



TSXv | Li
OTCQB | LiACF
FRANKFURT | 5LA

American Lithium Corp.

Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian Dollars)

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

American Lithium Corp.

(in Canadian Dollars)

Condensed Consolidated Interim Statements of Financial Position

As at	May 31, 2017	February 28, 2017
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	546,317	856,401
GST receivable	7,085	48,925
Prepaid expenses and deposits	68,944	150,816
	622,346	1,056,142
Non-current assets		
Exploration and evaluation assets (Notes 4 and 12)	18,001,676	17,840,854
Reclamation deposits (Note 5)	59,173	59,173
	18,683,195	18,956,169
LIABILITIES		
Current		
Accounts payable and accrued liabilities	91,457	144,430
Due to related parties (Note 6)	73,380	57,928
	164,837	202,358
EQUITY		
Share capital (Note 8)	27,324,718	27,297,218
Subscriptions receivable (Note 8)	-	(43,750)
Equity reserves	2,274,325	2,274,325
Deficit	(11,080,685)	(10,773,982)
	18,518,358	18,753,811
	18,683,195	18,956,169

Nature and continuance of operations (Note 1)

Commitments (Note 11)

Events after the reporting period (Note 12)

Approved on behalf of the Board of Directors on July 24, 2017:

/s/
Michael Kobler, Director

/s/
Andrew Squires, Director

American Lithium Corp.

(in Canadian Dollars)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three months ended:	May 31,	
	2017	2016
	\$	\$
Expenses		
Consulting and management fees (Note 6)	156,724	107,800
Exploration and evaluation	47,151	-
General and administrative	3,936	23,373
Filing and listing fees	5,451	94,400
Foreign exchange	947	-
Insurance	3,780	-
Investor relations	1,000	33,214
Marketing and promotion	24,828	610,333
Professional fees	37,099	25,409
Registrar and transfer agent fees	4,540	7,534
Rent	9,229	24,900
Share-based payments	-	982,676
Travel	12,018	50,461
Net Loss and comprehensive loss	(306,703)	(1,960,100)
Basic and diluted loss per share	(0.01)	(0.10)
Weighted average number of shares outstanding- basic and diluted	58,046,253	18,786,184

American Lithium Corp.

(in Canadian Dollars)

Condensed Consolidated Interim Statements of Cash Flows

For the three months ended:	May 31,	
	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(306,703)	(1,960,100)
Item not affecting cash:		
Share-based payments	-	982,676
Changes in non-cash working capital items:		
GST receivable and prepaid and deposits	123,711	(172,346)
Accounts payable and accrued liabilities	(52,972)	104,543
Due to related parties	15,452	-
Cash used in operating activities	(220,512)	(1,045,227)
INVESTING ACTIVITIES		
Furniture expenditures	-	(20,020)
Exploration and evaluation assets expenditures	(133,322)	(215,031)
Cash used in investing activities	(133,322)	(235,051)
FINANCING ACTIVITIES		
Shares subscribed	43,750	-
Common shares issued for cash	-	3,500,000
Warrant exercises	-	164,675
Share issue costs	-	(197,311)
Cash provided by financing activities	43,750	3,467,364
Change in cash and cash equivalents during the period	(310,084)	2,187,086
Cash and cash equivalents, beginning of period	856,401	153,371
Cash and cash equivalents, end of period	546,317	2,340,457
Cash paid for:		
Interest	-	-
Income taxes	-	-
Supplementary non-cash transactions:		
Shares and warrants issued for exploration and evaluation assets (Note 4)	200,000	450,000

American Lithium Corp.

(in Canadian Dollars)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity For the three months ended May 31,

	Number of shares	Share capital	Share subscription	Equity reserves	Deficit	Total
Balance, February 29, 2016	13,937,448	\$ 5,518,697	\$ -	\$ 383,364	\$ (5,749,016)	\$ 153,045
Private placement	9,333,333	3,500,000	-	-	-	3,500,000
Share issue costs	-	(249,180)	-	51,869	-	(197,311)
Share issue on warrants	2,352,500	164,675	-	-	-	164,675
Equity reserves on warrants	-	30,450	-	(30,450)	-	-
Share issue on asset acquisition	8,983,334	5,694,500	-	-	-	5,694,500
Share-based payments	-	-	-	982,676	-	982,676
Comprehensive loss for the period	-	-	-	-	(1,960,100)	(1,960,100)
Balance, May 31, 2016	34,606,615	\$ 14,659,142	\$ -	\$ 1,387,459	\$ (7,709,116)	\$ 8,337,485
Balance, February 28, 2017	57,952,775	27,297,218	(43,750)	2,274,325	(10,773,982)	18,753,811
Share subscribed	-	-	43,750	-	-	43,750
Share issue on asset option payment	200,000	27,500	-	-	-	27,500
Comprehensive loss for the period	-	-	-	-	(306,703)	(306,703)
Balance, May 31, 2017	58,152,775	27,324,718	-	2,274,325	(11,080,685)	18,518,358

American Lithium Corp.

Notes to the Consolidated Financial Statements

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

American Lithium Corp. (the "Company") was incorporated in the Province of British Columbia. The Company is engaged in the business of identification, acquisition and exploration of mineral interests. The Company's head office is located at Suite 810, 609 Granville Street, Vancouver, British Columbia V7Y 1H4 and registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8, Canada.

At the date of the condensed consolidated interim financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

As at May 31, 2017, the Company was in the process of exploring its principal mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a loss of \$306,703 (2016: \$1,960,100) for the three months ended May 31, 2017. As at May 31, 2017, the Company had an accumulated deficit of \$11,080,685 (February 28, 2017: \$10,773,982), which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

American Lithium Corp.

Notes to the Consolidated Financial Statements

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as our most recent annual financial statements and do not include all of the information required for full annual financial statements. Accordingly, they should be read in conjunction with our IFRS financial statements for the fiscal year ended February 28, 2017. The accounting policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of July 24, 2017, the date the Board of Directors approved these unaudited condensed consolidated interim financial statements and they are consistent with those disclosed in the annual audited financial statements.

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on July 24, 2017.

Principles of consolidation

The condensed consolidated interim financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction	Parent company
1032701 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1032701 Nevada Ltd.	Nevada, USA	1032701 B.C. Ltd.
1065604 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1065604 Nevada Ltd.	Nevada, USA	1065604 B.C. Ltd.
1067323 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1067323 Nevada Ltd.	Nevada, USA	1067323 B.C. Ltd.
1074654 B.C. Ltd.	British Columbia, Canada	American Lithium Corp.
1074654 Nevada Ltd.	Nevada, USA	1074654 B.C. Ltd.
Lillooet Mining Ltd.	British Columbia, Canada	American Lithium Corp.

On February 6, 2017, the Company disposed Lillooet Mining Ltd., along with the Reliance and Ava properties (see Note 4).

All intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

American Lithium Corp.

Notes to the Consolidated Financial Statements

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant accounting judgments, estimates and assumptions

The preparation of the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The more significant areas are as follows:

- the estimates and assumptions used in the share-based payments;
- the determination that the Company has no decommissioning liabilities as at May 31, 2017; and
- the determination of recoverability on exploration and evaluation assets.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the assessment of the deferred income tax assets and liabilities are probable to be recovered from future income.

b) Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

American Lithium Corp.

Notes to the Consolidated Financial Statements

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian dollars)

c) Recent accounting pronouncements

New accounting standards issued but not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.
- IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.
- IFRS 16: Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

d) Exploration and evaluation assets

The cost of acquiring and maintaining the Company's interest in its exploration and evaluation assets are capitalized on a property-by-property basis pending determination of the technical feasibility and the commercial viability of the project. The capitalized costs are presented as either tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a license is relinquished or a project is abandoned, the related costs are recognized in profit and loss immediately.

Exploration and evaluation expenditures relate to the initial search for a mineral deposit and the subsequent evaluation to determine the economic potential of the mineral deposit. The exploration and evaluation stage commences when the Company obtains the legal right or license to begin exploration. This stage ends when management determines there is sufficient evidence to support the probability of future mining operations of economically recoverable reserves, and requires significant judgment on the part of management.

Exploration and evaluation expenditures are recognized in operations in the period in which they are incurred.

Management reviews the carrying value of capitalized exploration and evaluation assets at least annually. The review is based on the Company's intentions for development of an undeveloped property. If a project does not prove viable, all unrecoverable costs associated with the project net of any previous impairment provisions are written off. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped property. Amounts shown for exploration and evaluation assets, net of write-downs and recoveries, are not intended to represent present or future values.

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

American Lithium Corp.

Notes to the Consolidated Financial Statements

For the three months ended May 31, 2017 and 2016

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Fish Lake Valley property	Atlantis property	Fish South property	Colorado property	San Emidio property	Clayton Valley BFF property	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, February 28, 2017	1,340,189	4,999,028	1,919,351	4,826,000	4,346,639	409,647	17,840,854
Additions:							
Common shares issued	17,000	-	-	-	10,500	-	27,500
Warrants issued	-	-	-	-	-	-	-
Options payments in cash	133,322	-	-	-	-	-	133,322
Property costs incurred	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance, May 31, 2017	1,490,511	4,999,028	1,919,351	4,826,000	4,357,139	409,647⁽¹⁾	18,001,676

⁽¹⁾Subsequent to the end of the period, the Company terminated the option agreement. An impairment of the Clayton Valley BFF property will be recorded in the next period

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Reliance Property and the Ava Property

The Company held a 100% interest in 977.749 hectares known as the Reliance group of claims in the Lillooet Mining Division, British Columbia.

The Company held a 100% interest in 1,320.539 hectares known as the AVA Property, located at the west end of Kamloops Lake, British Columbia.

On February 6, 2017, the Company disposed of the Reliance and Ava properties for proceeds of \$1 and was released from its obligations as part of a Sale Agreement. Since the properties were written down to \$1 in the prior year, no gain or loss was recorded.

Fish Lake Valley Project - Nevada, USA

On March 8, 2016, the Company entered into a Share Purchase Agreement to acquire 100% of 1032701 B.C. Ltd. ("1032701 BC") by issuing 4,000,000 common shares at a fair value of \$1,000,000 (see Note 8). 1032701 BC has a wholly-owned subsidiary, 1032701 Nevada Ltd. ("1032701 Nevada"), which holds the earn-in option as described below. For accounting purposes, this transaction is considered to be outside the scope of IFRS 3 *Business Combinations* since 1032701 BC was inactive prior to the transaction and its only asset was the Fish Lake Valley property and accordingly did not constitute a business. The transaction is accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company is deemed to issue shares in exchange for the net assets of 1032701 BC together with its right to earn a 100% interest in mineral claims of the Fish Lake Valley Project.

The "Fish Lake Valley Project" consists of a series of 98 placer claims comprising a total of 7,840 acres in Esmerelda County, Nevada, USA. Under an earn-in option agreement, the Company has the right to acquire a 100% undivided interest in the Fish Lake Valley Project by fulfilling the commitments outlined below:

- i. Initial Earn-in option: the Company may acquire the initial 80% undivided interest in the Fish Lake Valley Project should the following conditions be met:

	Common Shares	Cash	Exploration Expenditures
	#	US \$	US \$
Upon closing (issued and paid)	200,000	130,000	-
On or before the first anniversary of the closing (complete)	100,000	100,000	200,000
On or before the second anniversary of the closing	100,000	100,000	300,000
On or before the third anniversary of the closing	-	-	600,000
Total	400,000	330,000	1,100,000

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Fish Lake Valley Project - Nevada, USA (continued)

- ii. Subsequent Earn-in option: The Company may acquire an additional 20% of the Fish Lake Valley Project by paying to the Optionor an aggregate amount of US \$1,000,000 on or before the date that is 12 months after the exercise of the initial Earn-in Option.

The Optionor retains a 2.5% net smelter royalty (NSR), one half of which can be purchased for \$1,000,000 cash.

During the period ended May 31, 2017, the Company issued 100,000 common shares at fair value of \$17,000 and paid \$133,322 (US\$100,000) to the Optionor.

Atlantis Property - Nevada, USA

On May 6, 2016, the Company entered into a Share Purchase Agreement to acquire 100% of 1065604 B.C. Ltd. ("1065604 BC") by issuing 4,533,334 common shares at a fair value of \$4,760,000 (see Note 8). For accounting purposes, this transaction is considered to be outside the scope of IFRS 3 *Business Combinations* since 1065604 BC was inactive prior to the transaction and was limited to the holding of the Atlantis Property and accordingly did not constitute a business. The transaction is accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company is deemed to issue shares in exchange for the net assets of 1065604 BC together with its right to earn a 80% interest in mineral claims of the Atlantis Property.

Prior to the above noted acquisition, 1065604 BC entered into a Property Option Agreement with Nevada Sunrise Gold Corporation ("Optionor") to acquire a 80% undivided interest in the Atlantis Property. The Atlantis property consists of a series of 69 placer claims and 19 association placer claims, comprising a total of 2,882 acres, located in Esmeralda County, Nevada, USA. The required cash payments of \$164,046 (US\$48,050 and CAD\$100,000) were paid by 1065604 BC prior to the acquisition.

Under the earn-in option agreement dated, 1065604 BC has the right to acquire the interest by fulfilling the commitments outlined below:

	Common Shares	Cash	Exploration Expenditures
	#	\$	US \$
Upon closing date (paid) – in US\$	-	48,050	-
On or before April 28, 2016 (paid) – in CAD\$	-	100,000	-
Within 60 days of closing of acquisition (issued)	250,000	-	-
On or before the first anniversary of the closing	-	-	100,000
On or before the second anniversary of the closing	500,000	-	250,000
On or before the third anniversary of the closing	500,000	-	650,000
Total	1,250,000		1,000,000

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Fish South Property - Nevada, USA

On June 1, 2016, the Company, through 1032701 Nevada Ltd., finalized an option agreement with TY & Sons Explorations (Nevada), Ltd. ("the Optionor"), who has the right to acquire a 100% interest in a series of mineral claims located in Esmeralda County, Nevada, USA (the "Fish South Property"), subject to a 2.5% NSR. Under an earn-in option agreement, the Company has the right to acquire a 80% undivided interest in the Fish South property by fulfilling the commitments outlined below:

	Common Shares	Warrants	Cash
	#	#	US\$
Within 60 days of closing to the property owner (paid)	-	-	78,800
Upon closing to the Optionor (issued and paid)	700,000	300,000	100,000
Within 4 months after closing to the property owner (issued)	300,000	-	-
On or before the first anniversary of the closing to the Optionor	500,000	-	-
On or before the second anniversary of the closing to the Optionor	500,000	-	-
Total	2,000,000	300,000	178,800

The Company granted 300,000 share purchase warrants entitling the Optionor to acquire 300,000 common shares at a price of \$1.10 per share for a period of three years. The fair value of the warrants is \$409,606 (see Note 8).

See Note 12.

Colorado Property - Nevada, USA

On May 24, 2016, the Company entered into an agreement to acquire all the outstanding share capital of 1067323 B.C. Ltd. ("1067323 BC"), a privately-held British Columbia based mineral exploration company, by issuing 6,000,000 common shares with a fair value of \$8,340,000 (see Note 8). 1067323 BC has a wholly-owned subsidiary, 1067323 Nevada Ltd. The 1067323 BC holds earn-in option agreements to acquire a 100% divided interest in the Fish Lake Valley property and the San Emidio property (described below). For accounting purposes, this transaction is considered to be outside the scope of IFRS 3 *Business Combinations* since 1067323 BC was inactive prior to the transaction and was limited to the holding of the Colorado Property and accordingly did not constitute a business. The transaction is accounted for in accordance with IFRS 2 *Share-based Payment* whereby the Company is deemed to issue shares in exchange for the net assets of 1067323 BC together with its right to earn a 100% interest in mineral claims of the Atlantis Property.

1067323 Nevada is a party to an earn-in option agreement with Colorado Exploration Inc. ("Optionor") to acquire a series of 193 placer and 44 lode claims, over 4,870 acres (1,971 hectares) in Fish Lake Valley, Nevada, USA (the "Colorado Property"). Under an earn-in option agreement, the Company has the right to acquire a 100% interest in the Colorado property, subject to a one percent (1.0%) net smelter returns royalty, by making a payment of \$200,000 and issuing 400,000 common shares to the Optionor.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

San Emidio Property - Nevada, USA

Pursuant to an earn-in option agreement between Lithium Corp. (“the Optionor”) and 1067323 BC (“the Optionee”), the Company holds the rights to acquire the San Emidio property (“San Emidio Property”), representing a series of 28 placer claims, over 2,240 acres (907 hectares) in Nevada, USA.

According to the earn-in option agreement, the Company may acquire an initial 80% undivided interest in the San Emidio property if the following conditions are met:

	Common Shares	Cash	Exploration Expenditures
	#	US \$	US \$
Within 30 days following the effective date (issued and paid)	100,000	100,000	-
On or before the first anniversary of the closing (issued)	100,000	-	-
On or before the second anniversary of the closing	100,000	-	200,000
On or before the third anniversary of the closing	-	-	300,000
Total	300,000	100,000	500,000

The Company may acquire an additional 20% of the San Emidio property by paying to the Optionor, subject to a two-and-one-half (2.5%) percent net smelter returns royalty, 50% of which maybe repurchased at US\$1,000,000, an aggregate amount of US\$1,000,000 on or before the date that is 36 months after the exercise of the initial Earn-in Option.

During the period ended May 31, 2017, the Company issued 100,000 common shares at fair value of \$10,500 to the Optionor.

Clayton Valley BFF Property - Nevada, USA

On July 5, 2016, the Company entered into an agreement to acquire all of the outstanding share capital of 1074654 B.C. Ltd. (“1074654 BC”), a privately held British Columbia mineral exploration company. 1074654 BC holds a right to acquire a 70% interest in a series of 77 placer claims comprising 1,540 acres, located in Esmeralda County, Nevada and known as “Clayton Valley BFF”. The Company received TSX approval and closed the transaction on July 12, 2016. In consideration of all the outstanding share capital of 1074654, the Company assumed 1074654’s obligations in respect of Clayton Valley BFF property.

Under an earn-in option agreement, the Company has the right to acquire a 70% undivided interest in the Clayton Valley BFF Property by fulfilling the commitments outlined below:

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Clayton Valley BFF Property - Nevada, USA (continued)

	Common Shares	Cash	Exploration Expenditures
	#	US \$	US \$
Upon closing (issued and paid)	400,000	75,000	-
On or before the first anniversary of the closing ⁽¹⁾	400,000	100,000	100,000
On or before the second anniversary of the closing	400,000	100,000	300,000
On or before the third anniversary of the closing	-	-	600,000
Total	1,200,000	275,000	\$1,000,000

⁽¹⁾Subsequent to the end of the period, the Company terminated the option agreement

5. RECLAMATION DEPOSITS

Reclamation deposits consist of term deposits and bonds, recorded at cost and held as security by the Provincial Government of British Columbia and the State of Nevada respectively, with regards to certain exploration properties described in Note 4.

6. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Key Management Personnel	Three months ended May 31,	
	2017	2016
	\$	\$
Salaries and short term benefits ⁽ⁱ⁾	102,912	10,000
Share-based payments	-	-
	102,912	10,000

⁽ⁱ⁾Salaries and short term benefits include \$102,912 (2016: 10,000) in Management and Consulting fees; recorded on the Statement of Loss and Comprehensive Loss.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

6. RELATED PARTY TRANSACTIONS (continued)

During the period ended May 31, 2017, the Company entered into the following transactions with key management personnel:

Related party	Nature of transaction
Michael Kobler ("Kobler")	Consulting fees for the services provided by Michael Kobler the Executive Chair and Chief Executive Officer
Pacific Equity Management Corp. ("PEM")	Management fees for services provided by former CEO and VP Corporate Development and current CFO and VP Finance.

(a) Paid \$45,000 (2016: \$nil) to PEM pursuant to a Management Services Agreement entered into as of August 10, 2016 and amended on February 8, 2017 (see Note 11). PEM is a company controlled by two former directors and officers, and it provides daily management services to the Company. The payments are disclosed in key management personnel compensation within salaries and short term benefits.

(b) Paid or accrued \$57,912 (2016: \$10,000) to Kobler and to a company controlled by Kobler for consulting services. The payments are disclosed in key management personnel compensation within salaries and short term benefits.

(c) Due to related parties, as at May 31, 2017 is as follows:

Related party	Amount
Kobler	\$ 23,380
Marc Bruner ("Bruner") Former independent director and consultant	50,000
	<u>\$ 73,380</u>

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. The Company includes the components of shareholders' equity in its management of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares to raise cash and obtain bridging loans from related parties.

The Company's investment policy is to invest its cash in investment instruments in financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

8. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the period ended May 31, 2017:

On March 20, 2017, the Company issued 100,000 common shares and paid USD\$100,000 in accordance to the option agreement for Fish Lake Valley Project as described in Note 4.

On May 17, 2017, the Company issued 100,000 common shares in accordance to the option agreement for San Emidio Property as described in Note 4.

During the year ended February 28, 2017:

In April 2016, the Company completed a non-brokered private placement of 6,000,000 units at a price of \$0.25 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at an exercise price of \$0.50 per share until April 6, 2020.

On April 1, 2016, the Company issued 4,000,000 common shares with a fair value of \$1,000,000 to acquire 1032701 B.C. Ltd. in accordance to the Share Purchase Agreement. In addition, the Company also issued 200,000 common shares with a fair value of \$50,000 for the Fish Lake Valley property in accordance to the option agreement. (see Note 4)

On May 4, 2016, the Company completed a non-brokered private placement of 3,333,333 units at a price of \$0.60 per unit for gross proceeds of \$2,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable to acquire an additional common share at an exercise price of \$1.00 per share until May 4, 2019. In connection with this private placement, the Company issued 66,667 share purchase warrants as finder's fees at a price of \$1.00 per share until three years after the issue date with a fair value of \$51,869.

On May 16, 2016, the Company issued 4,533,334 common shares with a fair value of \$4,760,000 to acquire 1065604 B.C. Ltd. in accordance to the Share Purchase Agreement. In addition, the Company also issued 250,000 common shares with a fair value of \$262,500 for the Atlantis Property in accordance to the option agreement. (see Note 4)

In June 2016, the Company issued 1,000,000 common shares with a fair value of \$1,276,000 to TY & Sons Explorations (Nevada), Ltd. for the Fish South property in accordance to the option agreement. In addition, the Company also issued 300,000 warrants with a fair value of \$395,517 in accordance to the option agreement for \$409,606. (see Note 4)

On June 7, 2016, the Company issued 6,000,000 common shares with a fair value of \$8,340,000 to acquire 1067323 B.C. Ltd. in accordance to the Share Purchase Agreement. In addition, the Company also issued 500,000 common shares, of which 400,000 shares for the Colorado property and 100,000 shares for the San Emidio property with fair values of \$556,000 and \$139,000 respectively in accordance with the option agreements for \$556,000 and \$139,000 respectively. (see Note 4)

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

8. SHARE CAPITAL (continued)

On July 14, 2016, in accordance to the option agreement for Clayton Valley BFF Property, the Company issued 400,000 common shares with a fair value of \$276,000. (see Note 4)

On February 28, 2017, the Company completed a non-brokered private placement of 10,000,000 units at a price of \$0.125 per unit for gross proceeds of \$1,250,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to acquire one additional common share at an exercise price of \$0.25 per share until February 28, 2020. In connection with this private placement, the Company issued 206,160 units as finder's fees, with a fair value of \$26,877.

During the year ended February 28, 2017, 7,042,500 common shares were issued upon the exercise of warrants at a purchase price of \$0.07 per common share for gross proceeds of \$492,975; and 25,000 common shares were issued upon the exercise of warrants at a purchase price of \$0.50 per common share for gross proceeds of \$12,500. Upon the exercise of stock options, 525,000 common shares were issued at \$0.10 per share.

The Company paid \$211,156 in share issue costs related to the private placements.

Voluntary Pooling Agreement

On August 1, 2016, certain shareholders entered into a Voluntary Pooling Agreement (the "Agreement") with the Company to place a total of 14,153,333 common shares on escrow. Under the Agreement, 20% of the shares would be released on each of February 1, 2017, May 1, 2017, August 1, 2017, November 1, 2017 and February 1, 2018 respectively. As at May 31, 2017, the Company has 8,491,998 common shares remain pooled under the terms of the Agreement (2016: nil).

Warrants

Details of common share purchase warrants outstanding at May 31, 2017 are as follows:

Number of warrants	Exercise price	Remaining life (years)	Expiry date
680,000	\$ 0.07	1.56	December 20, 2018
650,000	\$ 0.10	3.30	September 17, 2020
2,975,000	\$ 0.50	2.85	April 6, 2020
1,708,334	\$ 1.00	1.93	May 4, 2019
300,000	\$ 1.10	2.00	June 1, 2019
10,206,160	\$ 0.25	2.75	February 28, 2020
16,519,494			

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

8. SHARE CAPITAL (continued)

Warrants (continued)

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
Balance, February 29, 2016	8,372,500	\$ 0.16
Issued	3,000,000	0.50
Issued	1,708,334	1.00
Issued	300,000	1.10
Issued	10,206,160	0.25
Exercised	(7,042,500)	0.07
Exercised	(25,000)	0.50
Balance, May 31 and February 28, 2017	16,519,494	\$ 0.38

The fair value of the 66,667 broker's warrants issued in connection with the private placements that closed on May 4, 2016 was estimated using the Black-Scholes option-pricing model is \$51,869. The following weighted average assumptions were used: Risk-free interest rate – 0.66%; Expected volatility – 174%; Expected dividend yield – nil; Expected life – 3 years; forfeiture rate – 20%.

The fair value of the 300,000 warrants issued in connection with the asset acquisition June 1, 2016 was estimated using the Black-Scholes option-pricing model is \$409,903. The following weighted average assumptions were used: Risk-free interest rate – 0.61%; Expected volatility – 163%; Expected dividend yield – nil; Expected life – 3 years; forfeiture rate – 0%.

The fair value of the 206,160 broker's warrants issued in connection with the private placements that closed on February 28, 2017 was estimated using the Black-Scholes option-pricing model is \$26,877. The following weighted average assumptions were used: Risk-free interest rate – 0.93%; Expected volatility – 136%; Expected dividend yield – nil; Expected life – 3 years; forfeiture rate – 0%.

The holders of the warrants granted on December 20, 2013 can only exercise the number of warrants which will result, when the shares are issued, in the holder's shareholding not exceeding 10% of the Company's issued and outstanding shares as at the date of the exercise.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

8. SHARE CAPITAL (continued)

Stock Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the Discounted Market Price policies of the TSX Venture Exchange. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12 month period is limited to 5% of the issued shares of the Company. The options vest on the date of grant.

As at May 31, 2017, the following options were outstanding and exercisable:

Number of options	Exercise price	Remaining life (years)	Expiry date
555,000	\$ 0.10	3.29	September 14, 2020
75,000	\$ 1.70	3.92	May 2, 2021
750,000	\$ 1.13	3.93	May 5, 2021
250,000	\$ 1.57	1.04	June 13, 2018
500,000	\$ 0.175	2.71	February 13, 2020
2,130,000			

A summary of changes of stock options outstanding is as follows:

	Options	Weighted average exercise price
Balance, February 29, 2016	1,080,000	\$ 0.10
Exercised	(525,000)	\$ 0.10
Granted	150,000	\$ 0.45
Cancelled	(150,000)	\$ 0.45
Granted	1,000,000	\$ 1.13
Cancelled	(250,000)	\$ 1.13
Granted	75,000	\$ 1.17
Granted	250,000	\$ 1.57
Granted	500,000	\$ 0.175
Balance outstanding and exercisable as at May 31 and February 28, 2017	2,130,000	\$ 0.71

These options entitle the holder thereof the right to acquire one common share for each option held. The weighted average remaining life of outstanding options is 3.14 years.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's consolidated financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and due to related parties. As at May 31, 2017, the Company classifies its cash and cash equivalents and accounts receivable as fair value through profit and loss, and its accounts payable and due to related parties as other financial liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable are classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at May 31, 2017 relating to cash of \$546,317. All cash is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet accounts payable requirements. The Company maintained sufficient cash balances to meet its needs at May 31, 2017.

Foreign Exchange Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and commitments that are denominated in a foreign currency. As at May 31, 2017, a 10% fluctuation in the foreign exchange rate of the United States dollar against the Canadian dollar would affect the Company's loss for the year by approximately \$725 and the commitments on the exploration and evaluation assets would increase by approximately \$163,000.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk

The Company has cash balances and only fixed interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of palladium, nickel, and gold. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the periods ended May 31, 2017 and 2016, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

10. SEGMENTED INFORMATION

As of May 31, 2017, the Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company's interests in mineral properties are located in Nevada, USA.

11. COMMITMENTS

Pursuant to a Management Consultant Agreement dated as of May 1, 2016, the Company engaged Michael Kobler as a consultant for a monthly fee of USD\$12,000 plus benefits of USD1,579.

Pursuant to a Management Services Agreement dated as of August 10, 2016, the Company agreed to retain the services of the Chief Executive Officer, Chief Financial Officer; Vice President-Finance, Vice President Corporate Development and Administrator for a monthly retainer of \$20,000 per month to September 30, 2016, then \$30,000 thereafter. Effective February 15, 2017 the agreement was terminated and a new agreement was entered into. The new agreement is for a monthly fee of \$15,000 per month, and will provide the services of the Chief Financial Officer and Vice President-Finance for a minimum period of three months, and may be extended thereafter by mutual consent.

Pursuant to a Management Consultant Agreement dated as of October 3, 2016, the Company engaged Marc Bruner as a consultant and the Chairman of the Company for a period of 12 months, and then on a month-to-month basis for a monthly fee of \$10,000.

American Lithium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended May 31, 2017 and 2016

(in Canadian dollars)

12. SUBSEQUENT EVENTS

- a) On June 7, 2017, the Company issued 500,000 common shares in accordance to the option agreement for Fish South Property as described in Note 4. The 500,000 common shares were recorded with a fair value of \$47,500.
- b) On June 19, 2017, Mr. Marc Bruner resigned as a director and he ceased to be a related party.
- c) The Company terminated the option agreement on the Clayton Valley BFF property. An impairment of the Clayton Valley BFF property will be recorded in the next period.