

Financial Statements of

Miza Enterprises Inc.

For the Eleven-Month Period Ended December 31, 2016 and
the Year Ended January 31, 2016
(Expressed in Canadian dollars)



April 27, 2017

Independent Auditor's Report

To the Shareholders of Miza Enterprises Inc.

We have audited the accompanying financial statements of Miza Enterprises Inc., which comprise the statement of financial position as at December 31, 2016 and the statements of loss and comprehensive loss, shareholders' equity and cash flows for the 11 month period then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Miza Enterprises Inc. as at December 31, 2016 and its financial performance and its cash flows for the 11 month period then ended in accordance with International Financial Reporting Standards.

Other Matter

The financial statements as at January 31, 2016 and for the year then ended were audited by other auditors who expressed an opinion on those statements in their report dated May 30, 2016. Their opinion was without reservation.

(signed) “PricewaterhouseCoopers LLP”

Chartered Professional Accountants

Miza Enterprises Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

	As at December 31, 2016	As at January 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$ 488,599	\$ 993
Amounts receivable	5,909	1,093
Prepaid expenses	1,250	-
Total assets	\$ 495,758	\$ 2,086
Liabilities and equity		
Current liabilities		
Trade and other payables (Note 6)	\$ 50,735	\$ 14,731
Loan payable (Note 4)	-	117,622
Total liabilities	50,735	132,353
Equity (deficiency)		
Share capital (Note 5)	921,133	421,133
Obligation to issue shares (Note 5)	-	20,000
Share subscriptions received in advance (Note 5)	199,980	-
Equity reserve (Note 5)	324,218	179,083
Deficit	(1,000,308)	(750,483)
Total equity (deficiency)	445,023	(130,267)
Total liabilities and equity	\$ 495,758	\$ 2,086

Nature of operations (Note 1)
Subsequent event (Notes 1,5)

Approved by the Board of Directors and authorized for issue on April 27, 2017:

"Clive T. Johnson" Director

"Harry Pokrandt" Director

The accompanying notes are an integral part of these financial statements

Miza Enterprises Inc.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Eleven-month period ended December 31, 2016	Year ended January 31, 2016
Expenses		
Share-based compensation (Note 5)	\$ 145,135	\$ -
Office and administration	31,721	22,072
Consulting	29,365	-
Professional fees	25,746	20,192
Regulatory and transfer agent	14,577	16,944
	<u>(246,544)</u>	<u>(59,208)</u>
Finance expense	3,281	12,000
	<u>(3,281)</u>	<u>(12,000)</u>
Loss and comprehensive loss for the period	\$ (249,825)	\$ (71,208)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	31,451,272	2,798,577

The accompanying notes are an integral part of these financial statements

Miza Enterprises Inc.

Statements of Shareholders' Equity

(Expressed in Canadian dollars)

	Share capital		Share	Obligation to	Equity reserve	Deficit	Total equity
	Shares issued	Amount	subscriptions received in advance				
At January 31, 2015	2,798,577	\$ 421,133	\$ -	\$ 20,000	\$ 179,083	\$ (679,275)	\$ (59,059)
Loss and comprehensive loss	-	-	-	-	-	(71,208)	(71,208)
At January 31, 2016	2,798,577	421,133	-	20,000	179,083	(750,483)	(130,267)
Private placement	30,000,000	500,000	-	-	-	-	500,000
Obligation to issue shares settled in cash	-	-	-	(20,000)	-	-	(20,000)
Share subscriptions received in advance	-	-	199,980	-	-	-	199,980
Share-based compensation	-	-	-	-	145,135	-	145,135
Loss and comprehensive loss	-	-	-	-	-	(249,825)	(249,825)
At December 31, 2016	32,798,577	\$ 921,133	\$ 199,980	\$ -	\$ 324,218	\$ (1,000,308)	\$ 445,023

¹Common share figures in these financial statements have been retroactively restated to reflect the stock split (Notes 1,5).

The accompanying notes are an integral part of these financial statements

Miza Enterprises Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Eleven-month period ended December 31, 2016	Year ended January 31, 2016
Operating activities		
Loss for the period	\$ (249,825)	\$ (71,208)
Adjusted for:		
Share-based compensation	145,135	-
Accrued loan interest payable	3,258	12,000
Changes in non-cash working capital items:		
Amounts receivable	(4,816)	1,169
Prepaid expenses	(1,250)	608
Trade and other payables	36,004	4,936
Cash used in operating activities	(71,494)	(52,495)
Financing activities		
Private placement	500,000	-
Obligation to issue shares settled in cash	(20,000)	-
Share subscriptions received in advance	199,980	-
Repayment of loan payable	(100,000)	-
Interest on loan payable	(20,880)	-
Cash provided by financing activities	559,100	-
Increase (decrease) in cash during the period	487,606	(52,495)
Cash and cash equivalents, beginning of period	993	53,488
Cash and cash equivalents, end of period	\$ 488,599	\$ 993
Cash and cash equivalents is comprised of:		
Cash	\$ 238,599	\$ 993
Term deposits	250,000	-
	\$ 488,599	\$ 993

The accompanying notes are an integral part of these financial statements

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Miza Enterprises Inc. (the "Company") was incorporated on February 4, 2008 under the Business Corporations Act of the Province of British Columbia. The Company's head office address is 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1. The registered and records office address is 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3.

In March 2010, the Company completed its initial public offering and commenced trading on Tier 2 of the TSX Venture Exchange ("TSX-V") as a Capital Pool Company ("CPC") under the symbol PCL.P. As a CPC, the Company has no material commercial operations and no material assets other than cash. The Company did not complete its Qualifying Transaction within 24 months as required by the TSX-V and was subsequently transferred to NEX, a separate board of the TSX-V, on July 3, 2012. On April 23, 2015, the Company changed its name to Miza Enterprises Inc. and its trading symbol to MZA.H. The Company remains a CPC and the principal business is the identification and evaluation of assets and to negotiate an acquisition of or participation in a business (the "Qualifying Transaction"). The Company intends to acquire exploration, development and production stage base metal projects with the goal of becoming a significant base metals company. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

On February 23, 2017, the Company determined to change its financial year end from January 31 to December 31, with the transition year being February 1, 2016 to December 31, 2016. As a result, the period ended December 31, 2016, constitutes the eleven-month period ended December 31, 2016.

On December 30, 2016, the Company approved a common share stock split on the basis of three new common shares for each one old common share. Common shares of the Company began trading on a post-split basis on January 4, 2017. All common share and per common share amounts in these financial statements have been retroactively restated to reflect the stock split.

During the period ended December 31, 2016, the Company closed a non-brokered private placement of 30,000,000 common shares at a price of \$0.0167 per share for gross proceeds of \$500,000.

Subsequent to December 31, 2016, the Company closed a non-brokered private placement of 24,000,000 common shares at a price of \$0.06 per share for gross proceeds of \$1,440,000.

2. BASIS OF PRESENTATION

(a) *Statement of compliance*

These financial statements as at and for the period ended December 31, 2016, including comparatives, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) *Basis of measurement*

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) *Significant accounting judgments and estimates*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

Key Source of Estimation Uncertainty

Share-based payments

Share-based compensation expense is measured by reference to the fair value of the share options at the date at which they are granted. Estimating fair value for granted share options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, risk-free interest rate, and making assumptions about them. The fair value of the share-based compensation expense for the period along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 5.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these financial statements are described below:

(a) Cash and Cash Equivalents

Cash includes deposits held with banks that are available on demand. Cash equivalents include short-term investments that have maturity dates of three months or less from the date of purchase, or are redeemable prior to maturity without significant costs or penalties.

(b) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period. For this purpose, it is assumed that proceeds upon the exercise of share options and warrants are used to purchase common shares at the average market price during the period. Share options and warrants outstanding as at December 31, 2016, are anti-dilutive and, therefore, have not been taken into account in the diluted per share calculations.

(c) Share-based payments

The Company's share option plan allows Company employees, directors, officers, consultants and charitable organizations to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Income taxes*

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(e) *Financial instruments*

All financial instruments are classified as one of the following: loans and receivables, fair value through profit or loss ("FVTPL"), available-for-sale, or other financial liabilities. Financial assets and liabilities FVTPL are measured at fair value with gains and losses recognized in net income. Financial assets, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as, loans and receivables, or other financial liabilities are included in the initial carrying value of such instruments and amortized using the effective interest method. Transaction costs classified as FVTPL are expensed when incurred, while those classified as available for sale are included in the initial carrying value.

Cash and cash equivalents are classified as loans and receivables, and trade and other payables are classified as other financial liabilities.

(f) *New standards and interpretations not yet adopted*

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. 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, which is effective for annual periods beginning on or after January 1, 2018.

4. LOAN PAYABLE

In August 2014, the Company borrowed an amount of \$100,000 from a third party; the loan was unsecured, bearing interest at 12% per annum for a minimum of six-month term or until the proposed financing of \$500,000 was in place, whichever was later. During the period ended December 31, 2016, the Company accrued interest of \$3,258 (year ended January 31, 2016: \$17,622). During the period ended December 31, 2016, the loan payable of \$100,000, and accrued interest of \$20,880, were repaid.

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016

(Expressed in Canadian dollars)

4. LOAN PAYABLE (continued)

In December 2014, the Company agreed to the issuance of 171,429 common shares of the Company at a price of \$0.1167 per common share, as bonus shares regarding this unsecured loan which was recorded as an obligation to issue shares. During the period ended December 31, 2016, this amount was settled in cash.

5. EQUITY

(a) Authorized

Unlimited common shares with no par value
Unlimited preferred shares with no par value

(b) Issued and fully paid common shares

On December 30, 2016, the Company approved a common share stock split on the basis of three new common shares for each one old common share. Common shares of the Company began trading on a post-split basis on January 4, 2017. All common share and common per share amounts in these financial statements have been retroactively restated to reflect the stock split.

During the period ended December 31, 2016, the Company closed a non-brokered private placement of 30,000,000 common shares at a price of \$0.0167 per share for gross proceeds of \$500,000.

During the period ended December 31, 2016, the Company paid \$20,000 to settle the obligation to issue shares (Note 4).

As at December 31, 2016, 32,798,577 common shares were issued and outstanding (January 31, 2016: 2,798,577), of which 4,108,572 shares remained in escrow (January 31, 2016: 608,574 shares).

Subsequent to December 31, 2016, the Company closed a non-brokered private placement of 24,000,000 common shares at a price of \$0.06 per share for gross proceeds of \$1,440,000. Proceeds of \$199,980 relating to this non-brokered private placement were received during the period ended December 31, 2016. These proceeds were not refundable and are recorded as share subscriptions received in advance on the statement of financial position.

(c) Escrow shares

The Company entered into an escrow agreement with certain shareholders in December 2009. Shares will remain in escrow until the Company completes a Qualifying Transaction and then will be released over the course of 36 months.

During the period ended December 31, 2016, an additional 3,499,998 common shares that were issued pursuant to the private placement that closed during the period were placed in escrow and are subject to the terms of the escrow agreement.

As at December 31, 2016, 4,108,572 (January 31, 2016: 608,574) shares remained in escrow.

(d) Share options

The Company has adopted an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with TSX-V requirements, grant non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options.

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016
(Expressed in Canadian dollars)

5. EQUITY (continued)

(d) Share options (continued)

During the period ended December 31, 2016, the Company granted an aggregate of 3,270,000 share options to directors, officers and consultants at a price of \$0.06 per share, exercisable until December 9, 2026. Using the Black-Scholes option pricing model, the grant date fair value was \$145,135, or \$0.04 per option, using the following assumptions:

	2016
Risk-free interest rate	2.23%
Expected life (years)	10 years
Annualized volatility	75.00%
Dividend rate	0.00%

Following is a summary of changes in share options outstanding:

	Number of options	Weighted average exercise price
Balance, January 31, 2015	252,000	\$ 0.23
Expired	(252,000)	0.23
Balance, January 31, 2016	-	-
Granted	3,270,000	0.06
Balance, December 31, 2016	3,270,000	\$ 0.06

The following table summarizes information about the share options outstanding at December 31, 2016:

Outstanding and exercisable	Exercise price	Expiry date
3,270,000	\$ 0.06	December 9, 2026

6. RELATED PARTY TRANSACTIONS

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 members of the Company's Board of Directors and corporate officers.

During the period ended December 31, 2016, key management personnel compensation, including directors and officers, was comprised of \$139,809 (year ended January 31, 2016: \$nil), all of which related to share options granted to directors and officers. As at December 31, 2016, \$10,862 was due to a former director of the Company (January 31, 2016: \$4,772), which was included in trade and other payables on the statements of financial position.

The above transactions are in the normal course of operations.

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016
(Expressed in Canadian dollars)

7. INCOME TAX

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the loss before income taxes due to the following:

	Eleven months ended December 31, 2016		Year ended January 31, 2016
Earnings (loss) for the year	\$ (249,825)	\$	(71,208)
Expected income tax (recovery)	\$ (64,955)	\$	(18,514)
Change in unrecognized deductible temporary differences	64,955		18,514
Total income tax expense (recovery)	\$ -	\$	-

The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income that can be reduced by the tax losses. The tax pools relating to these deductible temporary differences expiring 2036 are as follows:

	December 31, 2016		January 31, 2016
Temporary Differences			
Non-capital losses available for future period	\$ 887,549	\$	636,634

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the fair value or carrying value of these financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Historically, the Company's source of funding has been either the issuance of equity securities for cash, primarily through private placements, or loans from its directors and/or companies controlled by its directors. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant funding from these sources.

Miza Enterprises Inc.

Notes to the Financial Statements

As at and for the eleven-month period ended December 31, 2016 and the year ended January 31, 2016

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. As at December 31, 2016, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to maintain a flexible capital structure which will allow it to pursue the completion of a Qualified Transaction in accordance with Policy 2.4 of the TSX-V. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V. There were no changes in the Company's approach to capital management during the period ended December 31, 2016.