Zacks Small-Cap Research

August 4, 2017

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Wealth Minerals Ltd. (V.WML – TSX-V)

Wealth Minerals enters agreement for the option to acquire 24.5% of Seven Salars

Based on comparative analysis that utilizes the valuation metric of price-to-book (P/B), an industry average peak P/B ratio of 10.5 indicates a share price target of $2.40

Current Price (08/03/17)	$1.94
Valuation	**$2.40**

OUTLOOK

Wealth Minerals is a junior mineral exploration company that is well-positioned to benefit from its portfolio of prospective lithium projects in the Lithium Triangle. The company holds control over portions of five salar projects in northern Chile and is in the process of gaining control (through a LOI) of an additional five (Five Salars) and a 24.5% beneficial interest in another seven (Seven Salars). The company intends to continue acquiring concessions encompassing salars and advancing them through exploration programs. The Lithium Triangle appears to be the global sweet spot for low-cost incremental supply of lithium.

SUMMARY DATA

52-Week High	**$2.10**
52-Week Low	**$0.75**
One-Year Return (%)	**97.96**
Beta	**2.33**
Average Daily Volume (shrs.)	**182,740**
Shares Outstanding (million)	**89.02**
Market Capitalization ($mil.)	**$172.7**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2017 Estimate	**N/M**
P/E using 2018 Estimate	**N/M**

Risk Level	**Above Average**
Type of Stock	**Small - Value**
Industry	**Mining**

ZACKS ESTIMATES

Revenue
(in millions of $CDN)

	Q1 (Feb)	Q2 (May)	Q3 (Aug)	Q4 (Nov)	Year (Nov)
2015	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2016	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2017	0.0 E	0.0 A	0.0 E	0.0 E	0.0 E
2018					0.0 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Feb)	Q2 (May)	Q3 (Aug)	Q4 (Nov)	Year (Nov)
2015	-$0.00 A	-$0.02 A	-$0.01 A	-$0.01 A	-$0.04 A
2016	-$0.01 A	-$0.05 A	-$0.06 A	-$0.02 A	-$0.14 A
2017	-$0.05 A	-$0.02 A	-$0.02 E	-$0.03 E	-$0.11 E
2018					-$0.05 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

Quarterly EPS may not equal annual EPS total due to rounding.

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KEY POINTS

- Wealth Minerals is junior mining company pursuing a strategy of **accumulating early stage exploration lithium projects within the Lithium Triangle**, initially properties located in Chile.
  - Management's strategy is to increase shareholder value by gaining control of prospective lithium exploration concessions that encompass salars.
  - The **Lithium Triangle**, particularly in Chile and Argentina, appears to be the **global sweet spot for low-cost incremental supply of lithium**.
  - Management intends to advance the mineral concessions through exploration programs.
    - The company may enter joint venture partnerships with senior mining companies to advance concessions to further explore and develop each property, thereby potentially receiving cash payments to carry the projects into the future while laying off significant exploration costs onto the partner.
    - Management may consolidate properties under its control for the purpose of being able to offer more attractive packages of prospective lithium properties to senior mining companies.
  - Concurrently, additional prospective projects are being identified and evaluated in order to augment the company's portfolio of properties.
  - Thus far, since July 26, 2016, Wealth Minerals has entered into formal option agreements for multiple prospective lithium properties. After consolidating several properties into one project, the company now controls three projects (**Atacama**, **Trinity** and **Laguna Verde**) which encompass 61,338 hectares:. A fourth project (**Five Salars**) is under a Letter of Intent (LOIs). A fifth project under agreement would provide a **24.5% beneficial interest** in **Seven Salars**. See table below.

Wealth Minerals Ltd.

Project	Exploration Concession	Formal Option Date	Number of Concessions	Hectares (approx.)	Salar	Region
Atacama		10/28/2016	144	**46,200**	Atacama	II
Trinity		various	26	**6,400**		II
	Aguas Calientes Norte					
	Puritama	11/30/2016	8	2,000	Aguas Calientes	II
	Salar	7/25/2016	2	400	Aguas Calientes	II
	Pujsa	7/20/2016	7	1,600	Pujsa	II
	Quiso	9/5/2016	9	2,400	Quisquiro	II
Laguna Verde		12/2/2016	23	**2,438**	Laguna Verde	III
Land Package (Laguna Verde)		3Q FY 2017	N/A	**6,262**	Laguna Verde	III
	Salar Green				Green	III
	Union					III
Five Salars		**LOI**	5	**10,500**		I, II, III
	Ascotán		1	1,300	Ascotán	II
	Piedra Parada		1	1,900	Piedra Parada	III
	Huasco		1	5,300	Huasco	I
	Siglia		1	1,600	Siglia	II
	Lejia		1	400	Lejia	II
Seven Salars (24.5% interest)		**Agreement**	N/A	**39,404**		III
	Salar de La Isla		N/A	16,500	La Isla	III
	Salar de Aquilar		N/A	8,800	Aquilar	III
	Salar de Las Parinas		N/A	5,400	Las Parinas	III
	Salar Grande		N/A	4,000	Grande	III
	Salar Agua Amerga		N/A	3,100	Agua Amerga	III
	Salar de Piedra Parada		N/A	1,500	Piedra Parada	III
	Maricunga Salar		N/A	104	Maricunga	III
		Total under Formal Option Agreements		**61,300**		
		Total under Option, Agreement & LOI		**81,454**		

- With lithium carbonate prices having risen significantly over the last two years from under $6,000 to above $14,000 per tonne, **investors are intently focused on ferreting out opportunities in the lithium industry**.
    - Consistent news flow from Tesla and other builders of battery gigafactories reinforces the macro-case for lithium.
    - Concurrently, the growth of Electric Vehicles should drive profound increases in demand for lithium.
    - Though there is some debate, as always, about the resolution of the current lithium supply-demand imbalance and the resulting effect on pricing, I fall into the camp that there will be insufficient supply to meet the anticipated demand over the next few years, which should result in a robust lithium pricing environment. Such opportunities, especially when accompanied with targeted areas, such as the Lithium Triangle, are infrequent and should be pursued vigorously when they occur.
- Since the company's projects are still in the early exploration stage and management continues to pursue acquiring control over additional properties, Wealth Minerals will continue to need to raise capital in order to fund the advancement of its lithium brine projects.

EXECUTIVE SUMMARY OF RECENT EVENTS

Prospective Lithium Property Activity

During the third fiscal quarter, Wealth Minerals entered into a **formal property option agreement** for the acquisition of an additional **Laguna Verde land package** (**Salar Green** and **Union** properties), which increased the area under formal option agreements to 61,338 hectares.

The company announced the **execution of a binding Letter Agreement** to acquire a **24.5% beneficial interest** in the **39,400-hectare Seven Salars Project** through the acquisition of 49% of the outstanding shares of San Antonio Sociedad Contractual Minera.

Financings

During the second fiscal quarter, 4,082,728 shares were issued through a private placement (3,707,728 shares) and the exercise of options (375,000 shares) providing **net proceeds of $6,849,314**.

Thus far during the third fiscal quarter, a non-brokered private placement consisting of two tranches provided **gross proceeds of $5,483,459** through the issuance of 3,704,946 shares.

Second Fiscal Quarter Results

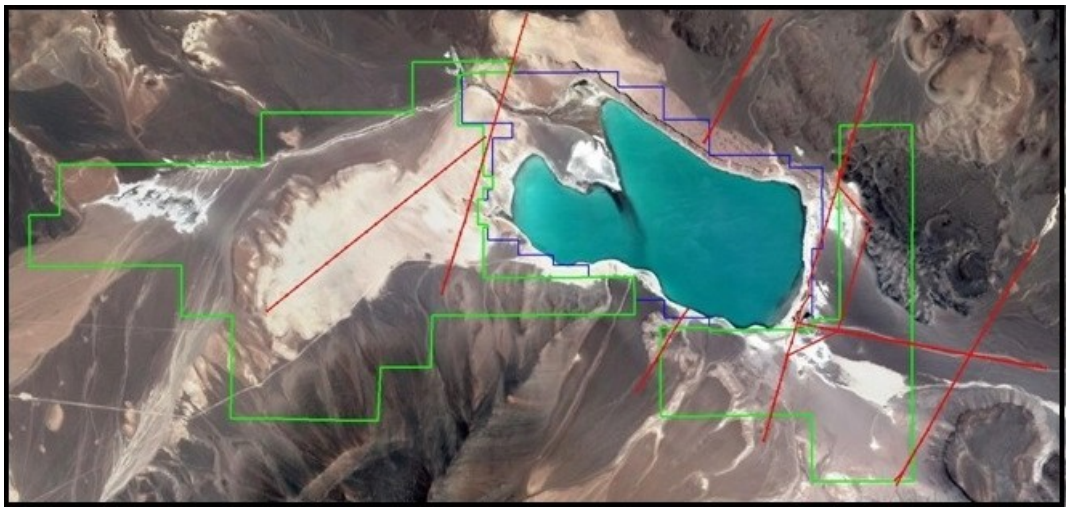
On July 31, 2017, Wealth Minerals reported financial results for the second fiscal quarter ending May 31, 201. For the quarter, the company reported a loss of $1,855,903 ($0.02 per diluted share) versus a loss of $2,397,523 ($0.05 per diluted share) in the comparable-quarter last year. Exploration and evaluation expenditures and professional fees expanded significantly due to increased exploration activities and increased need for legal services, respectively.

The weighted average number of common shares outstanding increased 65.4% to 80,651,326. During the quarter, 4,082,728 shares were issued through a private placement and the exercise of options. In addition, the company issued 2,000,000 shares pursuant to the formal option agreements to acquire the Salar de Atacama and Salar projects.

RECENT NEWS

Formal Option Agreement – Salar Green & Union Projects

During the third quarter of fiscal 2017, Wealth Minerals entered into a **formal property option agreement** with Atacama Lithium Chile SpA for the acquisition of additional exploration mining concessions (totaling approximately **6,300 hectares**) surrounding the Laguna Verde Project, namely the Salar Green and Union Projects. Wealth Minerals now has the option to acquire 100% interest in the exploration concessions in consideration of cash payments totaling US$4,000,000 and delivery of 5,000,000 common shares of WML to be paid over the ensuing 4 years, of which $700,000 and 1,000,000 shares were delivered upon the execution of the Option Agreement.



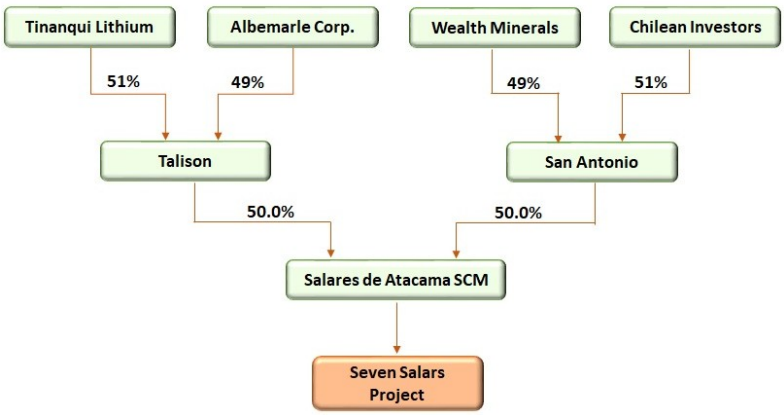
The exploration mining concessions are **denoted by green lines** in the image above.

PENDING TRANSACTIONS

Letter Agreement – Seven Salars

On August 1, 2017, **Wealth Minerals** Ltd. (TSXV: WML; OTCQB: WMLLF) announced the **execution of a binding Letter Agreement** which **grants the option to acquire 49%** of the outstanding shares of **San Antonio** Sociedad Contractual Minera. As a result, Wealth Minerals has the option to acquire a **24.5% beneficial interest** in the **39,400-hectare Seven Salars Project**, which currently is held in a 50/50 JV by Talison Lithium and San Antonio.

Post-Transaction Ownership Structure of the Seven Salars



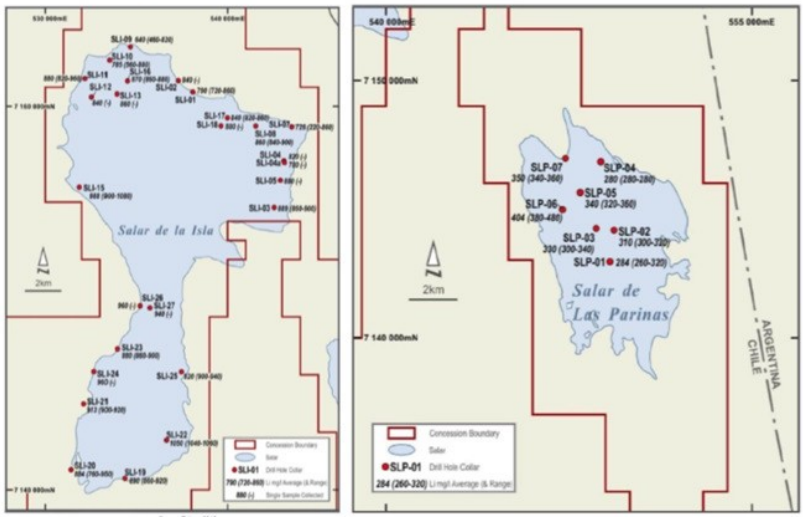
Upon the completion of due diligence, Wealth Minerals can exercise its option to acquire 49% of the issued and outstanding shares of San Antonio by issuing **4,104,545 shares of WML.V** at closing and the payment of **US$11,760,000** over the ensuing eight months.



The Seven Salars Project is comprised of Salar de La Isla (16,500 hectares), Salar de Aquilar (8,800), Salar de Las Parinas (5,400), Salar Grande (4,000), Salar Agua Amerga (3,100), Salar de Piedra Parada (1,500) and Maricunga Salar (104) - all located Chile's Region III.

The salars have had varying degrees of historical exploratory work. Between 2010 and 2011, Talison completed TEM (Transient Electromagnetic) geophysical surveys over five salars of the seven salars. In addition, geochemical surface brine sampling and exploration drilling were conducted on the properties. Roughly 200 surface brine samples were collected and 34 drill holes (27 at Salar de La Isla and seven at Salar de Las Parinas) were completed.

Drilling Locations at Salar de La Isla and Salar de Las Parinas

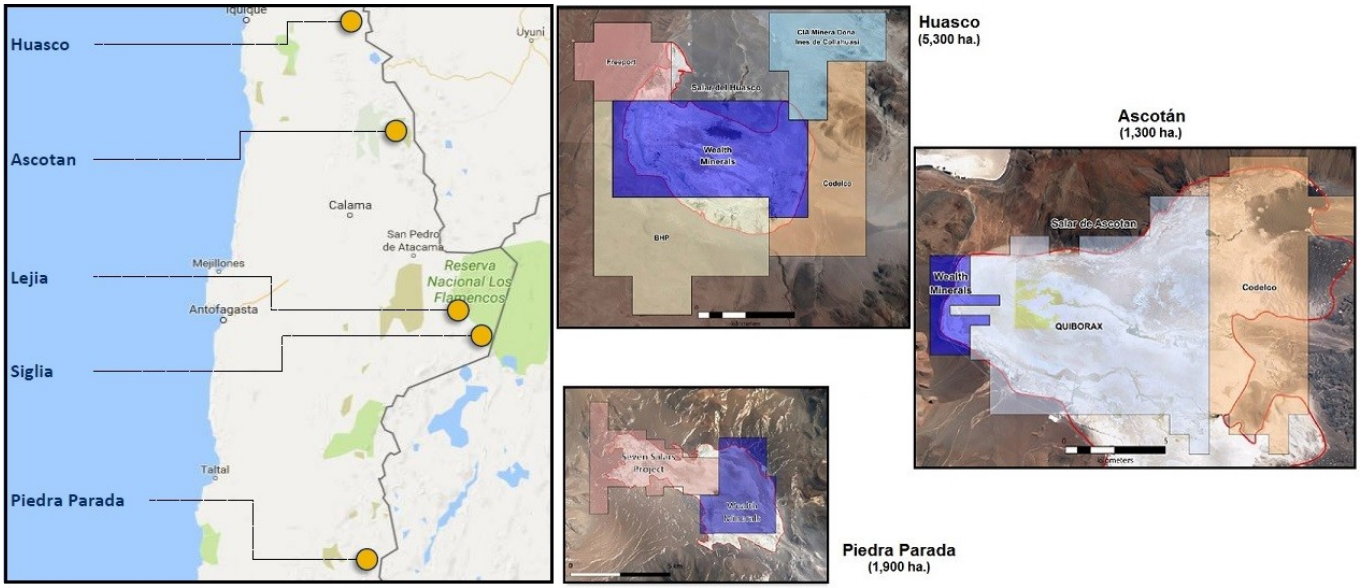


Highlights include surface brine sampling with a maximum value of 1,080 mg/l Li at Salar de La Isla, a maximum lithium concentration of 480 mg/l (average of 331 mg/l) in a drill program at Salar de Las Parinas and brine samples ranging from 257 mg/l to 337 mg/l at Salar de Aquilar.

Concerning the other JV partner of the Seven Salars Project, Talison is a leading global producer of lithium. Talison's Greenbushes Project in Western Australia produces lithium concentrate, which accounts for roughly 40% of global lithium production. Talison acquired its 50% interest in the Seven Salars Project through the acquisition of Salares Lithium Ltd. in 2010. Talison Lithium, itself, is jointly owned by Tianqi Lithium (51%) and Albemarle Corporation (49%), the latter being the one of the two current lithium producers in Chile with production from Salar de Atacama Salar and the operator of the Greenbushes Project.

LOI – Five Salars

On April 18, 2017, Wealth Minerals announced the execution of a non-binding **Letter of Intent to enter into an option agreement** granting the right to acquire a 100% royalty-free interest in a portfolio of exploration concessions located in northern Chile. The package of properties (known as the **Five Salars Project**) totals **10,500 hectares** of exploration concessions and is comprised of five projects: Ascotán, Piedra Parada, Huasco, Lejia and Siglia.



In order to exercise the formal option agreement, Wealth Minerals must make cash payments totaling $8.0 million and issue 8,000,000 common shares according to the schedule in the table below.

Wealth Minerals Ltd.								
Exploration Concession	**Hectares**	**Upon Signing Agreement**	**Required Payment +6 months**	**Required Payment +12 months**	**Required Payment +18 months**	**Required Payment +24 months**	**Required Payment +28 months**	**Total Required Payments**
Five Salars	10,500	$1,000,000 1,000,000 shrs	$1,000,000 1,000,000 shrs	$1,000,000 1,000,000 shrs	$1,000,000 1,000,000 shrs	$2,000,000 2,000,000 shrs	$2,000,000 2,000,000 shrs	$8,000,000 8,000,000 shrs

Laguna Verde Project Exploration Program

On June 5, 2017, Wealth Minerals announced the results from the recently completed Transient Electromagnetic (TEM) and gravity geophysical surveys around the Laguna Verde Project. The locations

of the TEM (collected at 132 stations of 250-meter coincident transmitter loops) and gravity (108 reading stations) survey lines are **denoted as red lines** in the image above.

The results of the **gravity geophysical survey** suggest the depth of the Laguna Verde's basin ranges from about 400 meters to slightly more the 1,000 meters in the area surveyed. The **TEM geophysical survey** measured variations in the subsurface electrical resistivity and conductivity in the selected areas around the Laguna Verde surface brine-lake. The **variations in conductivity** support the potential presence of saline groundwater (potentially brine) contiguous to the lake and at an indicated depth of 200-to-300 meters. The strongest electromagnetic measurements of conductivities potentially identifying groundwater yielding zones were recorded at the western end of the lake. A **zone of low resistivity** was observed to the northeast of the lake (at a depth over 400 meters). Zones with low resistivity values are typical of sandy zones filled with saline groundwater and here at Laguna Verde, may represent a separated saline groundwater aquifer (see the Laguna Verde Project section for a 3-D visualization of TEM survey results).

Though the actual targets for the drill program have not yet been determined, initial analysis points to up to three shallow drill targets very near to Laguna Verde brine-lake and an additional drill target to test the prospective deeper zone of low resistivity to the northeast.

Second Fiscal Quarter Results

On July 31, 2017, Wealth Minerals reported financial results for the second fiscal quarter ending May 31, 201. For the quarter, the company reported a loss of $1,855,903 ($0.02 per diluted share) versus a loss of $2,397,523 ($0.05 per diluted share) in the comparable-quarter last year. Exploration and evaluation expenditures increased $598,786 to $668,087 due to increased exploration activities. Professional fees increased $205,587 to $272,720 due to an increase in professional fees paid for legal services.

The weighted average number of common shares outstanding increased 65.4% to 80,651,326 up from 48,765,064 in the comparable period last year. During the quarter, 4,082,728 shares were issued through a private placement (3,707,728 shares) and the exercise of options (375,000 shares) providing net proceeds of $6,849,314. In addition, the company issued 2,000,000 shares pursuant to the formal option agreements to acquire the Salar de Atacama and Salar projects.

RECENT FINANCINGS

To date, Wealth Minerals has been very successful funding the company's operations and initiatives through its equity financing activities.

On August 2, 2017, Wealth Minerals announced the closing of the non-brokered private placement first announced on June 2, 2017. A total of 3,704,946 shares were issued in two tranches; gross proceeds were $5,483,459.

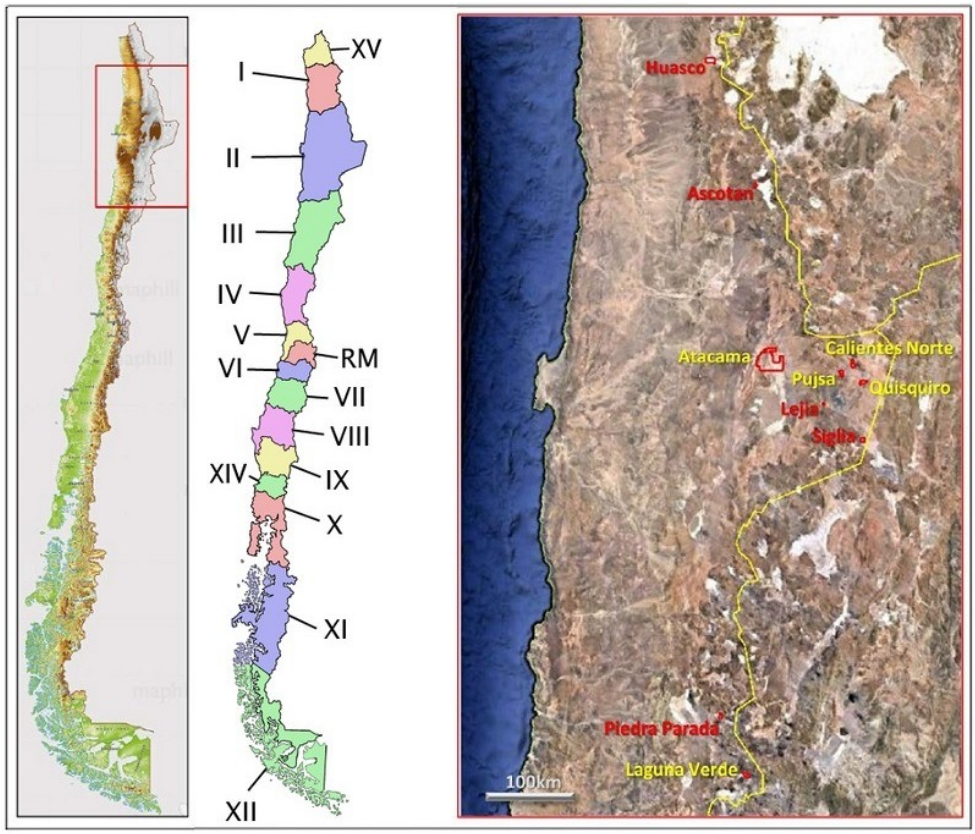
During first fiscal quarter of 2017 (ending February 28, 2017), a non-brokered private placement of 1,838,800 shares provided **net proceeds of $1,788,944**. Also, the exercise of warrants provided an additional **$67,500**. During the second fiscal quarter, 4,082,728 shares were issued through a private placement (3,707,728 shares) and the exercise of options (375,000 shares) providing **net proceeds of $6,849,314**.

During fiscal 2016 (ending November 30, 2016), **equity financing activities** provided Wealth Minerals a total of **$12,382,800** to help finance the company's activities and fund the necessary option payments to maintain its formal option agreements in good standing. During the year, Wealth Minerals successfully closed five non-brokered private placements, which provided $11,514,700 in net proceeds; in addition, the company received $868,100 from the exercise of options and warrants.

Going forward, in addition to ongoing general & administrative expenses and working capital requirements, the company needs to make the required option payments on its mineral property options, pay the costs of reviewing potential new acquisitions as well as fund exploration work.

OVERVIEW

Headquartered in Vancouver, British Columbia, Wealth Minerals Ltd (WML.V) is a junior exploration company that is building a **portfolio of highly prospective lithium-brine mineral concessions** located within the Lithium Triangle, currently targeting properties within salars situated in Chile. However, management's scope for potential lithium-in-water and brine candidates extends beyond the region in the search for prospective mineral properties.



Since July 2016, the company has entered into several formal option agreements to acquire interests in certain lithium exploration concessions, namely:

- **Atacama Project** - option to acquire a 100% royalty-free interest in 144 exploration concessions (46,200 hectares) located the northern portion of the Salar de Atacama
- **Laguna Verde Project** - option to acquire a 100% royalty-free interest in 23 mining concessions (2,438 hectares)
- **Trinity Project** - comprised of three neighboring properties (totaling roughly 6,400 hectares)
    - Aguas Calientes Norte (Salar and Puritama totaling 2,400 hectares)
    - Pujsa (1,600 hectares)
    - Quisquiro (2,400 hectares)
- **Salar Green and Union Projects** – option to acquire 6,262 hectares contiguous to the Laguna Verde Project.
- Entered into a non-binding LOI for the right to acquire 100% interest in 5 exploration concessions (10,500 hectares) collectively known as the **Five Salars Project**

    - Ascotán Project in the west portion of the Salar de Ascotán (1,300 hectares)
    - Piedra Parada Project in the Salar de Piedra Parada (1,900 hectares)
    - Huasco Project in the Huasco Salar (5,300 hectares)
    - Siglia Salar (1,600 hectares)
    - Lejia Salar (400 hectares)
- Entered into a binding agreement for option to acquire 49% interest in San Antonio Sociedad Contractual Minera. The 39,400-hectare **Seven Salars Project** is held in a 50/50 JV by Talison Lithium and San Antonio. As a result, Wealth Minerals has the option to acquire a **24.5% beneficial interest** in.the Seven Salars Project.
    - Salar de La Isla (16,500 hectares)
    - Salar de Aquilar (8,800 hectares)
    - Salar de Las Parinas (5,400 hectares)
    - Salar Grande (4,000 hectares)
    - Salar Agua Amerga (3,100 hectares)
    - Salar de Piedra Parada (1,500 hectares)
    - Maricunga Salar (104 hectares)

Today, **Wealth Minerals controls 61,300 hectares of mineral concessions**, having consolidated various concessions in Chile into a portfolio of prospective lithium-brine properties. The company's salar projects have the potential to produce lithium compounds and other metals from subsurface brines.

Strategic Plan

In late 2015, management recognized the increasing interest in lithium brines located with the Lithium Triangle, especially Chile. Rising prices of the lithium compounds, especially lithium carbonate, appeared to be forerunner of an expected potential future supply shortage of high-grade lithium to feed the demand being generated by Electric Vehicle (EV) manufacturers and builders of battery gigafactories. The market dynamics of lithium portend profound structural issues from which the company is being positioned to benefit.

Management's business plan is comprised of acquiring greenfield lithium concessions, **advancing the properties through exploratory studies** (brine sampling, geophysics and drilling) to an extent that they appear technically feasibility and economically viable and then developing these properties into revenue generating operations. Given the growing global demand for lithium and the limited number of low-cost lithium-brine projects, management anticipates that strategic partnerships will be a core part of asset development. The company has identified and approached potential strategic partners, including mining companies, fertilizer companies and industrial concerns. In general, the expected timeframe to reach commercial production at Atacama and Laguna Verde (the company's priority projects) would require a minimum of four years.

Not only has **management positioned the company to benefit from the upcoming expected growth of demand in the lithium space**, but also continues to seek the acquisition of additional interests in prospective concessions. The company continues to constantly review and evaluate a number of properties in the region and then aggressively pursues control of the attractive ones that would complement the current portfolio of concessions.

2017 Advancement Plans

During 2017, management anticipates moving its lithium projects forward through exploration programs and ultimately initial or updated NI 43-101-compliant Technical Reports. We expected a high level of news flow announcing the results of brine sampling, geophysical surveys and drilling programs.

The company's **lead lithium project** is **Atacama**, for which management is finalizing plans for a Phase I exploration program slated to begin in the first half of 2017. The program, is expected to begin with

geophysical surveys (transient electromagnetic [TEM] and magnetotelluric [MT]), and then continue with an initial drill program of up to 2,000 meters.

The **Salar de Atacama** is highly prospective, since commercial production continues by Sociedad Quimca Y Minera De Chile (NYSE**:** SQM) and Albemarle (NYSE**:** ALB) from properties adjacent to the concessions of Wealth Minerals. The environment at the Salar de Atacama is highly conducive for the harvesting of lithium brines. Over the past 25 million years, mineral brine deposits were formed geologically by evaporation under hot and dry conditions creating an endorheic basin, a closed drainage basin that retains water and over long periods of time produces a salt lake/pan (aka salar) system through evaporation and seepage. Many of these salt lakes contain potentially economic brines through a very cost-effective extraction process of pumping up brines to a series of large, shallow ponds in which the brine solution is concentrated by solar evaporation and wind. The Salar de Atacama is the largest salt lake (approximately 300,000 hectares) in Chile and not only contains high levels of lithium concentration (1,840 mg/l), but also affords high rates of evaporation (3,500 mm per year). Therefore, commercially-viable lithium concentrations from solar evaporation can be obtained faster and at a lower cost than elsewhere in the world, generally at a cost of production in the range of US$2,500 and US$ 3,000 per tonne.

At the **Laguna Verde Project**, management initially is focused on upgrading the project's historical inferred resource. In March 2017, a project evaluation program was initiated beginning with a bathymetric (water depth) survey, a gravity geophysical and a TEM survey. A drilling program is anticipated to begin in the third quarter of 2017. Ultimately, after the additional exploratory work listed above is completed, the company is expected to commission a NI 43-101-compliant Technical Report.

During 2017, management plans to undertake surface brine sampling program at the **Trinity Project** (Aguas Calientes Norte, Pujsa and Quisquiro).

Prior to 2016, Wealth Minerals was primarily focused on prospective precious metal and copper exploration concessions and still holds a 100% interest in the Yanamina Gold Project (Peru) and options to acquire a 100% interest in the Valsequillo Silver Project (Mexico) and the Jesse Creek Porphyry Copper Property (British Columbia). These prospective gold, silver and copper properties are now being advanced secondarily to the company's lithium projects.

Management has been very successful in obtaining capital through equity offerings (see Recent Financings section).

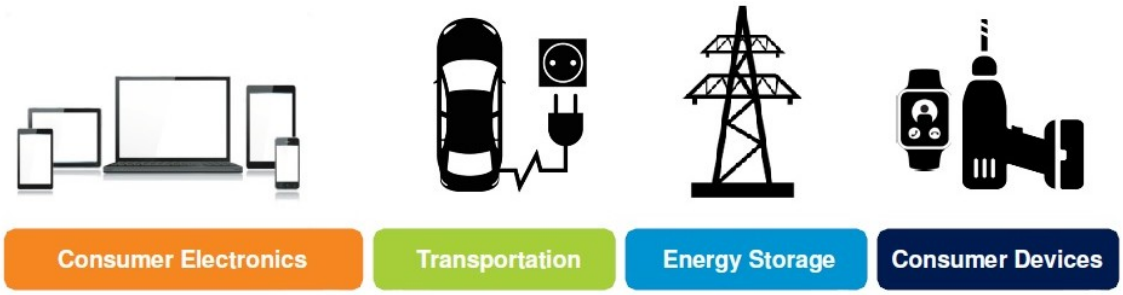
On May 31, 2016, Wealth Minerals Ltd. (OTCQB: WMLLF) was upgraded from the OTC Pink market to the OTCQB market. The company trading symbol remained unchanged.

LITHIUM INDUSTRY

The proliferation of rechargeable electrical energy storage devices (along with impending eruption of increased demand from commercial production of mainstream electric vehicles and grid-level energy storage devices) has supported a 150%+ increase of lithium pricing since 2014. Due to the extensive use of lithium for a variety of applications, this positive macro-trend is expected to continue into the next decade when incremental supply can catch up to the growing demand for lithium compounds. As many investors know, a **strong pricing environment is a catalyst** (and arguably the best catalyst) for multiple expansion and stock price appreciation.

The development of new supply of lithium is expected to be dominated by projects being **initiated in the continental brines of the Lithium Triangle**, particularly in Chile and Argentina. These lithium-rich brine deposits situated in salars are the most economically recoverable form of lithium due to their near-surface location and the low cost method of extraction and evaporation method of concentration. We appear to be at the tipping point of when increasing demand will expose a situation of inadequate supply.

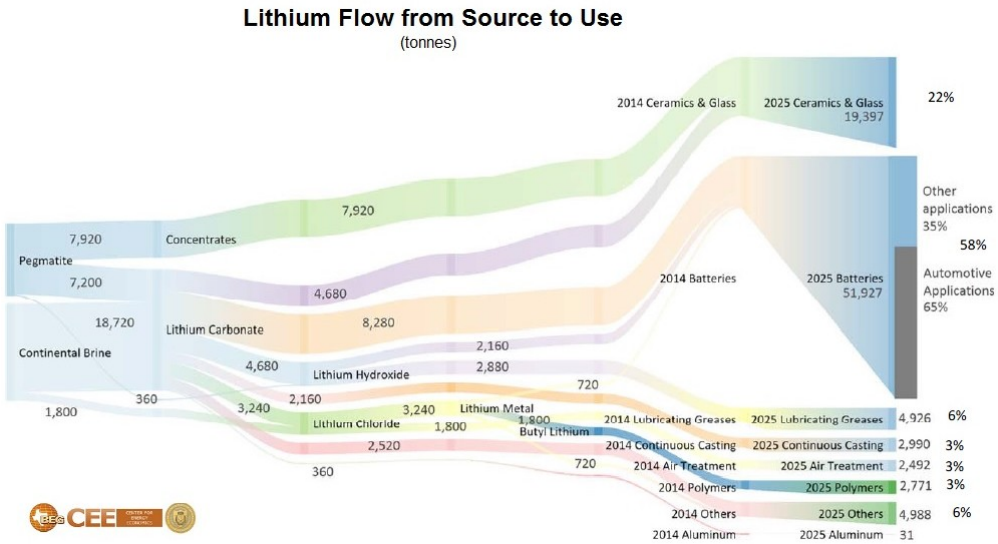
Lithium Market



As the lithium market undergoes a structural shift as a result of increasing demand and limited capacity, **the macro investment case for lithium is becoming more widely-known**. With increasing demand for portable electronic consumer products (smartphones, tablets, notebooks, power tools, etc.), the rise of battery-building gigafactories and the step-up to mass production of hybrid and electric vehicles, more lithium is needed for the manufacture of lithium-ion batteries. Though non-battery, lithium-related markets (particularly as an additive in the manufacture of heat-resistant ceramics, specialty glass and lubricants/greases) have grown, the dominate catalyst for future growth of the overall lithium market is anticipated to be the **increasing demand for rechargeable lithium-ion batteries**.

Lithium is the lightest metal, and because of its inherent instability and high reactivity with air, it only appears in compounds in nature.The electrochemical properties of lithium provide cathode and electrolyte material for commercially viable, rechargeable electrical energy storage devices.

The main commercial lithium compounds are lithium carbonate, lithium chloride and lithium hydroxide, which are produced from predominately two sources: **hard-rock ore** (spodumene-bearing pegmatite from Australia and China) and subsurface **continental** (non-marine) **brine deposits** from closed-basin beds (from operations in Chile, Argentina and the U.S.). There are also **lithium clay** projects in the U.S. and Mexico that are developing hydrothermally altered clay deposits.

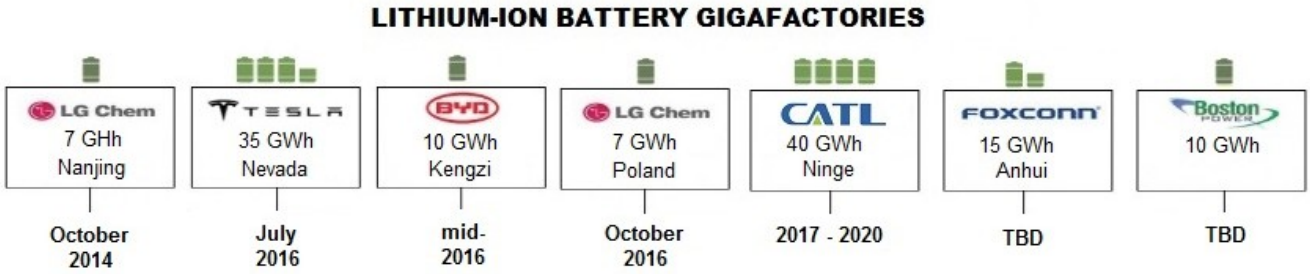


The chart above illustrates the structure of the supply chain for lithium industry from raw materials (pegmatite and brines) to intermediate lithium compound products (lithium concentrate, lithium carbonate, lithium hydroxide and lithium chloride) and finally to end-products.

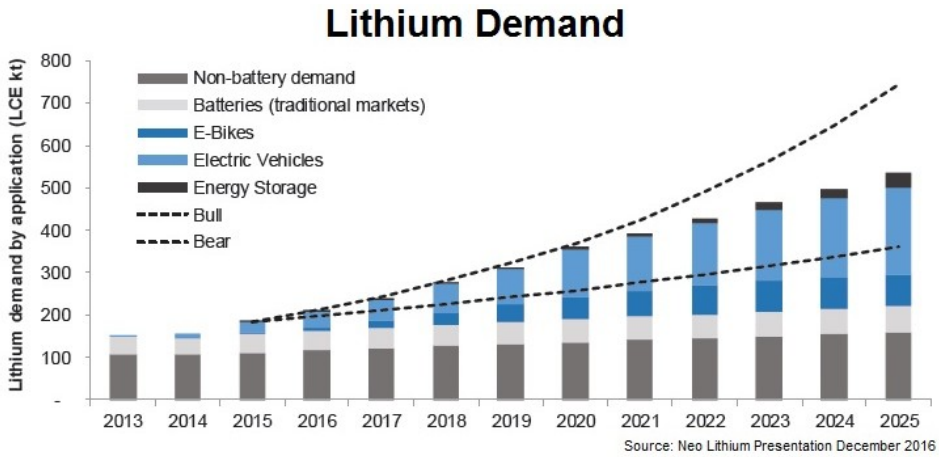
Growing Demand for Lithium

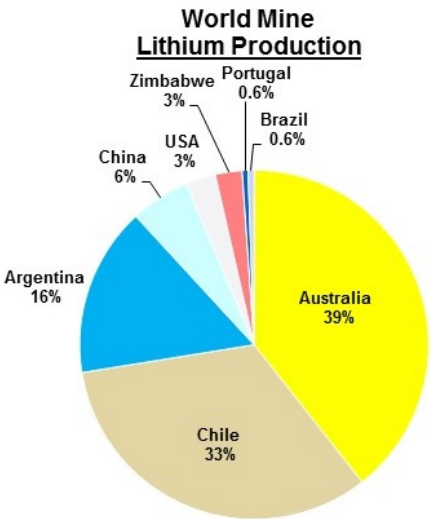
Between 2010 and 2015, demand for lithium grew at a compound annual rate of 11%; we expect the annual growth rate to exceed 15% between 2017 and 2025. We expect that the demand for lithium will

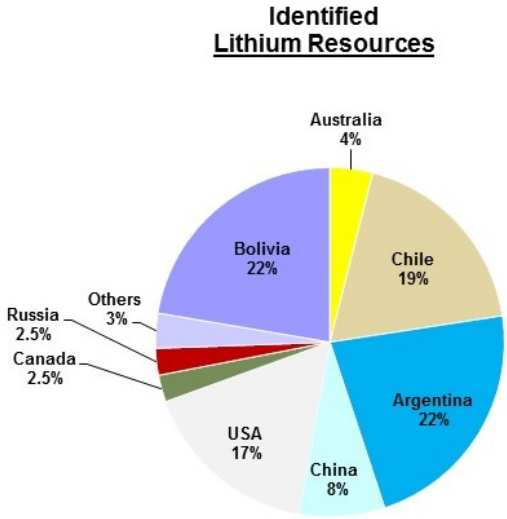
continue to increase, stimulated by the growing consumer electronics sector, an expanding energy storage business and the construction of battery gigafactories.



Tesla is at the forefront with plans to supply both lithium-ion batteries for 500,000 cars annually within five years and Powerwall lithium battery packs to store electricity produced by solar panels at residential homes. In addition, grid energy storage systems are being deployed by electric utilities. Numerous other companies (LG Chem, BYD, Contemporary Amperex Technology, Foxconn and Boston Power) are building or planning to build facilities to manufacture EV (Electric Vehicle) lithium-ion batteries, further supporting the anticipated buoyant future demand for lithium compounds.







Insufficient Supply of Lithium

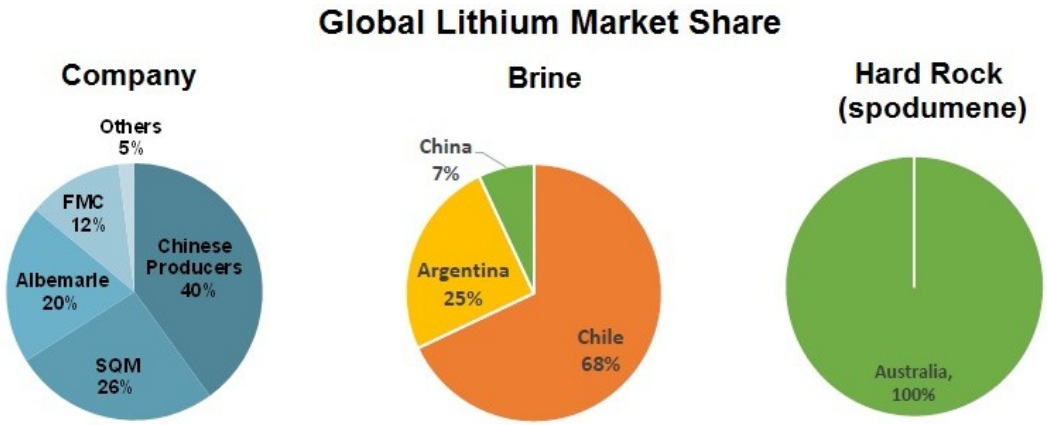
According to the latest report on lithium by the US Geological Survey (USGS), the world's largest **producers of lithium** are **Australia** (14,300 tons in 2016), **Chile** (12,000 tons), **Argentina** (5,700 tons)

and **China** (2,200 tons). The USGS withholds U.S. production data in order to avoid disclosing proprietary data. On the other hand, the order of countries by **identified lithium resources** is considerably different: **Bolivia** (9.0 million tons), **Argentina** (9.0 million tons), **Chile** (7.5 million tons), **USA** (6.7 million tons), China (3.2 million tons) and Australia (1.6 million tons). A major reason for the disparity is the vast resources in the **Lithium Triangle** encompassing lithium brine deposits in Chile, Argentina and Bolivia, which **accounts for over 60% of identified lithium resources**.

Currently, there is insufficient production capacity to support the expected increased lithium requirements. The expected lithium boom appears to be in its nascent stage. As a result, t**he supply shortage has led to dynamic pricing environment**.

Lithium Pricing

The lithium market is an oligopoly where three major producers account for approximately 58% of global production: Sociedad Quimca Y Minera De Chile (NYSE**:** SQM), Albemarle (NYSE**:** ALB) and the FMC Lithium subsidiary of FMC (NYSE**:** FMC). The Big Three are diversified companies with divisions that produce the lithium compounds, such as lithium carbonate, lithium chloride and lithium hydroxide. SQM extracts lithium solutions from the brine deposits of the Salar de Atacama in northern Chile. Albemarle also has lithium brine operations at the Salar de Atacama and in addition, operates the Greenbushes spodumene mine in Australia with partner Sichuan Tianqi Lithium through the Talison JV. FMC Lithium's lithium reserves are located in the Salar del Hombre Muerto in Argentina. A few Chinese producers (like Jiangxi Ganfeng Lithium and Xinjiang Haoxing Lithium), which convert spodumene ore into lithium compounds, account for an additional 40%, which also includes Tianqi Lithium's 51% of production from the Australian Greenbushes mine.

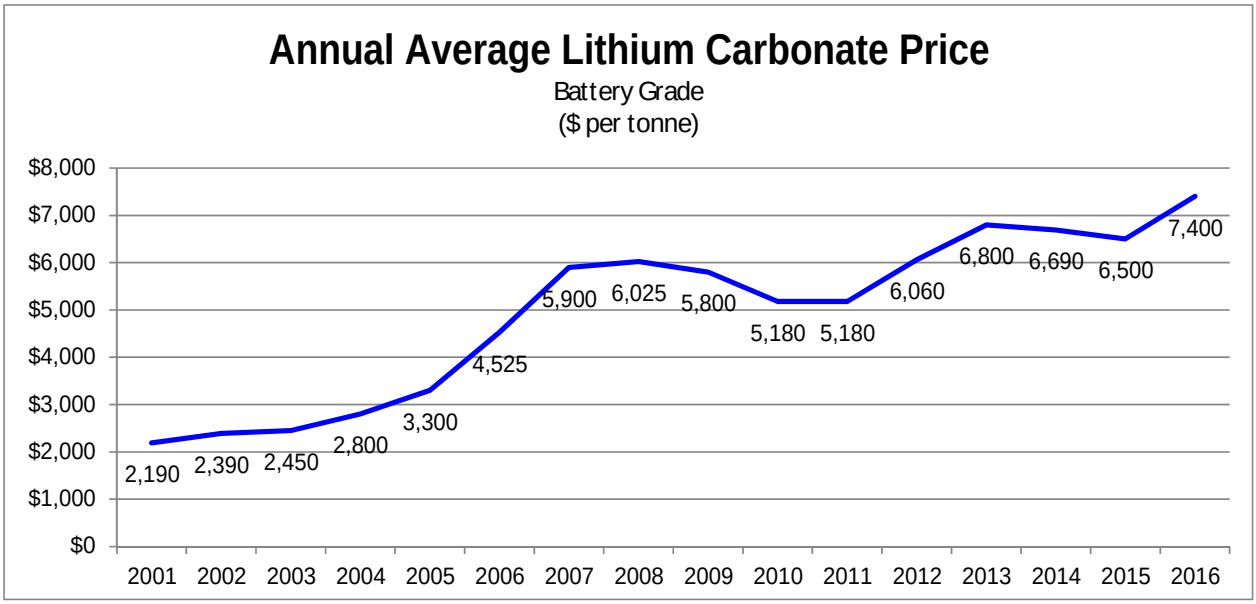


Lithium is not traded on an exchange and lacks a transparent pricing mechanism like the LME or COMEX. Instead, a few producing companies manage supply, and lithium compounds are sold on a contract basis at specified prices that are set by direct negotiation between producers and customers. For the most part, these contract prices are not published; however, approximate values can be gathered from industry sources, company financial reports and management presentations. Firms like CRU, Macquarie and Roskill make periodic price assessments.

A small number of major producers supply well over 90% of the commercially available lithium with some analysts believing that the percentage may be as high as 98%. **An extremely limited spot market satisfies incremental demand**. As a result, very little high-grade lithium carbonate is available on the spot market so that modest changes in demand magnify the movement in price of lithium that is not under contract. The spot market represents a small amount of the lithium compounds actually sold, but is an indicator of marginal demand.

The price of lithium is most commonly quoted in **$ per tonne of high-grade LCE** (lithium carbonate equivalent), which generally has become the industry standard to estimate the unit value for lithium. It should be noted that lithium is sold in a variety of different lithium compounds, each available in different quantities, purities and particle size, often specific to various processes and applications. As a point of reference, lithium carbonate (Li_2CO_3) contains approximately 18.8% of lithium; consequently, 5.3 tonnes

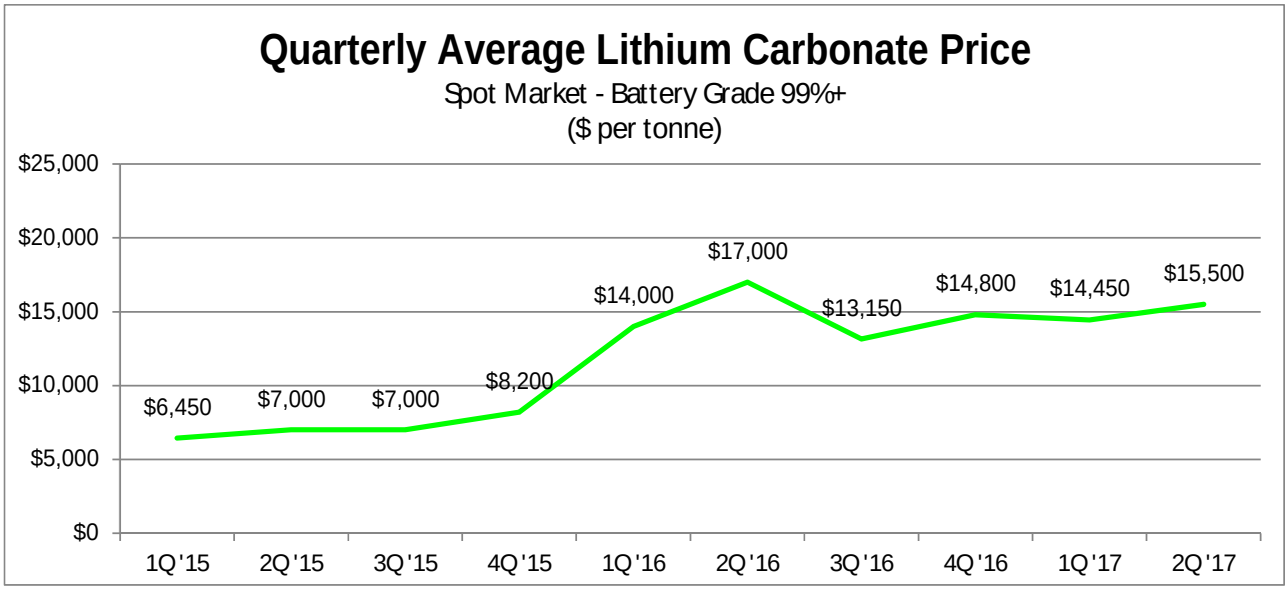
of lithium carbonate contains 1.0 tonne of lithium. Also, generally high-grade lithium carbonate (99%+ pure) sells at a $500-to-$1,000 per tonne premium to industrial-grade Li_2CO_3.



Over the past 15 years, supply/demand imbalances have impacted price. According to the USGS (which appears to utilize technical/industrial-grade prices), between 2001 and 2005, LCE prices were relatively stable with the **average annual price** between $1,720 and $1,460. However, from 2005 to 2009, the average annual price rose from $1,460 to $4,530 (32.7% CAGR). Following the global financial crisis (2009 to 2011), high-grade LCE prices declined to $3,870 in 2011, despite industry leaders SQM and Rockwood Holdings (which was acquired by Albemarle in 2014) idling capacity. From 2011 to 2014, LCR prices recovered to $4,510 (5.2% CAGR).

However, **beginning in 2015, the supply-demand imbalance of lithium became manifest**. The LCE market tightened and culminated in a **price spike** starting in late-2015 and lasting through the first quarter of 2016, which may be a forerunner of price expectations that are expected to result from a potential future supply shortage of high-grade lithium. As demand for rechargeable batteries has increased, the supply of lithium compounds tightened, primarily lithium concentrate (spodumene) feedstock, but also high-grade lithium carbonate. As demand from the battery factories in China increased (particularly from EV manufacturers), the supply of spodumene concentrate from Australia, the world's largest producer of lithium, came into question. Albemarle, which acquired had Rockwood in the prior year, not only controlled more Australia's lithium concentrate supply, but also a major investment by Tianqi Lithium into a German subsidiary of Albemarle raised concerns about a potential supply deficit in the spot market, which was further fueled by the anticipation of the wave of gigafactories. Also, companies in need of lithium compounds as a raw material but without contracts scrambled to acquire supply in the spot market. The price of high-grade lithium carbonate entered a period of significant price increase. **Spot prices** almost doubled to $13,000 per tonne by the end of December 2015 and then **surged during the first quarter of 2016**, peaking above $22,000 per tonne in mid-March 2016. There were even some reports of transactions as high as $26,000 per tonne, even though we estimate that the average price during the first quarter of 2016 was approximately $17,000.

After the steep run-up during the first half of 2016, lithium product pricing corrected slightly during the third quarter of 2016 despite continued demand for lithium concentrate and lithium carbonate. However, pricing appeared to firm once again beginning in the fourth quarter of 2016.



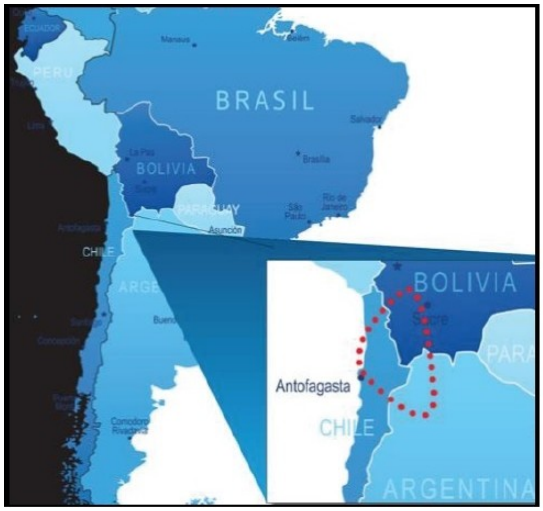
Initially as demand increases, the major companies can respond by increasing production. However, to be able to satisfy large increases in demand over the long-term, as for most metals and minerals, the addition of **new lithium production capacity is required**. This supply side response not only is capital intensive but also necessitates lead times measured in years to properly develop. Projects require financing, exploration (geophysical surveys, surface geochemical sampling programs and drilling), economic assessments, metallurgical studies, environmental report, processing design, permitting, construction, commissioning and optimization.

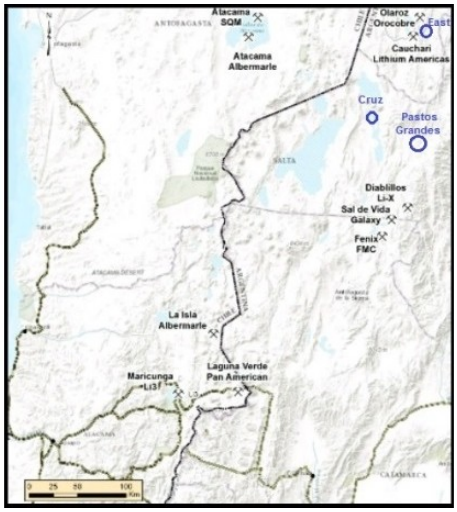
A number of greenfield hard rock and brine expansions are being advanced to alleviate the tight market situation. However, we do not expect that these few projects will be able to meet the rising level of demand until the mid-2020s, given the anticipated robust demand from a global wave of construction projects for new gigafactories and grid power storage initiatives, along with the continued growth in the demand for mobile devices.

The lithium mining industry is expected to expand production through the development of new projects in order to accommodate increasing demand. Over the medium-term, the supply of lithium will be dominated by projects being initiated in Argentina, Chile, China and Australia, but **particularly from the Lithium Triangle**. Typically, the cost of production from brines is much lower than from hard rock, and therefore, it is expected that continental brine resources will be preferred over hard-rock ore for new capacity.

Lithium Triangle

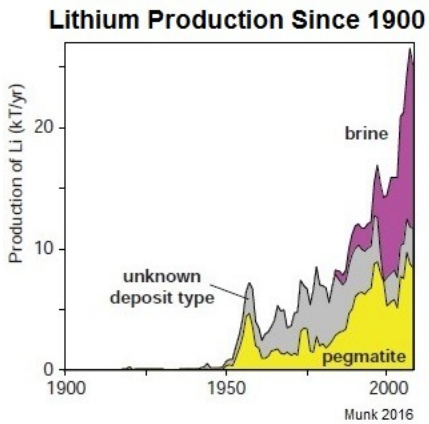
One of the world's largest and higher quality resource bases of lithium is the undeveloped brine deposits of the Lithium Triangle, which refers to one of the world's major continental evaporate complexes located in the mountainous region where borders of Argentina, Bolivia and Chile meet. The Lithium Triangle hosts many significant lithium brine deposits that have formed in the closed basins of this tectonically active and arid region. The concentration of saturated salt brines include accumulations of lithium salts: initially deposited during periods of intense volcanic activity along the west coast of South America in the late-Cretaceous to early-Tertiary Periods; subsequently conveyed by hydrothermal activity (via preferential flow paths previously created by tectonic activity); and later concentrated in depressions (often inland closed lakes and/or calderas) through weathering and leaching of the volcanic lithium source-rocks by snowmelt and rainwater run-off. Another potential mechanism for transporting lithium to the basins may have been the interaction of groundwater with the magmatic systems. Nevertheless, **the accumulation of lithium-rich brine in closed basins (aka salars) within the Lithium Triangle is well documented**.

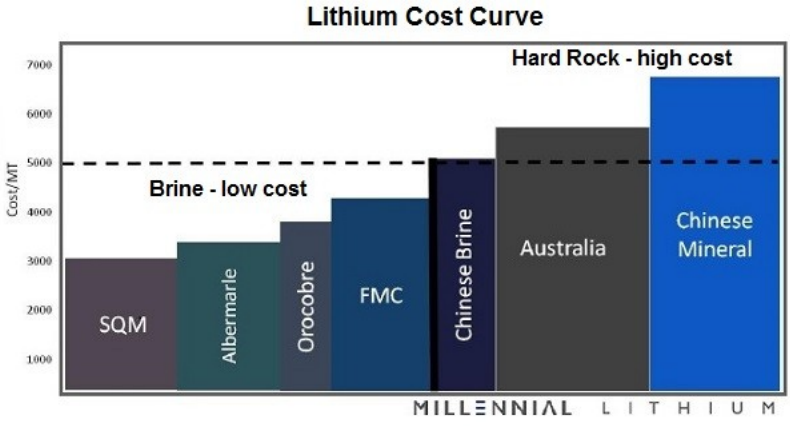




Around half of the world's lithium supply is derived from the brines of the Lithium Triangle. **Chile** is the #2 producer of lithium in the world and the #1 in identified lithium resources, while **Argentina** is #3 in both categories. Though **Bolivia** is #1 in in identified lithium resources, the country only made its first shipment to China in August 2016 due to various reasons: the unfavorable political/business environment, the cost considerations of refining Bolivia's magnesium-rich lithium salts and a less competitive evaporation rate.

In the near future, **the Lithium Triangle is poised to become even more dominate as the major source of lithium in the world** not only due to the vast identified lithium resources in the region, but also because brine production more cost-competitive relative to hard-rock and clay sources of lithium.





With the tipping point toward higher lithium prices on the horizon and with brine deposits poised to be a major contributor to low-cost incremental supply, lithium exploration & development companies of the Lithium Triangle, with their blue sky potential, appear to be well positioned to benefit from higher lithium prices.

VALUATION

The valuation of junior exploration companies with projects that do not contain estimated resources is challenging. As a junior gold exploration company, Wealth Minerals cannot be valued on the basis of revenues, EBITDA, earnings or cash flow. Also, more sophisticated methodologies based on market capitalization-to-resources, average grade of contained metals and elements, etc. also are not germane. Methodologies based on the geological potential of a project are decidedly dependent on an extraordinary degree of geological knowledge as well as experience, but tend to be highly subjective in ascertaining the magnitude of mineral deposit, estimating the expected exploration and infrastructure costs and prescribing the probability of the project's success.

Management's strategy is to increase shareholder value by gaining control of prospective lithium exploration concessions that encompass salars in the Lithium Triangle. This approach of accumulating potentially low-cost lithium-brine mineral concessions is hard-to-replicate. Therefore, a valuation technique based on book value is an appropriate alternative, especially in comparison to junior lithium companies holding similar exploration-discovery stage concessions.

Book value of a junior exploration company represents the equity capital that has been raised to acquire the mineral concessions and to conduct exploration programs. An amalgamation of information is encapsulated within the raised capital total, including the quality of the properties (both in terms of mineral potential and political stability) and the exploration results from introductory geophysical surveys and brine sampling programs. The equity capital that has been raised augments book value, which then represents the extent to which investors are willing to fund the acquisitive and exploration efforts of the company or in other words, **expresses a measure of investor confidence in the company's projects**. Therefore, **book value captures the complex valuation potential of the company's resource value potential by investors**, many with expert knowledge of junior mining companies in the exploration phase. Hence, we find the use of book value is an appropriate metric by which to determine a junior exploration company's valuation.

First, large diversified lithium-producing companies are not appropriate comparables (such as Albemarle, SQM and FMC) as are companies exploiting and/or pursuing higher cost spodumene (hard rock) deposits. Nor are companies having recently attained commercial production, such as Galaxy Resources (ASX: GXY) and Orocobre (ASX: ORE), where the dynamics of initiating production and debt issues often are the primary factors driving valuation. **We believe that emerging junior exploration companies engaged in acquiring and/or advancing lithium-brine projects are the applicable comparables to Wealth Minerals.**

We believe that companies like Advantage Lithium Corp. (TSXV: AAL), Bearing Lithium (TSXV: BRZ), Lithium Americas Corp. (TSX: LAC), Lithium X Energy (TSXV: LIX), Millennial Lithium Corp. (TSXV: ML), Noe Lithium Corp. (TSXV: NLC) and Pure Energy Minerals Ltd. (TSXV: PE) are suitable comparables. The companies range in market capitalization from $18 million to almost $300 million with each controlling properties with salars encompassing roughly 4,000-to-47,000 hectares. All operate in the exploration-pre-feasibility stage, focusing on the acquisition and/or exploration of lithium-brine properties. All save one are focused on salars in the Lithium Triangle with Pure Energy targeting a lithium-brine project in Nevada.

Though lithium-brine companies may trade as a group based on the fundamentals of lithium in general, peak valuations of individual stocks are largely determined by company specific developments (reaching a particular project development milestone or announcing a property/company transaction). To determine our target, we observed the peak valuation levels of the comparable companies, which range from 6.4-to-15.7 times book value. We believe that Wealth Minerals can attain at least an industry average peak price-to-book valuation of 10.5 times book; therefore, our **target is $2.40 per share**.

Industry Comparables	Ticker	Exchange	Beta	% Chg YTD	Mkt Cap ($ mil.)	Price/ Book	High Adj. Price/ Book	Month of High P/B
WEALTH MINERALS LTD.	**WML.V**	TSXV	2.36	55.2%	172.7	8.4	12.7	May-17
Industry Mean			6.67	3.4%	132.8	4.4	10.5	N/A
Industry Median			3.64	-3.5%	62.1	4.6	10.6	N/A
S&P 500			1.00	8.5%	N/A	3.0	5.1	Dec-99
ADVANTAGE LITHIUM CORP.	AAL.V	TSXV	3.64	-52.6%	62.1	1.0	7.6	Dec-16
BEARING LITHIUM LTD.	BRZ.V	TSXV	1.52	52.7%	24.8	4.9	13.4	Feb-17
LITHIUM AMERICAS CORP.	LAC.CA	TSX	3.81	37.5%	479.5	8.5	6.9	Feb-17
LITHIUM X ENERGY CORP.	LIX.V	TSXV	1.13	-9.3%	173.8	2.7	15.7	Apr-16
MILLENNIAL LITHIUM CORP.	ML.V	TSXV	4.36	-3.5%	60.1	6.8	10.6	Sep-16
NEO LITHIUM CORP.	NLC.V	TSXV	29.66	-6.5%	89.9	2.3	6.4	Jul-16
PURE ENERGY MINERALS LTD	PE.V	TSXV	2.55	5.3%	39.7	4.6	12.8	Apr-16

The stocks of junior mining companies have a unique trading profile. The stocks tend to mark time, trading sideways-to-down, during an incubation phase until a discovery, partnership or acquisition is announced. Significant positive results are the stimulus for upside gaps in stock's price in a mark-up phase as the new information is discounted by first-movers.

In the case of Wealth Minerals, management's change in focus from gold to lithium in early 2016 (and the subsequent acquisition of control over multiple properties) sparked considerable price appreciation on heavy volume (+680% from $0.25 to $1.96). At some point, the newly created demand instigated by the company's new emphasis on prospective lithium-brine properties is fulfilled.

After the initial rally, another period of time of sideways-to-down action occurs. Often the stock retraces some, or sometimes all, of the prior price-appreciation during this digestion phase. If and when subsequent acquisitions or partnerships to facilitate project development are announced, another mark-up phase typically is set in motion.

RISKS

- As with almost all junior resource exploration companies, the accounting firm's opinion in the company's most recent annual filing to SEDAR contains the standard language for a company that does not generate sufficient cash flow from operations to adequately fund its activities and is in need of additional capital to continue as a going concern. Wealth Minerals has effectively funded its operations and initiatives to date. In fact, the company's working capital in now positive due to the successful completion of recent private placements. Despite the fact that management expects to operate at a loss for the foreseeable future, we believe that the company should be able to continue to raise additional capital over the near-term as the demand for lithium continues to increase.
- Shares outstanding have increased dramatically in fiscal 2015 (+140%), fiscal 2016 (+94%) and the first half of fiscal 2017 (+13.9%) as private placements and option agreement payments funded the company's acquisition of options on exploration concessions and other activities.
- The acquisition of greenfield mining concessions, exploration for resource deposits and advancement of prospective mineral properties is a speculative endeavor for junior mining companies. Many risks are beyond the company's control, especially the fluctuations in the price of the sought-after mineral and potential changes in governmental regulations. In the case of Wealth Minerals, the macro-economic dynamics of the lithium industry appear very positive while the Government of Chile is considered to be mining friendly, which is demonstrated by its mining laws and by overt statements by officials encouraging foreign investment in the sector.

- There are no known resources or reserves on any of the properties over which Wealth Mineral has control. There is no assurance that exploration will discover NI 43-101-compliant resources or that partners can be found to help defray the cost of advancing the company's projects.

BALANCE SHEET

Wealth Minerals Ltd.						
Year ending November 30th	FY 2012	FY 201	FY 201	FY 201	FY 201	2Q FY 2017
(Canadian Dollars)	11/30/2012	11/30/2013	11/30/2014	11/30/2015	11/30/2016	5/31/2017
ASSETS						
Cash and cash equivalents	70,660	7,057	4,946	96,887	2,988,156	3,092,401
Accounts receivable	69,223	390,366	16,388	23,724	50,169	134,214
Advances	0	0	0	0	188,173	92,499
Prepaid expenses	87,388	28,021	21,166	35,916	73,994	235,432
Total Current Assets	**227,271**	**425,444**	**42,500**	**156,527**	**3,300,492**	**3,554,546**
Equipment	10,718	7,698	5,545	9,040	10,866	10,030
Exploration and evaluation assets	272,074	0	0	450,748	8,601,295	15,678,672
TOTAL ASSETS	**510,063**	**433,142**	**48,045**	**616,315**	**11,912,653**	**19,243,248**
Liabilities and Stockholders' Equity						
Accounts payable and accrued liabilities	169,816	477,453	396,009	224,457	202,747	247,829
Loans payable	1,118,365	1,170,865	1,223,365	1,258,194	1,063,587	0
Due to related parties	1,769,428	1,409,908	567,537	585,919	118,585	91,570
Flow through share premium liabilities	0	0	0	0	71,506	0
Total Current Liabilities	**3,057,609**	**3,058,226**	**2,186,911**	**2,068,570**	**1,456,425**	**339,399**
TOTAL LIABILITIES	**3,057,609**	**3,058,226**	**2,186,911**	**2,068,570**	**1,456,425**	**339,399**
Capital stock	42,120,266	42,490,817	42,499,967	45,031,919	62,189,356	75,255,243
Share based payment reserve	6,304,863	6,347,263	6,347,263	6,976,818	9,359,880	10,139,581
Obligation to issue shares	0	0	1,290,800	50,000	0	0
Accumulated deficit	(50,972,675)	(51,463,164)	(52,276,896)	(53,510,992)	(61,093,008)	(66,490,975)
Total Stockholders' Equity	**(2,547,546)**	**(2,625,084)**	**(2,138,866)**	**(1,452,255)**	**10,456,228**	**18,903,849**
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	**510,063**	**433,142**	**48,045**	**616,315**	**11,912,653**	**19,243,248**
Shares outstanding	14,264,522	15,438,397	15,565,897	37,428,251	72,615,911	82,744,574

INCOME STATEMENT

Wealth Minerals Ltd.

Income Statement (Canadian Dollars) Period ending	FY 2012 11/ 30/ 2012	FY 201 11/ 30/ 2013	FY 2014 11/ 30/ 2014	FY 201 11/ 30/ 2015	FY 201 10/ 30/ 2016	FY 2017 E 10/ 30/ 2017
Revenues	**0**	**0**	**0**	**0**	**0**	**0**
Expenses						
Amortization	4,244	3,020	2,153	1,538	1,618	5,606
Consulting	613,735	503,958	217,925	832,980	1,884,342	1,594,076
Exploration and evaluation expenditures	231,748	20,381	14,914	278,237	553,561	2,737,686
Foreign exchange loss (gain)	11,571	13,235	(31,733)	3,993	4,000	47,761
Listing and transfer agent fees	38,450	15,542	18,162	24,914	101,552	107,618
Loss (gain) on settlement of debt						531,402
Office, administration and miscellaneous	122,070	92,409	70,090	57,034	77,484	399,716
Option termination costs	0	0	0	0	669,500	0
Professional fees	151,584	122,810	48,965	97,058	333,870	1,122,396
Property investigation	0	29,786	900	0	0	0
Rent	52,109	30,161	26,646	28,851	33,659	38,097
Salary	69,787	57,617	22,702	516	15,277	63,415
Share-based compensation	270,336	0	0	629,555	2,829,366	1,993,457
Shareholders' communications	50,272	102,624	11,121	72,086	395,933	483,728
Travel and promotion	0	22,088	24,262	79,357	190,022	340,365
Loss Before Other Income (Expenses)	**(1,615,906)**	**(1,013,631)**	**(426,107)**	**(2,106,119)**	**(7,090,184)**	**(9,465,323)**
Other income (expense):						
Interest income (expense)	(201,533)	(52,500)	(52,500)	(52,500)	(45,393)	(7,378)
Gain (loss) from discontinued operations	(2,226,758)	847,716	0	0	0	0
Recovery (loss) of flow-through premium	0	0	0	0	33,494	67,165
Gain (loss) on settlement of debt	0	0	0	968,100	(412,865)	0
Forgiveness of debt	0	0	21,323	146,423	0	0
Gain (loss) on debt	0	0	(346,248)	0	0	0
Recovery (write-off) of accounts payable	0	0	0	0	67,555	0
Recovery (write-off) of accounts receivable	0	0	0	0	0	(1,000)
Exploration and evaluation assets (write-down)	0	(272,074)	(10,200)	(190,000)	(134,623)	0
Total other income (expense)	**(2,428,291)**	**523,142**	**(387,625)**	**872,023**	**(491,832)**	**58,787**
Net Loss Before Tax	**(4,044,197)**	**(490,489)**	**(813,732)**	**(1,234,096)**	**(7,582,016)**	**(9,406,536)**
Income tax expense (recovery)	0	0	0	0	0	0
Net Loss	**(4,044,197)**	**(490,489)**	**(813,732)**	**(1,234,096)**	**(7,582,016)**	**(9,406,536)**
Net loss per share:						
Basic and diluted loss per share	**(0.29)**	**(0.03)**	**(0.05)**	**(0.04)**	**(0.14)**	**(0.11)**
Wgted avg. shares - basic & diluted	13,798,490	15,438,397	15,466,342	30,614,725	54,337,350	83,567,663

Wealth Minerals Ltd.

Income Statement (Canadian Dollars) Period ending	Fiscal Year FY 2015 11/30/2015	1Q FY 201 2/28/2016	2Q FY 201 5/31/2016	3Q FY 201 8/31/2016	4Q FY 2016 11/30/2016	Fiscal Year FY 2016 11/30/2016
Revenues	**0**	**0**	**0**	**0**	**0**	**0**
General and Administrative Expenses						
Amortization	1,538	276	276	663	403	1,618
Consulting	832,980	296,977	394,242	803,564	389,559	1,884,342
Exploration and evaluation expenditures	278,237	29,357	69,301	217,873	237,030	553,561
Foreign exchange loss (gain)	3,993	(1,599)	5,823	(8,665)	8,441	4,000
Forgiveness of debt	(146,423)	(207,135)	0	0	207,135	0
Interest	52,500	13,125	11,852	10,319	10,097	45,393
Listing and transfer agent fees	24,914	30,546	16,301	14,800	39,905	101,552
Loss (gain) on settlement of debt	(968,100)	-	620,000	0	(207,135)	412,865
Office, administration and miscellaneous	57,034	14,983	22,044	27,919	12,538	77,484
Option termination costs	0		133,333	133,333	402,834	669,500
Professional fees	97,058	28,238	67,133	72,902	165,597	333,870
Recovery of accounts payable	0	0	0	0	(67,555)	(67,555)
Recovery of flow-through premium	0	0	0	(354)	(33,140)	(33,494)
Rent	28,851	8,999	6,310	9,121	9,229	33,659
Salaries and benefits	516	0	0	0	15,277	15,277
Share-based compensation	629,555	0	900,498	1,928,868	0	2,829,366
Shareholders' communications	72,086	25,562	81,842	124,255	164,274	395,933
Travel and promotion	79,357	15,442	68,568	24,292	81,720	190,022
Write-off of exploration and evaluation assets	190,000	0	0	46,610	88,013	134,623
Total Expenses	**1,234,096**	**254,771**	**2,397,523**	**3,405,500**	**1,524,222**	**7,582,016**
Net Loss	**(1,234,096)**	**(254,771)**	**(2,397,523)**	**(3,405,500)**	**(1,524,222)**	**(7,582,016)**
Net loss per share:						
Basic and diluted loss per share	**(0.04)**	**(0.01)**	**(0.05)**	**(0.06)**	**(0.02)**	**(0.14)**
Wgted avg. shares - basic & diluted	30,614,725	39,472,207	48,765,064	61,027,914	61,027,914	54,337,350

Income Statement (Canadian Dollars) Period ending	Fiscal Year FY 2016 11/30/2016	1Q FY 201 2/28/2017	2Q FY 201 5/31/2017	3Q E FY 201 8/31/2017	4Q E FY 2017 11/30/2017	Fiscal Year FY 2017 E 11/30/2017
Revenues	**0**	**0**	**0**	**0**	**0**	**0**
General and Administrative Expenses						
Amortization	1,618	417	419	425	4,345	5,606
Consulting	1,884,342	401,533	392,543	400,000	400,000	1,594,076
Exploration and evaluation expenditures	553,561	1,169,599	668,087	500,000	400,000	2,737,686
Foreign exchange loss	4,000	38,585	9,176	0	0	47,761
Forgiveness of debt	0	0	0	0	0	0
Interest	45,393	3,378	0	4,000	0	7,378
Listing and transfer agent fees	101,552	18,010	54,608	20,000	15,000	107,618
Loss (gain) on settlement of debt	412,865	531,402	0	0	0	531,402
Office, administration and miscellaneous	77,484	24,604	150,112	100,000	125,000	399,716
Option termination costs	669,500	0	0	0	0	0
Professional fees	333,870	288,877	272,720	280,799	280,000	1,122,396
Recovery of accounts payable	(67,555)	0	0	0	0	0
Recovery of flow-through premium	(33,494)	(67,165)	0	0	0	(67,165)
Rent	33,659	9,756	9,341	9,500	9,500	38,097
Salaries and benefits	15,277	0	63,415	0	0	63,415
Share-based compensation	2,829,366	993,457	0	0	1,000,000	1,993,457
Shareholders' communications	395,933	71,886	126,842	135,000	150,000	483,728
Travel and promotion	190,022	57,725	107,640	85,000	90,000	340,365
Write-off of exploration and evaluation assets	134,623	0	0	0	0	0
Write-off of accounts receivable	0	0	1,000	0	0	1,000
Total Expenses	**7,582,016**	**3,542,064**	**1,855,903**	**1,534,724**	**2,473,845**	**9,406,536**
Net Loss	**(7,582,016)**	**(3,542,064)**	**(1,855,903)**	**(1,534,724)**	**(2,473,845)**	**(9,406,536)**
Net loss per share:						
Basic and diluted loss per share	**(0.14)**	**(0.05)**	**(0.02)**	**(0.02)**	**(0.03)**	**(0.11)**
Wgted avg. shares - basic & diluted	54,337,350	74,601,674	80,651,326	86,556,326	92,461,326	83,567,663

HISTORICAL STOCK PRICE



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