

Consolidated Financial Statements of

BeMetals Corp. (formerly BQ Metals Corp.)

For the Year Ended December 31, 2017, and the Eleven-Month
Period Ended December 31, 2016
(Expressed in Canadian Dollars)



April 24, 2018

Independent Auditor's Report

To the Shareholders of BeMetals Corp. (formerly BQ Metals Corp.)

We have audited the accompanying consolidated financial statements of BeMetals Corp., which comprise the consolidated statements of financial position as at December 31, 2017 and December 31, 2016 and the consolidated statements of loss and comprehensive loss, equity and cash flows for the year ended December 31, 2017 and for the eleven month period ended December 31, 2016, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

PricewaterhouseCoopers LLP

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BeMetals Corp. as at December 31, 2017 and December 31, 2016 and its financial performance and its cash flows for the year ended December 31, 2017 and for the eleven month period ended December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about BeMetals Corp.'s ability to continue as a going concern.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

BeMetals Corp. (formerly BQ Metals Corp.)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	As at December 31, 2017	As at December 31, 2016
Assets		
Current assets		
Cash	\$ 105,869	\$ 488,599
Amounts receivable	43,130	5,909
Prepaid expenses	-	1,250
Total assets	\$ 148,999	\$ 495,758
Liabilities and equity		
Current liabilities		
Trade and other payables	\$ 267,784	\$ 50,735
Total liabilities	267,784	50,735
Equity (deficiency)		
Share capital (Note 4)	2,345,095	921,133
Share subscriptions received in advance (Note 4)	-	199,980
Equity reserve	324,218	324,218
Deficit	(2,788,098)	(1,000,308)
Total equity (deficiency)	(118,785)	445,023
Total liabilities and equity	\$ 148,999	\$ 495,758

Nature of operations and going concern (Note 1)

Subsequent events (Note 9)

Approved by the Board of Directors and authorized for issue on April 24, 2018:

"Clive T. Johnson" Director

"John Wilton" Director

The accompanying notes are an integral part of these consolidated financial statements

BeMetals Corp. (formerly BQ Metals Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended December 31, 2017	Eleven-month period ended December 31, 2016
Expenses		
Consulting	\$ 669,225	\$ 29,365
Office and administration	16,537	31,721
Professional fees	1,015,690	25,746
Regulatory and transfer agent	52,950	14,577
Share-based compensation (Note 4)	-	145,135
Travel	46,901	-
	(1,801,303)	(246,544)
Finance income (expense)	3,470	(3,281)
Foreign exchange gain	2,483	-
Write-off of trade and other payables (Note 5)	7,560	-
	13,513	(3,281)
Net loss and comprehensive loss	\$ (1,787,790)	\$ (249,825)
Basic and diluted loss per share	\$ (0.03)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	55,483,509	31,451,272

The accompanying notes are an integral part of these consolidated financial statements

BeMetals Corp. (formerly BQ Metals Corp.)

Consolidated Statements of Equity

(Expressed in Canadian dollars)

	Share capital		Share subscriptions received in advance	Obligation to issue shares	Equity reserve	Deficit	Total equity (deficiency)
	Shares issued	Amount					
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
Net 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
Private placement	24,000,000	1,440,000	(199,980)	-	-	-	1,240,020
Share issue costs	-	(16,038)	-	-	-	-	(16,038)
Net loss and comprehensive loss	-	-	-	-	-	(1,787,790)	(1,787,790)
At December 31, 2017	56,798,577	\$ 2,345,095	\$ -	\$ -	\$ 324,218	\$ (2,788,098)	\$ (118,785)

The accompanying notes are an integral part of these consolidated financial statements

BeMetals Corp. (formerly BQ Metals Corp.)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Year ended December 31, 2017	Eleven-month period ended December 31, 2016
Operating activities		
Net loss	\$ (1,787,790)	\$ (249,825)
Adjusted for:		
Share-based compensation	-	145,135
Accrued loan interest payable	-	3,258
Changes in non-cash working capital items:		
Amounts receivable	(37,221)	(4,816)
Prepaid expenses	1,250	(1,250)
Trade and other payables	217,049	36,004
Cash used in operating activities	(1,606,712)	(71,494)
Financing activities		
Private placement, net of share issue costs	1,223,982	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	1,223,982	559,100
Increase (decrease) in cash	(382,730)	487,606
Cash, beginning of period	488,599	993
Cash, end of period	\$ 105,869	\$ 488,599

Interest of \$nil was paid during the year ended December 31, 2017 (Eleven-month period ended December 31, 2016: \$20,000).

The accompanying notes are an integral part of these consolidated financial statements

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on February 4, 2008 under the Business Corporations Act of the Province of British Columbia. 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"). As a CPC, the Company has no material commercial operations and no material assets other than cash and its principal business is the identification and evaluation of assets and to negotiate an acquisition of or participation in a business (the "Qualifying Transaction").

In February 2018, the Company entered into an agreement to acquire up to a 72% interest in the Pangen Project in the Zambian Copperbelt (the "Project") (Note 9), which the Company intends to file with the TSX-V as its Qualifying Transaction. The Project is located on the western extension of the Zambian Copperbelt underlain by Katangan Supergroup metasediments which are covered by a thin veneer of Kalahari sands. The Sentinel, open pit, Copper Mine is operated by First Quantum Minerals some 130 kilometers to the northeast of the Project. A number of other major international mining companies have identified this region of the Zambian Copperbelt to be prospective for the discovery of tier one copper mines and are conducting exploration field work. The agreement and acquisition remains subject to approval by the TSX-V.

The Company continues to identify and evaluate other potential opportunities as part of its growth strategy with the goal of becoming a significant base metals company through the acquisition of quality exploration, development and production stage base metal projects.

In April 2018, the Company changed its name to BeMetals Corp. from BQ Metals Corp. (previously Miza Enterprises Inc.) In connection with the name change, the Company's trading symbol on the NEX board of the TSX Venture Exchange was changed to "BMET.H". In February 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. In January 2017, the Company completed a common share stock split on the basis of three new common shares for each one old common share. All common share and per common share amounts in these financial statements have been retroactively restated to reflect the stock split. 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.

These consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2017, the Company had a working capital deficit of \$118,785. The Company has incurred negative cash flows from operations of \$1,606,712, recorded a loss of \$1,787,790 for the year ended December 31, 2017, and has an accumulated deficit of \$2,788,098 as at December 31, 2017. The Company does not currently have a recurring source of revenue and does not currently have sufficient financial resources to fund on-going operating expenditures and the Company's development plan. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The uncertainty of the Company's success in raising additional capital funding casts significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

2. BASIS OF PRESENTATION

(a) *Statement of compliance*

These financial statements as at and for the year ended December 31, 2017, including comparatives, are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

(b) *Basis of measurement*

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. 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.

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 4.

(d) *Principles of consolidation*

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany balances and transactions are eliminated upon consolidation.

The Company has two subsidiaries incorporated in British Columbia, Canada, BQ Financeco Corp. and BQ Acquisition Corp. The functional currency of these entities and the Company is the Canadian dollar.

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.

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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, 2017, 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.

(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.

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial instruments (continued)*

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 is 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 of financial assets, which is effective for annual periods beginning on or after January 1, 2018. The Company does not expect the adoption of this standard to have a significant measurement impact on its consolidated financial statements.

4. EQUITY

(a) *Authorized*

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

(b) *Issued and fully paid common shares*

In January 2017, the Company completed a common share stock split on the basis of three new common shares for each one old common share. All common share and common per share amounts in these financial statements have been retroactively restated to reflect the stock split.

During the year ended December 31, 2017, 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. Cash share issue costs of \$16,038 were incurred in relation to the private placement.

During the period ended December 31, 2016, the Company closed a private placement of 30,000,000 common shares at a price of \$0.017 per share for proceeds of \$500,000.

As at December 31, 2017, 56,798,577 common shares were issued and outstanding (December 31, 2016: 32,798,577 shares).

(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.

As at December 31, 2017, 4,108,572 (December 31, 2016: 4,108,572) shares remained in escrow.

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

4. EQUITY (continued)

(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.

During the period ended December 31, 2016, the Company granted an aggregate of 3,270,000 share options to directors, officers and consultants, exercisable at a price of \$0.06 per share 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, 2016	-	\$ -
Granted	3,270,000	0.06
Balance, December 31, 2016 and December 31, 2017	3,270,000	\$ 0.06

The following table summarizes information about share options outstanding at December 31, 2017:

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

5. 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.

There was no key management personnel compensation during the year ended December 31, 2017 (period ended December 31, 2016: \$139,809). During the year ended December 31, 2017, a former director of the Company agreed to forgive \$7,560 of trade and other payables owing to this former director, and accordingly the Company recorded this amount as a write-off of trade and other payables in the statement of loss and comprehensive loss. As at December 31, 2017, \$nil was due to this former director of the Company (December 31, 2016: \$10,862).

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

6. 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. Amounts receivable is comprised of GST refundable from the Canadian Government. 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 the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant funding from these sources. Management has concluded that the Company does not have adequate financial resources to settle obligations as at December 31, 2017, and will require additional funding to continue operations for the next twelve months (Note 1).

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. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar.

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.

7. 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 year ended December 31, 2017.

BeMetals Corp. (formerly BQ Metals Corp.)

Notes to the Consolidated Financial Statements

December 31, 2017

(Expressed in Canadian dollars)

8. 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:

	Year ended December 31, 2017	Eleven months ended December 31, 2016
Loss for the year	\$ (1,787,790)	\$ (249,825)
Expected income tax recovery	\$ (464,825)	\$ (64,955)
Change in unrecognized deductible temporary differences	464,825	64,955
Total income tax 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 2037 are as follows:

	December 31, 2017	January 31, 2016
Temporary Differences		
Non-capital losses available for future period	\$ 2,675,339	\$ 887,549

9. SUBSEQUENT EVENTS

Acquisition Agreement

In February 2018, the Company entered into an agreement to acquire up to a 72% interest in the Project (Note 1). The Company can acquire a 67.5% interest in the Project over a five year period by expending US \$2.5 million on exploration, incurring cash payments of US \$1.45 million, and issuing 500,000 shares. Following acquisition of the initial 67.5% interest the Company can acquire an additional 4.5% interest by completing a feasibility study and making a further cash payment of US \$750,000.

Share Options

In February 2018, the Company granted 2,250,000 share options to a director, exercisable at a price of \$0.24 per share until February 27, 2028, with vesting over a period of three years.