTATION – *Continued*
Changes in Accounting Policies—Financial Instruments – *Continued*

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at and amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

4. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets by property area is as follows:

	March 31, 2019	December 31, 2018
	$	$
Namibia Lithium Projects		
Soris Lithium	223,624	223,624
UIS Lithium Tin Tailings	174,134	174,134
EPL 6162 Lithium	6,023	6,023
Tanzania - Wigu Hill	1,537	-
Tanzania – Wigu Hill Cost Recovery	(28,062)	
	377,256	**403,781**

a) Namibia
Lithium Projects

Soris Lithium Project

On October 10, 2017, the Company entered into a Letter of Intent ("LOI") with Frovio Investment ("Frovio") and Mickal Tjituka ("Tjituka"), the owner of Frovio, to acquire up to an 80% interest in a newly formed company ("Newco") that will hold the mining claims that make up this lithium project (the "Soris Lithium Project"). Frovio has eight mining claims making up the Soris Lithium Project and will transfer them into Newco in exchange for a 20% interest. Montero will earn the remainder 80% interest by committing to spending $1 million on the Soris Lithium Project over a three year period. The LOI indicated a three month due diligence period and Montero requested an extension until November 10, 2018, which has been granted. If successful results are achieved after this due diligence period, Frovio and Montero will complete a definitive agreement covering the Soris Lithium Project. Montero has established a new subsidiary in Namibia, Soris Mining (Proprietary) Ltd. as required by the LOI above and entered into a shareholder's Agreement with Tjituka covering its term of operations.

4. EXPLORATION AND EVALUATION ASSETS – *Continued*

a) Namibia – *Continued*

Soris Lithium Project – *Continued*

Montero is currently evaluating this property and in accordance with its accounting policies, capitalizes these costs once they have a legal right to the claims. As of March 31, 2019, the Company spent $223,624 on the Soris Lithium Project.

UIS Lithium Tin Tailings Project

On March 5, 2018, the Company entered into a binding Heads of Agreement (“HOA”) with Namib Base Minerals CC (“NBM”) and Namibia Silica CC (“NBS”), (collectively the “Owners”) to acquire a 95% interest in the UIS Lithium Tin Tailings Project. Under the terms of the HOA, Montero can earn a 95% interest in the UIS Lithium Tin Tailings Project by spending United States dollars (“USD”) $1,425,000 over a three year period. A payment of USD $10,000 is required on the execution of the HOA (paid), another payment of USD $40,000 paid on the successful completion of due diligence, a further payment of USD$275,000 shall be paid within 6 months and the remainder as staged milestone payments. There is a due diligence period of two months provided.

Montero also entered into an agreement with Lithium Africa 1 (“LA1”), to acquire drilling and other data pertaining to the UIS Lithium tailings Project, within four months following a successful due diligence for the amount of $125,000 in cash or shares at LA1’s election.

Montero is currently evaluating this property and in accordance with its accounting policies, capitalizes these costs once they have a legal right to the claims. As of March 31, 2019, the Company capitalized costs of $104,416 on the UIS Lithium Tin Tailings Project.

EPL 6162 Lithium Project

On March 1, 2018, the Company entered into a LOI with Mr. Esegial Xamseb (“Xamseb”), a Namibian national, to acquire an 80% interest in the Exclusive Prospecting Licence 6162 (“EPL 6162 Lithium Project”). Under the terms of the LOI, Montero can earn an 80% interest in the EPL 6162 Lithium Project by spending $1,000,000 over a three year period. Montero shall pay Xamseb $5,000 on signing of a definitive agreement and make annual payments to him of $10,000 on the anniversary of the effective date. There is a due diligence period of three months provided.

Montero is currently evaluating this property and in accordance with its accounting policies, capitalizes these costs once they have a legal right to the claims. As of March 31, 2019, the Company capitalized costs of $6,023 on the EPL 6162 Lithium Project.

b) South Africa

Phosco Project

On November 18, 2011, the Company’s subsidiary, Montero Projects Limited (“Montero Projects”) acquired the shares in Eurozone which holds interests in subsidiary companies that hold phosphate exploration projects in South Africa (hereafter, “Phosco”). Montero Projects paid $101,700 (United States dollars “USD” $100,000) and issued 2,500,000 common shares of Montero, valued at $750,000, and completed the acquisition of Eurozone. The Company held two licences covering the Duyker Eiland and Phillips Kraal areas as a result of this payment.

The licenses comprising the Phosco project expired in February 2019 and management has re-applied for only the mining rights to the Duyker Elland project area. The Phillips Krall area was not re-applied for.

4. EXPLORATION AND EVALUATION ASSETS – *Continued*
b) South Africa – Continued

Phosco Project - Continued

Due to this uncertainty and the Company's limited resources and a change in focus to lithium projects in Namibia, the Company recorded an impairment charge at the last year end December 31, 2018 for Phosco totaling $1,362,197 which included $9,393 in reclamation bonds.

c) Tanzania
Wigu Hill Project

On May 26, 2008 (amended June 30, 2009 and April 27, 2010) the Company and RSR (Tanzania) Limited ("RSR") entered into an agreement whereby RSR granted the Company an exclusive option to earn an initial 60% interest in the Wigu Hill Project (the "First Option"), and an additional 10% interest in the Wigu Hill Project (the "Second Option"). The terms and conditions of the final amended agreement on April 27, 2010 are outlined as follows. In order to exercise the First Option, the Company must pay United States dollars ("USD") $150,000 on or before April 30, 2010 (paid). After the exercise of the First Option, RSR will transfer the prospecting licences comprising the Wigu Hill Project (the "Wigu Hill Licences") to a newly-formed company (established and called - Wigu Hill Mining Company Limited "WHMC") and the Company will concurrently pay RSR a further USD $50,000 (paid). The Company is further obligated to incur exploration expenditures of USD $3.5 million (incurred) (or alternatively complete a prefeasibility study) on or before November 28, 2012. Once completed, the Company may at its sole discretion, within 60 days after November 28, 2012, elect to acquire a further 10% interest in the Wigu Hill Licences by paying RSR a further USD $2,000,000 to complete the requirements to execute the Second Option (amended as outlined below).

On September 22, 2011, the Company and RSR executed a shareholders' agreement, which outlines the following:

- amended the payment of USD $2,000,000 to an initial Second Option payment of $800,000 (paid) and a final Second Option payment of USD $700,000, which is to be paid subject to receipt of mining and retention licences granted by the Government of Tanzania, as well as a development agreement executed by the Government of Tanzania and the Company. By mutual agreement between the Company and RSR, the USD $700,000 payment may be satisfied by the issuance of common shares of Montero at the prevailing market price of such shares at the date of payment.
- agreement that the Company has now duly and validly exercised the First Option and the Second Option, and owns a 70% interest in the Wigu Hill Licences.
- RSR has transferred the Wigu Hill Licences to WHMC which was originally owned 70% by the Company and 30% by RSR. Further funding of exploration on the Wigu Hill Licences shall be provided by the Company and RSR in proportion to their ownership of WHMC.
- dilution provisions are provided subject to a deemed expenditure formula and, and where a party's interest is diluted to less than 10%, conversion of such interest to a 2.5% net smelter returns royalty ("NSR") will be done. The Company has the right to purchase all or part of the NSR for USD $1 million per each 0.5%.

After the establishment of WHMC, further exploration costs were incurred by the Company and RSR has not yet paid their share of these costs which at March 31, 2019, were determined to be $1,654,162 (USD $1,212,551) and have been included in exploration and evaluation assets. Management has not recorded RSR's share as a receivable due to the uncertainty of payment. RSR was put on notice for its contribution required and advised that dilution will occur if payment is not received. The notice period for receipt of payment has expired and therefore Montero increased its ownership of the WHMC to 82.25%.

As a result of the enactment of certain legislation by the Tanzanian government, all existing mineral retention licenses, including those related to the Wigu Hill Project, have been revoked. The Company is eligible to apply to have its licence reinstated, and has therefore submitted all applications and necessary documents to the Tanzanian Ministry of Minerals for this application for the Wigu Hill Project licences.

While the Company has now submitted its application for the licence related to the Wigu Hill Project, the licence has

4. EXPLORATION AND EVALUATION ASSETS – *Continued*

c) Tanzania – Continued

Wigu Hill Project - Continued

not yet been granted. The operating environment in Tanzania is challenging for mining companies and as such, management believes that this is an indicator of impairment, and has therefore written off the carrying value of the Wigu Hill Project in the amount of $1,190,719 during the year ended December 31, 2018. As well, a smaller licence in the vicinity was not renewed and therefore the Company has recorded an impairment charge of $30,079 for this other Tanzanian licence for the year ended December 31, 2018.

The Company is currently in discussions with an interested party to further advance the Wigu Hill Project subject to the mining claims being granted, and this interested party is currently paying for overhead costs of USD $7,000 per month (total recoveries of USD $56,000, CAD $74,088 for the period ended March 31, 2019).

d) Chile

On January 25, 2018, Montero entered into an agreement with certain individuals (the "Founders") to acquire certain techniques for exploration in Chile. Montero plans to apply for claims in Chile and utilize these techniques for exploration. Montero agrees to spend $100,000 on the application, due diligence and exploration work on the claims over 18 months. In addition, Montero has agreed to issue shares to the Founders valued at $100,000 on receipt of valid claims from the application process and the completion of successful due diligence ("Milestone 1") and to issue shares valued at $600,000 following the conditions of Milestone 1 above as well as completion of a successful sampling program which leads Montero to decide to undertake resource definition drilling on one or more of the claims. There is a due diligence period of nine months provided. On October 22, 2018, Montero and the Founders agreed to extend the due diligence period from nine months to fifteen months (April 25, 2019) with a further option by Montero to extend by a further three months (July 25, 2019) to continue to evaluate the property.

As at March 31, 2019, no claims have yet been granted to Montero, so the Company records these costs as property investigation costs. During the year ended December 31, 2018, Montero has spent $91,781 in property investigation costs on this program.

(Expressed in Canadian dollars - unaudited)

4. EXPLORATION AND EVALUATION ASSETS – *Continued*

Details of the Company's exploration and evaluation assets are as follows:

	Namibia			Tanzania		
	Soris	**UIS**	**EPL 6162**	**Wigu Hill**	**Three Months ended March 31, 2019**	**Year ended December 31, 2018**
	$	**$**	**$**	**$**	**$**	**$**
Property acquisition costs						
Balance, beginning of period	-	64,718	5,000	-	**69,718**	**1,207,318**
Foreign currency translation	-	-	-	-	**-**	**22,232**
Additions	-	-	-	-	**-**	**79,049**
Impairment	-	-	-	-	**-**	**(1,238,881)**
Balance, end of period	-	64,718	5,000	-	**69,718**	**69,718**
Exploration and evaluation costs						
Balance, beginning of period	223,624	104,416	6,023	-	**334,063**	**1,290,859**
Foreign currency translation	-	-	-	-	**-**	**39,018**
Costs incurred during the period:						
Drilling	-	-	-	-	**-**	**64,570**
Field and camp costs	-	-	-	-	**-**	**44,013**
Geological consulting	-	-	-	-	**-**	**141,295**
Geophysical and maps	-	-	-	-	**-**	**16,936**
Lab tests and assays	-	-	-	-	**-**	**55,156**
Maintenance and environmental	-	-	-	-	**-**	**15,529**
Project administration costs	-	-	-	-	**-**	**14,350**
Travel and accommodation	-	-	-	1,537	**1,537**	**33,084**
	223,624	104,416	6,023	1,537	**405,318**	**1,714,810**
Impairment	-	-	-	-	**-**	**(1,334,721)**
Recovery of costs	-	-	-	(28,062)	**(28,062)**	**(46,026)**
Total	**223,624**	**169,134**	**11,023**	**(26,525)**	**377,256**	**403,781**

(Expressed in Canadian dollars - unaudited)

5. SHARE CAPITAL

Authorized
Unlimited number of common shares without par value.

Issued and outstanding
At March 31, 2019 there were 21,880,818 issued and fully paid common shares outstanding (December 31, 2018 – 21,880,818).

Details of changes to share capital

Changes during the three months ended March 31, 2019
None during the period.

5. SHARE CAPITAL – *Continued*

Stock options
The Company has established a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The number of common shares that are available for grants of options under the Plan shall not at any time exceed 10% of the number of outstanding common shares, calculated at the time of grant. Options granted under the Plan generally have a term of five years and vest on the date of the grant.

A summary of the continuity of the Company's stock options is as follows:

	March 31, 2019		**December 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		**$**
Options outstanding, beginning of period	1,752,000	0.25	175,625	1.00
Granted	-	-	1,752,000	0.25
Expired	-	-	(175,625)	1.00
Options outstanding and exercisable, end of period	1,752,000	0.25	1,752,000	0.25

The stock options expire on May 14, 2023, and the weighted average remaining contractual life of the outstanding stock options is 4.12 years.

WARRANTS

The issued and outstanding warrants are comprised of the following:

(Expressed in Canadian dollars - unaudited)

Date of expiry	**Warrant Reserve**	**Number of warrants**	**Exercise Price**
	$		**$**
October 27, 2019	306,361	3,440,849	0.32
Balance, March 31, 2019	**306,361**	**3,440,849**	

A summary of the continuity of the Company's warrants is as follows:

	March 31, 2019		**December 31, 2018**	
	Number of Shares Issuable	Weighted Average Exercise Price	Number of Shares Issuable	Weighted Average Exercise Price
		$		**$**
Warrants outstanding, beginning of period	3,440,849	0.32	-	-
Granted	-	-	3,440,849	0.32
Warrants outstanding, end of period	3,440,849	0.32	3,440,849	0.32

5. SHARE CAPITAL – *Continued*

WARRANTS - Continued

At March 31, 2019, the weighted average remaining contractual life of the outstanding warrants was 0.58 years.

The warrant reserve records the fair value of warrants associated with private placements until such time that the warrants have expired, at which time the corresponding amount will be transferred to share-based payment reserve. If the warrants are exercised prior to expiry, the corresponding amount will be transferred to share capital

6. SHARE-BASED PAYMENT RESERVE

The Company's share-based payment reserve is comprised of the following:

	$
Expired warrants	5,086,472
Expired stock options	1,784,707
Unexpired stock options	421,447
Balance, March 31, 2019	**7,292,626**

The share-based payment reserve records items recognized as stock-based compensation expense, the fair value of expired warrants associated with private placements and the fair value of agent's warrants. If the stock options are exercised prior to expiry, the corresponding amount will be transferred to share capital.

7. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of ordinary shares outstanding during the year. The basic and diluted loss per share are the same since the Company reported a loss for the period and therefore the effect would be antidilutive.

(Expressed in Canadian dollars - unaudited)

	March 31, 2019	**March 31, 2018**
Net loss attributable to owners of the parent company	$ (111,026)	$ (183,540)
Weighted average number of ordinary shares outstanding	21,880,818	18,370,369
Basic and diluted loss per ordinary share	$ (0.01)	$ (0.01)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these condensed consolidated interim financial statements.

8. COMMITMENTS AND CONTINGENCIES

The Company has no operating lease commitments. The Company has capital commitments relating to its exploration and evaluation assets as outlined in Note 4.

9. RELATED PARTY TRANSACTIONS

Key management personnel compensation

	Three months ended March 31,	
	2019	**2018**
Compensation of key management personnel		
Short-term benefits	32,669	43,893
	32,669	43,893
Total remuneration of directors and key management personnel	**32,669**	**43,893**

Related party transactions

The Company incurred the following transactions with management, directors, officers or companies which have directors in common, or in which the directors have significant influence and interests.

	Three months ended March 31,	
	2019	**2018**
	$	**$**
Operating expense transactions		
Consulting, directors', administrative and management fees	17,864	7,284
General and administrative	1,868	1,653
Finance costs	-	-
	19,732	8,937
Total trading transactions with related parties	**19,732**	**8,937**

Related party balances

The following amounts due to related parties are included in trade and other payables:

	March 31, 2019	December 31, 2018
	$	$
Due to related parties	**98,811**	**93,599**

The amounts due to related parties represent amounts due to directors and officers or companies which have directors in common, or in which the directors have significant influence and interests. These amounts are included in trade and other payables and are unsecured, non-interest bearing and are due within twelve months.

(Expressed in Canadian dollars - unaudited)

10. SEGMENTED INFORMATION

The Company has one business segment being the exploration and evaluation of mineral resources. The Company is organized by geographic area and as such, its reportable operating segments are located in Canada, Namibia, Tanzania and South Africa.

Information regarding the Company's geographic segments is as follows:

As at March 31, 2019	**Canada**	**Namibia**	**South Africa**	**Tanzania**	**Total**
	$	**$**	**$**	**$**	**$**
Reclamation bonds	-	-	-	-	-
Plant and equipment	-	2,896	-	-	2,896
Exploration and evaluation assets	-	403,781	-	(26,525)	377,256
Total non-current assets	**-**	**406,677**	**-**	**(26,525)**	**380,152**

As at December 31, 2018	**Canada**	**Namibia**	**South Africa**	**Tanzania**	**Total**
	$	**$**	**$**	**$**	**$**
Plant and equipment	-	3,161	-	-	3,161
Exploration and evaluation assets	-	403,781	-	-	403,781
Total non-current assets	**-**	**406,942**	**-**	**-**	**406,942**

11. NON-CASH TRANSACTIONS

There were no non-cash transactions during the three months ended March 31, 2019 or three months ended March 31, 2018 that are not reflected in the statement of cash flows.

12. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern, while supporting the Company's business and maximizing the return to its stakeholders. The Company's capital structure is adjusted based on management's decisions to issue debt or equity instruments to fund expenditures. In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business. The capital of the Company consists of equity attributable to owners of the parent comprised of share capital, stock options and warrants.

The Company's principle assets are in the exploration and evaluation stage and, as a result, the Company currently has no source of operating cash flow. In order to facilitate the management of capital and exploration of its mineral properties, the Company needs to raise capital as and when required to complete its projects and for working capital. The sources of future funds presently available to the Company are through the issuance of new share capital, through the exercise of stock options and/or warrants or through borrowings from related parties.

12. CAPITAL MANAGEMENT – *Continued*

The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to arrange additional financing, when required, on terms satisfactory to the Company.

Management prepares operating budgets to forecast its financing requirements in advance and they review their capital management approach on an ongoing basis and believes that this approach is reasonable, given the relative size of the Company. The Company's investment policy is to hold excess cash in interest-bearing accounts at high credit quality financial institutions to minimize risk and maximize liquidity. The Company's overall strategy remains unchanged from the prior period. The Company is not subject to any externally imposed capital requirements.

13. RISK MANAGEMENT

The Company operates in the mining industry and faces a number of risks that could adversely affect the Company's operations. These risks include industry risk, credit risk, liquidity risk, interest rate risk, foreign currency risk, commodity price risk. Management reviews and develops policies for managing each of these risks which are summarized below.

Industry Risk
The Company is engaged in the mineral exploration field, which is subject to inherent risks of success as well as compliance with environmental, political and regulatory requirements. The Company is potentially at risk for environmental reclamation obligations associated with resource property interests. As well, the Company operates in foreign countries and is subject to local political risks, as well as local regulatory requirements regarding ownership and maintenance of mineral licences. Management is of the opinion that they have the expertise to address these risks and makes all efforts to conduct their business in compliance with local industry standards, however environmental and local industry laws and practices are complex, and there is no certainty that all exposure to liability or costs have been mitigated.

Credit Risk
Credit risk is the risk of loss associated with a counter-party's ability to fulfill its payment obligations. The Company's primary exposure to credit risk is attributable to its cash and cash equivalents, as well as trade and other receivables. This risk relating to cash and cash equivalents is considered low since the Company only invests its cash in major banks which are high credit quality financial institutions. The other receivables primarily comprise local sales tax refunds due from governmental agencies and, as such, management considers the risk with their collection minimal. The cash and cash equivalents are invested in short-term investment certificates for periods less than 90 days and the trade and other receivables are due in less than 90 days.

Liquidity Risk
Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash in order to meet its liquidity requirements and to develop budgets to forecast cash requirements in advance of their requirements. The Company currently does not have a source of operating cash flow and must raise funds for its exploration and evaluation programs and for general working capital. There are risks associated with raising the funds required, and there can be no assurances that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. The Company's trade and other payables are generally due within 90 days, with all amounts due within twelve months.

13. RISK MANAGEMENT – *Continued*

Interest Rate Risk
Interest rate risk refers to the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents which represent excess cash invested in short-term investments and these accrue interest at variable market rates. The Company monitors these investments with its need for cash flow and is satisfied with the return on these investments, given the timing of the need for cash in the Company. The effect of interest rate changes on the Company is insignificant.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in Canada, Namibia, South Africa and Tanzania and portions of its expenditures are incurred in US dollars, South African Rand and Tanzanian Shillings. The Company's presentation currency is the Canadian dollar, the Tanzanian subsidiaries' functional currency is the United States dollar and the South African subsidiaries' functional currency is the Canadian dollar. At March 31, 2018 and 2017, the value of financial assets and liabilities denominated in currencies other than the functional currency of the entity to which they relate is not significant.

Commodity Price Risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily lithium, phosphates and rare earth elements) to determine the appropriate course of action to be taken by the Company.

14. EVENTS AFTER THE REPORTING PERIOD

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