



**INTERNATIONAL PROSPECT VENTURES LTD.**

(formerly Uranium Valley Mines Ltd.)

***Interim condensed financial statements (unaudited)***

For the three-month and nine-month periods ended on September 30, 2017 and 2016

# **INTERNATIONAL PROSPECT VENTURES LTD.**

(formerly Uranium Valley Mines Ltd.)

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## **INTERIM CONDENSED FINANCIAL STATEMENTS**

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## **Notice to Reader**

The accompanying unaudited interim condensed financial statements of International Prospect Ventures LTD. (the "Company") for the three-month and nine-month periods ended on September 30, 2017 and 2016 have been prepared by the management and are its responsibility. These unaudited interim condensed financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed financial statements have not been reviewed by the Company's auditors.

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

As at		(Unaudited - in Canadian dollars)	
	Notes	September 30, 2017	December 31, 2016
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	5	670,486	531,552
Accounts receivable		45,234	-
Sales taxes recoverable		21,140	3,166
Prepaid expenses and deposits		88,277	215
		<u>825,137</u>	<u>534,933</u>
<b>Non-current assets</b>			
Exploration and evaluation assets	6	<u>85,932</u>	<u>14,474</u>
<b>Total assets</b>		<u>911,069</u>	<u>549,407</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		88,425	26,449
Liability component related to flow-through shares		<u>-</u>	<u>19,941</u>
<b>Total liabilities</b>		<u>88,425</u>	<u>46,390</u>
<b>EQUITY</b>			
Share capital	7	3,027,336	2,465,310
Contributed surplus		67,659	1
Warrants	7	53,450	184,009
Deficit		<u>(2,325,801)</u>	<u>(2,146,303)</u>
<b>Total equity</b>		<u>822,644</u>	<u>503,017</u>
<b>Total liabilities and equity</b>		<u>911,069</u>	<u>549,407</u>

Going Concern (Note 2)

Subsequent event (Note 12)

The accompanying notes are an integral part of the interim condensed financial statements.

On behalf of the Board of Directors,

*"Glenn J. Mullan"*

(signed Glenn J. Mullan)

Director

*"Dr. C. Jens Zinke"*

(signed C. Jens Zinke)

Director

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three-month and nine-month periods ended on

(Unaudited - in Canadian dollars)

	September 30, 2017 (3 months) \$	September 30, 2016 (3 months) \$	September 30, 2017 (9 months) \$	September 30, 2016 (9 months) \$
<b>Operating expenses</b>				
Exploration and evaluation expenses (recovery)	222	791	(2,635)	1,548
Audit and accounting fees	7,500	8,025	30,525	23,937
Legal fees	12,022	1,645	46,767	9,139
Consultant fees	-	-	781	-
Regulatory and transfer agent fees	8,922	10,198	29,392	24,437
Investor relations fees	5,160	-	11,980	-
Shareholder's information	3,482	237	3,753	237
Office expenses and other	1,854	432	8,913	5,667
Representation & travel	1,961	-	1,961	-
Share-based payments	67,658	-	67,658	-
<b>Operating loss</b>	<u>108,781</u>	<u>21,328</u>	<u>199,095</u>	<u>64,965</u>
<b>Other expenses (income)</b>				
Interest income	-	-	-	(130)
Interest expense	143	18	382	94
Exchange loss (gain)	-	560	(38)	12
Reversal of liability component related to flow-through shares	-	-	(19,941)	-
	<u>143</u>	<u>578</u>	<u>(19,597)</u>	<u>(24)</u>
<b>Net loss and total comprehensive loss</b>	<u>108,924</u>	<u>21,906</u>	<u>179,498</u>	<u>64,941</u>
<b>Basic and diluted net loss per common share</b>	<u>0.005</u>	<u>0.002</u>	<u>0.009</u>	<u>0.006</u>
<b>Weighted average number of common shares outstanding</b>	<u>20,174,590</u>	<u>11,692,780</u>	<u>19,367,094</u>	<u>11,387,598</u>

The accompanying notes are an integral part of the interim condensed financial statements.

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

For the nine-month periods ended on September 30, 2017 and 2016

(Unaudited - in Canadian dollars)

	Share capital		Contributed	Warrants	Deficit	Total
	Number	\$	Surplus			
	Number	\$	\$	\$	\$	\$
<b>Balance on January 1st, 2016</b>	11,233,331	2,104,406	1	-	(2,057,443)	46,964
Units issued by private placement	5,024,999	246,225	-	123,834	-	370,059
Units issued to settle issue expenses	258,666	12,675	-	6,725	-	19,400
Units issue costs	-	(39,532)	-	-	-	(39,532)
Net loss and comprehensive loss	-	-	-	-	(64,941)	(64,941)
<b>Balance on September 30, 2016</b>	<u>16,516,996</u>	<u>2,323,774</u>	<u>1</u>	<u>130,559</u>	<u>(2,122,384)</u>	<u>331,950</u>
<b>Balance on January 1st, 2017</b>	18,654,996	2,465,310	1	184,009	(2,146,303)	503,017
Issuance of shares as part of an option mining agreement	6	66,667	8,000	-	-	8,000
Exercise of warrants	7	4,234,665	533,568	-	(110,101)	423,467
Expired warrants	7	-	20,458	-	(20,458)	-
Share-based payments	8	-	-	67,658	-	67,658
Net loss and comprehensive loss	-	-	-	-	(179,498)	(179,498)
<b>Balance on September 30, 2017</b>	<u>22,956,328</u>	<u>3,027,336</u>	<u>67,659</u>	<u>53,450</u>	<u>(2,325,801)</u>	<u>822,644</u>

The accompanying notes are an integral part of the interim condensed financial statements.

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## INTERIM CONDENSED STATEMENTS OF CASH FLOWS

For the three-month and nine-month periods ended on

(Unaudited - in Canadian dollars)

	Notes	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (9 months)	September 30, 2016 (9 months)
				\$	\$
<b>OPERATING ACTIVITIES</b>					
Net loss		(108,886)	(21,906)	(179,498)	(64,941)
Non-cash profit or loss items					
Share-based payments	8	67,658	-	67,658	-
Reversal of liability component related to flow-through shares		-	-	(19,941)	-
		(41,228)	(21,906)	(131,781)	(64,941)
Change in non-cash working capital items					
Accounts receivable		(15,659)	-	(45,234)	-
Sales taxes recoverable		(14,494)	(2,404)	(17,974)	(3,625)
Prepaid expenses and deposits		(77,707)	423	(88,062)	5,491
Accounts payable and accrued liabilities	9	44,833	(10,753)	53,959	11,454
		(63,027)	(12,734)	(97,311)	13,320
<b>Net cash related to operating activities</b>		<u>(104,255)</u>	<u>(34,640)</u>	<u>(229,092)</u>	<u>(51,621)</u>
<b>INVESTING ACTIVITIES</b>					
Additions to exploration and evaluation assets	6 and 9	(45,399)	(586)	(55,441)	(753)
<b>Net cash related to investing activities</b>		<u>(45,399)</u>	<u>(586)</u>	<u>(55,441)</u>	<u>(753)</u>
<b>FINANCING ACTIVITIES</b>					
Issuance of shares		283,467	390,000	423,467	390,000
<b>Net cash related to financing activities</b>		<u>283,467</u>	<u>390,000</u>	<u>423,467</u>	<u>390,000</u>
<b>Increase (decrease) in cash</b>		133,813	354,774	138,934	337,626
<b>Cash, beginning of period</b>		<u>536,673</u>	<u>14,234</u>	<u>531,552</u>	<u>31,382</u>
<b>Cash, end of period</b>		<u><u>670,486</u></u>	<u><u>369,008</u></u>	<u><u>670,486</u></u>	<u><u>369,008</u></u>
Interest received		-	-	-	130

The accompanying notes are an integral part of the interim condensed financial statements.

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Uranium Valley Mines Ltd (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Quebec, Canada J9P 7B6. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has administrative offices located at 800 René-Lévesque Boulevard West, Suite 425, Montreal, Quebec, H3B 1X9.

On October 26, 2017, the Company changed its name to International Prospect Ventures Ltd. In addition, the Company has also received Exchange acceptance for its common shares to graduate from NEX and commence trading on Tier 2 of the TSX Venture Exchange. Effective on or about October 27, 2017, the Company's common shares will commence trading on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ" (previously trading on NEX under symbol VZZ.H).

### NOTE 2. GOING CONCERN ASSUMPTION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the basis of the going concern assumption, which presumes the Company will continue its operations and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. During the nine-month period ended September 30, 2017, the Company has incurred a net loss and comprehensive loss of \$179,498 (for the year ended December 31, 2016 – \$88,860) and has an accumulated deficit of \$2,325,801 (December 31, 2016 – \$2,146,303). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company's ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company's discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company. These material uncertainties cast significant doubt regarding the ability to continue as a going concern.

The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

### NOTE 3. BASIS OF PRESENTATION

These interim condensed financial statements, approved by the Board of Directors on November 9, 2017, have been prepared in accordance with IAS 34, "Interim Financial Reporting". These interim condensed financial statements as well as the related notes should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2016.

### NOTE 4. SIGNIFICANT ACCOUNTING POLICIES

#### *Overall considerations*

The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3 - Significant Accounting Policies, of the Company's annual audited financial statements for the year ended December 31, 2016.

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 5. CASH

	September 30, 2017	December 31, 2016
	\$	\$
Cash	670,486	496,552
Cash held for exploration and evaluation expenses	-	35,000
	<u>670,486</u>	<u>531,552</u>

The cash held for exploration and evaluation expenses represents the balance on flow-through financing not spent according to restrictions imposed by this financing arrangement. The Company has to dedicate these funds to mining properties exploration expenses which will need to be incurred prior to December 31, 2017. At September 30, 2017, the Company has fulfilled all its obligations.

### NOTE 6. EXPLORATION AND EVALUATION ASSETS

The following tables presents a summary of exploration and evaluation assets by property:

	Balance as at January 1, 2016	Additions	Balance as at December 31, 2016	Additions	Balance as at September 30, 2017
	\$	\$	\$	\$	\$
Porcupine Miracle Prospect (Ontario)	<u>11,725</u>	<u>2,749</u>	<u>14,474</u>	<u>71,458</u>	<u>85,932</u>
	<u>11,725</u>	<u>2,749</u>	<u>14,474</u>	<u>71,458</u>	<u>85,932</u>

The following table presents the additions to exploration and evaluation assets by property:

	September 30, 2017	December 31, 2016
	\$	\$
Acquisition and claim maintenance	8,152	50
Consultant fees	-	2,027
Geophysics	49,899	-
Geology	3,407	724
Royalty advance payment	10,000	-
Government assistance	-	(52)
	<u>71,458</u>	<u>2,749</u>

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 6. EXPLORATION AND EVALUATION ASSETS (Continued)

#### **Porcupine Miracle Prospect - Landmuir Township, Ontario**

On July 3, 2014, and amended on July 4, 2016, the Company entered into a Mining Option Agreement with 2973090 Canada Inc., ("2973090") pursuant to which the Company has the option to acquire a 100% ownership interest in the Porcupine Miracle Prospect. The Porcupine Miracle Prospect is comprised of four (4) mineral claims located in the Langmuir Township in the province of Ontario, Canada. In consideration for the option, the Company will issue 200,000 common shares as follows: 66,666 common shares upon signature (issued on July 25, 2014 at a price of \$0.10 per share), 66,667 common shares on July 17, 2015 (issued on July 17, 2015 at a price of \$0.05 per share) and 66,667 common shares on July 17, 2017 (issued on July 13, 2017 at a price of \$0.12 per share). In order to exercise the option, the Company is required to incur exploration expenditures of \$50,000 by July 17, 2017 (completed) and, in addition, to maintain the property in good standing. The property will be subject to a royalty in favour of 2973090 equal to 3% of net smelter returns. Unless the Option has then lapsed or been terminated, an advance royalty payments of \$10,000 per annum will be payable by the Company commencing on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

On July 13, 2017, the Company fulfilled all commitments and therefore acquired a 100% interest in the Porcupine Miracle Prospect.

#### **Otish/Mistassini Prospect - North Central Quebec**

The Company owns a 100% interest in the Otish/Mistassini Prospect which comprises 48 mining claims located in the province of Quebec. This property was impaired in the year ended December 31, 2011.

#### **Beartooth Island Prospect - Athabaska Basin, Saskatchewan**

On March 31, 2011, the Company acquired Golden Valley's 40% interest in the Beartooth Island Prospect which comprises 4 mining claims. This property is the object of an agreement with Ditem. Ditem can acquire an additional 6% interest in the property by advising the Company of its intent to complete and by completing a feasibility study at its sole cost within the period of 6 years from the operative date, subject to and in accordance with the terms of the agreement. Following the final vesting, the Company will retain an aggregate of 34% undivided interest in the property. As of the date here of the Company retains a 40% interest therein on 2 mining claims; Ditem is the operator. Since no exploration work has been performed in the past years and the operator is not planning any work in the near future, the Company made the decision to impair its Beartooth Island Prospect at December 31, 2015.

### NOTE 7. SHARE CAPITAL

#### **Authorized**

Unlimited number of voting common shares without par value.

#### **Transaction**

#### **2016**

On September 23, 2016, the Company closed a non-brokered private placement offering for gross proceeds of \$390,000 as follows:

The Company issued 291,666 flow-through units (the "FT Units") at a per FT Unit price of \$0.12 for gross proceeds of \$35,000, each FT Unit consisting of one common share in the capital of the Company issued on a flow-through basis under the Canada Income Tax Act and one-half of one non-transferable non-flow-through common share purchase warrant, each whole warrant entitling the holder to purchase one non-flow-through common share in the capital of the Company at a per share price of \$0.15 until September 23, 2017. The fair value of the 145,833 warrants was estimated at \$0.005 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 0.52%, an expected unit life of 1 year, no expected dividend yield and a share price at date of grant of \$0.05. As a result, the warrants were valued at \$767 and recorded under Warrants in the statement of changes in equity. Also, an amount of \$19,941 was attributed to the liability component related to the flow-through shares and recorded as such in liabilities.

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 7. SHARE CAPITAL (Continued)

The Company also issued 4,733,333 units (the "Units") at a per Unit price of \$0.075 for gross proceeds of \$355,000, each Unit consisting of one non-flow-through common share in the capital of the Company and one non-transferable common share purchase warrant, entitling the holder to purchase one common share in the capital of the Company at a per share price of \$0.10 until September 23, 2017. The fair value of the 4,733,333 warrants was estimated at \$0.026 using the Black-Scholes pricing model with the following assumptions: an expected volatility of 100%, a risk-free interest rate of 0.52%, an expected unit life of 1 year, no expected dividend yield and a share price at date of grant of \$0.15. As a result, the warrants were valued at \$123,067 and recorded under Warrants in the statement of changes in equity.

In connection with the above financing, the Company paid finder's fees to various parties with the issuance of an aggregate of 258,666 common shares at a deemed price per share of \$0.075 in satisfaction of an aggregate \$19,400 representing 8% of the purchase proceeds received from subscribers introduced to the Company by the finders and 258,666 non-transferable finders warrants entitling the purchase of an aggregate 258,666 common shares at a price of \$0.10 per share until September 23, 2017, representing 8% of the number of Units placed with the assistance of the finders. When granted, the fair value of the 258,666 non-transferable finders warrants of \$6,725, issued as compensation warrants to settle finder's fees, was established based on the value of the service received and recorded as an increase of issuance costs, deducted from share capital, and as an increase of Warrants in the statement of changes in equity. The Company also incurred legal fees in relation with the private placement of \$20,132.

#### 2017

On May 23, 2017, a total of 1,400,000 warrants were exercised at a price of \$0.10 per share for total proceeds of \$140,000.

On July 13, 2017, the Company issued 66,667 common shares at a price of \$0.12 per share for a total value of \$8,000 as part of the Mining Option Agreement on the Porcupine Miracle Prospect (Note 6).

On September 28, 2017, a total of 2,834,665 warrants were exercised at a price of \$0.10 per share for total proceeds of \$283,467.

#### Warrants

The following table shows the changes in warrants:

	September 30, 2017		December 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	7,291,832	0.11	-	-
Issued	-	-	7,291,832	0.11
Exercised	(4,234,665)	0.10	-	-
Expired	(903,167)	0.10	-	-
Outstanding, end of period	<u>2,154,000</u>	<u>0.13</u>	<u>7,291,832</u>	<u>0.11</u>

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 7. SHARE CAPITAL (Continued)

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

Expiration date	Exercise price	Number of warrants outstanding
	\$	
October 31, 2017	0.13	2,154,000
		<u>2,154,000</u>

### NOTE 8. SHARE-BASED PAYMENTS

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange.

All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

The Company's stock options are as follows for the reporting periods presented:

	September 30, 2017		December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Outstanding, beginning of period	-	-	-	-
Granted	<u>1,915,000</u>	<u>0.05</u>	-	-
Outstanding, end of period	<u>1,915,000</u>	<u>0.05</u>	-	-

The fair value of the stock options granted of \$0.04 has been estimated on the date of issue, using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2017
Share price at date of grant	0.04 \$
Expected dividend yield	- \$
Expected volatility	100 %
Risk-free interest rate	1.71 %
Expected life	10 years
Exercise price at the date of grant	0.05 \$

# INTERNATIONAL PROSPECT VENTURES LTD.

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## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 8. SHARE-BASED PAYMENTS (Continued)

Given the limited trading history of the Company's common shares, the underlying expected volatility was determined by reference to historical data of comparable mining exploration companies' share on the TSX Venture Exchange over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

During the nine-month period ended September 30, 2017, a share-based compensation of \$67,658 (\$nil for the nine-month period ended September 30, 2016) was recorded in the statement of loss and comprehensive loss.

The number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiry date	Exercise price	Number of options
	\$	
July 10, 2027	0.05	1,915,000

### NOTE 9. ADDITIONAL CASH FLOW INFORMATION

The following significant non-cash transactions have been excluded from the statements of cash flows:

	September 30, 2017 (3 months)	September 30, 2016 (3 months)	September 30, 2017 (9 months)	September 30, 2016 (9 months)
	\$	\$	\$	\$
Accounts payable included in exploration and evaluation assets	(21,701)	-	8,017	-
Issuance of shares as part of an option mining agreement	8,000	-	8,000	-

### NOTE 10. RELATED PARTY TRANSACTIONS

#### Transactions with the controlling shareholder

On October 1, 2010 the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support and investors relations services to the Company in consideration of \$96,000 per year (the "Fee"), payable on a monthly basis, plus applicable taxes. The provision of services by Golden Valley commenced on October 1, 2010, but payment of monthly fees started as of July 15, 2011 (the "Trading Date"). Effective January 1, 2013, Golden Valley has agreed to suspend the payment of the management fees to enable the Company to conserve cash for its operations.

The Management Agreement is for an initial term of two years commencing on the Trading Date, and will be automatically renewed after the initial term for successive period of 12 months. The Management Agreement can be terminated at any time and by either party, upon delivery of a twelve-month written notice. The Management Agreement provides for the Fee to be reviewed on an annual basis.

The Company entered into an amending agreement (an "Amending Agreement") with Golden Valley dated as of May 21, 2014, amending the terms of the Management Agreement. The Amending Agreement confirms, among other things, that:

- if there is a change of control of the Company and Golden Valley terminates the Management Agreement within six months of the change of control;
- if the Company terminates the Management Agreement within twelve months of the change of control; or
- if the Company and Golden Valley agree to terminate the Management Agreement within six months of the change of control,

# INTERNATIONAL PROSPECT VENTURES LTD.

(formerly Uranium Valley Mines Ltd.)

## NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(Unaudited - in Canadian dollars)

### NOTE 10. RELATED PARTY TRANSACTIONS (Continued)

Then the Company will pay Golden Valley a termination payment equal to the aggregate of the amounts that would have been payable by the Company to Golden Valley as the fee for the period from the date of the Amending Agreement to the date on which the Management Agreement is terminated if payment of the fee had not been suspended during such period.

Golden Valley shall be entitled to terminate the Management Agreement at any time giving to the Company at least 30 days prior notice in writing as long as the fee is not being paid to Golden Valley.

The Company did not pay any management fees to Golden Valley for the nine-month periods ended on September 30, 2017 and 2016.

Pursuant to the terms of the Management Agreement, Golden Valley recharged some expenses to the Company, plus 10%. For the nine-month period ended September 30, 2017, Golden Valley recharged a total amount of \$112,345; \$99,783 was included in prepaid expenses and deposits, \$2,443 was capitalized in exploration and evaluation assets and \$10,119 recognized as an expense in the statement of loss and comprehensive loss (\$2,416 for the nine-month period ended on September 30, 2016; \$805 was capitalized in exploration and evaluation assets and \$1,611 was recognized as an expense in the statement of loss and comprehensive loss).

As at September 30, 2017, the Company had a balance payable of \$55,346 (\$9,606 as at December 31, 2016) to Golden Valley.

#### Transactions with key management

Key management personnel of the Company are the members of the board of directors, as well as the president and the chief financial officer ("CFO").

During the nine-month period ended September 30, 2017, the Company incurred accounting fees of \$22,500 with the current CFO. These fees are recorded under audit and accounting fees. During the nine-month period ended September 30, 2016, the services of the previous CFO were assumed by Golden

During the nine-month period ended September 30, 2017, the Company granted stock options to directors and officers to purchase an aggregate 1,650,000 common shares of the Company. The Company recorded share-based payments of \$58,295 as part of this transaction.

### NOTE 11. COMMITMENTS

The Company signed a Management Agreement, described in Note 10, which could call for an annual payment of \$96,000.

The Company entered into a consulting agreement with the CFO for an indefinite term which will call for a monthly payment of \$2,500.

### NOTE 12. SUBSEQUENT EVENT

In October 2017, a total of 2,146,800 warrants were exercised at a price of \$0.13 per share for total proceeds of \$279,084.