

**Hybrid Minerals Inc.**  
**(formerly Savoy Ventures Inc.)**

**Form 51-102F4**

**Business Acquisition Report**

***Item 1 Identity of Corporation***

**1.1 Name and Address of the Company**

Hybrid Minerals Inc. (formerly Savoy Ventures Inc.) ( the “**Company**”)  
Suite 701 – 595 Howe Street  
Vancouver, BC V6C 2T5

**1.2 Executive Officer**

The following individual is knowledgeable about the particulars described in this business acquisition report:

Glen Macdonald  
Email: glenmacdonald@gmail.com

***Item 2 Details of Acquisition***

**2.1 Nature of the Business Acquired**

The Company completed the acquisition of 100% of the issued and outstanding common shares of Hybrid Minerals Inc. (now renamed to Hybrid Minerals USA Inc.) (“**Hybrid**”), a company organized under the laws of the Provinces of British Columbia. Hybrid is a speciality minerals exploration company and currently holds the rights to the CAS Cobalt Project. The CAS Cobalt Project is an advanced cobalt, copper and gold property located between eCobalt Solutions’ Blackbird cobalt/copper project and US Cobalt’s Iron Creek cobalt project in Lemhi County, Idaho, USA.

**2.2 Acquisition Date**

The Company acquired Hybrid on January 15, 2018.

**2.3 Consideration**

In consideration for all of the issued securities of Hybrid, the Hybrid shareholders received, on a pro rata basis 9,700,001 common shares of the Company (the “**Payment Shares**”) at a deemed price of CDN \$0.25 per share (the “**Acquisition**”).

## **2.4 Effect on Financial Position**

The Company, through its operating subsidiary, will explore and develop the CAS Cobalt Project. Concurrent with the closing of the Acquisition, the Company raised CDN \$1,500,000. After closing costs have been paid, the remaining funds on hand will be used for purposes in connection with the Acquisition. Following the Acquisition, the Company graduated to Tier 2 of the TSX Venture Exchange and its common shares are trading on the TSX Venture Exchange under the trading symbol “HZ”

## **2.5 Prior Valuations**

Neither the Company nor the target company, Hybrid, obtained a valuation opinion within the last 12 months nor were they required by securities legislation or a Canadian exchange or market.

## **2.6 Parties to Transaction**

Not Applicable.

## **2.7 Date of Report**

April 4, 2018

### ***Item 3 Financial Statements***

As required by Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*, the following financial statements are attached hereto:

Appendix A: Audited Annual Consolidated Financial Statements of Hybrid Minerals Inc. for the period from inception on June 1, 2017 to September 30, 2017;

Appendix B: Condensed Consolidated Interim Financial Statements of Hybrid Minerals USA Inc. for the three months ended December 31, 2017; and

Appendix C: Unaudited pro-forma financial statements of Hybrid Minerals Inc. (formerly Savoy Ventures Inc.) as of September 30, 2017.

## **Appendix A**

**Audited Annual Consolidated Financial Statements of Hybrid Minerals Inc. for the period from inception on June 1, 2017 to September 30, 2017**

**Hybrid Minerals Inc.**  
**Consolidated Financial Statements**  
**For the period from inception on June 1, 2017 to September 30, 2017**  
**(Expressed in Canadian Dollars)**

**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF HYBRID MINERALS INC.**

We have audited the accompanying consolidated financial statements of Hybrid Minerals Inc., which comprise the consolidated statement of financial position as at September 30, 2017 and the consolidated statements of comprehensive income, changes in equity and cash flows for the period from inception on June 1, 2017 to September 30, 2017, and 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.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 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 auditors' 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 is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hybrid Minerals Inc. as at September 30, 2017, and its financial performance and its cash flows for the period from inception on June 1, 2017 to September 30, 2017 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 material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
November 28, 2017

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## Hybrid Minerals Inc.

### Consolidated Statement of Financial Position

(Expressed in Canadian Dollars)

	Note	September 30, 2017
<b>ASSETS</b>		
Current assets		
Cash		\$ 57,352
Total current assets		57,352
Non-current assets		
Exploration and evaluation assets	4	348,043
Total assets		\$ 405,395
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities		\$ 10,000
Due to related parties	6	329,664
		339,664
Total liabilities		339,664
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	5	48,501
Reserve		8,500
Retained earnings		8,730
Total shareholders' equity		65,731
Total liabilities and shareholders' equity		\$ 405,395

Approved on behalf of the Board of Directors:

*“Wong, Alfred”*

Director

*“Malhi, Kulwant”*

Director

The accompanying notes form an integral part of these consolidated financial statements.

**Hybrid Minerals Inc.**

## Consolidated Statement of Comprehensive Income

(Expressed in Canadian Dollars)

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	Note	From inception date of June 1, 2017 to September 30, 2017
Expenses		
Business development	6	\$ 1,184
Office and miscellaneous		49
Professional fees	6	13,500
Travel		100
Unrealized foreign exchange gain		(23,563)
Net income and comprehensive income		\$ 8,730
Net income per share, basic and diluted	9	\$ 0.003
Weighted average number of common shares outstanding	9	2,843,562

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The accompanying notes form an integral part of these consolidated financial statements.

**Hybrid Minerals Inc.**

## Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

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<u>Share capital</u>						
	Note	Number of shares	Amount	Reserve	Retained earnings	Total
Balance, June 1, 2017		-	\$ -	\$ -	\$ -	-
Common shares issued at inception		1	1	-	-	1
Net income		-	-	-	8,730	8,730
Common shares issued for cash	5	9,700,000	48,500	8,500	-	57,000
Balance, September 30, 2017		9,700,001	\$ 48,501	\$ 8,500	\$ 8,730	\$ 65,731

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The accompanying notes form an integral part of these consolidated financial statements.

**Hybrid Minerals Inc.**

## Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	From inception date of June 1, 2017 to September 30, 2017
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Cash Provided By (Used In)	
Operating Activities	
Net income	\$ 8,730
Item not involving cash:	
Unrealized foreign exchange gain	(18,379)
Change in non-cash working capital:	
Accounts payable and accrued liabilities	10,000
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Net cash provided by operating activities	351
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Financing Activities	
Proceeds from issuance of common shares	57,001
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Net cash provided by financing activities	57,001
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Increase in cash	57,352
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Cash, beginning of period	-
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Cash, end of period	\$ 57,352
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<b>Supplemental information and non-cash items</b>	
Acquisition of mineral property included in due to related parties	\$ 348,043
Interest	\$ -
Taxes	\$ -

The accompanying notes form an integral part of these consolidated financial statements.

# Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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## 1. Nature of operations and going concern

Hybrid Minerals Inc. (the “Company”) is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia, Canada on June 1, 2017. The head office, principal address and records office of the Company are located at Suite 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8. Its principal business activities include the exploration and development of mineral properties.

On June 26, 2017, the Company acquired all 100 outstanding shares of Mineral One Corporation (“Mineral One”), a company located in Utah, USA, for total cash consideration of \$132 (US\$100). Upon acquisition, assets of Mineral One comprised \$317,250 (US\$235,000) in mineral property interests and liabilities comprised of \$317,250 (US\$235,000) in related party loans (Note 4).

These consolidated financial statements (“Financial Statements”) present the consolidated operations of the Company and Mineral One, and have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon generating profitable operations. There can be no assurance that management’s plan will be successful.

The Company entered into a Letter of Intent (“LOI”) effective May 31, 2017 with Savoy Ventures Inc. (“Savoy”). The LOI contemplates a business combination transaction (the “Acquisition”) pursuant to which Savoy will acquire all of the issued and outstanding common shares of the Company in exchange for common shares of Savoy (the “Savoy Shares”) on a 1:1 exchange ratio. The Acquisition is an arm’s length transaction and is expected to constitute a Reactivation Transaction under the rules of the TSX Venture Exchange (the “Exchange”).

The LOI also contemplates other material conditions precedent to the closing of the Acquisition (the “Closing”), including the completion of an equity financing to raise minimum gross proceeds of \$1,500,000 (the “Concurrent Financing”), customary due diligence, receipt of all necessary regulatory, corporate and third-party approvals, compliance with all applicable regulatory requirements, and all requisite board and shareholder approvals being obtained. In particular, it is a condition of Closing that Savoy maintain its listing on the Exchange.

The Company’s future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions. As at September 30, 2017, the Company had a working capital deficit of \$282,312 and retained earnings of \$8,730. The Company has not advanced its property to commercial production, and is not able to finance day to day activities through operations. Consequently, there are material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 2. Basis of preparation

#### a) Basis of consolidation

These Financial Statements include the accounts of the Company and its controlled entity. Details of the controlled entity are as follows:

	<b>Country of incorporation</b>	<b>Percentage owned September 30, 2017</b>
Mineral One Corporation, Utah, USA	USA	100%

The Company's Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, and are presented in Canadian dollars, except where otherwise indicated. All intercompany transactions and balances have been eliminated.

#### b) Statement of compliance

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved these Financial Statements on November 28, 2017.

#### c) Functional currency

These Financial Statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency.

### 3. Summary of significant accounting policies

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements and reported amounts of income 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.

Critical accounting estimates and assumptions developed and applied by management are as follows.

#### a) Judgments

##### Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

## **Hybrid Minerals Inc.**

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **a) Judgments (cont'd)**

##### **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **Functional currency**

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency to be the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment. The Company reconsiders its functional currency if there is a change in events and conditions that determined the primary economic environment.

#### **b) Cash**

Cash includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

#### **c) Principles of consolidation**

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consist of the non-controlling interest's portion of net assets and profit or loss.

All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

## **Hybrid Minerals Inc.**

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **d) Exploration and evaluation properties**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related property and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the production of hydrocarbon resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to producing property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's 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, if no impairment loss had been recognized.

#### **e) Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets is reviewed annually at the financial year-end to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## **Hybrid Minerals Inc.**

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **e) Impairment of non-financial assets (cont'd)**

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

#### **f) Financial instruments**

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

##### **Fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

##### **Loans and receivables**

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

## **Hybrid Minerals Inc.**

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **f) Financial instruments (Cont'd)**

##### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

##### **Available-for-sale investments**

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive income is reclassified from accumulated other comprehensive income to profit or loss.

##### **Financial liabilities**

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The Company does not have any derivative financial assets and liabilities.

#### **g) Provisions**

##### **Rehabilitation provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

## **Hybrid Minerals Inc.**

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **g) Provisions (cont'd)**

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

#### **Other provisions**

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

#### **h) Foreign currency translation**

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The Financial Statements are presented in Canadian dollars.

#### **Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 3. Summary of significant accounting policies (Cont'd)

#### h) Foreign currency translation (cont'd)

##### Foreign operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

#### i) Basic and diluted income per share

Basic income per share is computed by dividing the net income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted income per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

#### j) Standards, amendments and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. Management is currently evaluating the impact of these standards.

##### **IFRS 9 *Financial Instruments***

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 3. Summary of significant accounting policies (Cont'd)

#### j) Standards, amendments and interpretations not yet effective (Cont'd)

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:* Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- *Classification and measurement of financial liabilities:* When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.
- *Impairment of financial assets:* An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.
- *Hedge accounting:* Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

This standard is effective to the Company's annual period beginning January 1, 2018.

### 4. Exploration and evaluation assets

#### CAS Cobalt-Gold Property (the "CAS Property")

The CAS Property is a cobalt, copper and gold property located in Lemhi County, Idaho, USA. The CAS Property consists of 55 mineral claims covering a total of 1,080 acres.

On June 1, 2017, Mineral One entered into an assignment agreement with Utah Mineral Resources LLC ("UMR"), a related party by common shareholders, to obtain a 100% interest in the CAS Property with assignment fees of US\$235,000 (CAD\$348,043, unpaid (Note 6)). The Company acquired the shares of Mineral One on June 26, 2017 (Note 1). Prior to the acquisition, the Company and Mineral One had common shareholders.

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

### 4. Exploration and evaluation assets (Cont'd)

#### CAS Cobalt-Gold Property (the "CAS Property") (cont'd)

Under the agreement, Mineral One assumes all of UMR's interests and obligations in the CAS Property. These include:

- Total cash payments of US\$925,000 (US\$50,000 was paid by UMR) to the original owner of the CAS Property over the next ten-year period as follows:
  - Pay US\$25,000 (paid by UMR) on or before September 24, 2017.
  - Pay US\$50,000 on or before September 24, 2018.
  - On each anniversary of this agreement from March 24, 2019 to 2026, a payment of US\$100,000.
- A work commitment (Exploration Expenditures) of US\$300,000 is required per year for the first ten years of the agreement (2017 to 2026). If the Company fails to spend the work commitment in any one year, it may need to pay the original owner of the property the shortfall due to be spent that year in full satisfaction of that year's work commitment. In situations that the Company cannot incur the US\$300,000 spending requirement, but exceeds 75% of the amount due, it will not be in breach of the agreement if the shortfall is completed in the following year.
- A 2% net smelter returns ("NSR") royalty payable to the original owner on any production from the CAS Property claims, of which 1% of the NSR can be purchased for US\$1,000,000 at any time within ten years from March 24, 2017.

As of September 30, 2017, the exploration and evaluation assets consist of the following:

	Note	CAS Property, Idaho, USA
<b>Balance, June 1, 2017</b>		-
Acquisition cost	6	\$ 348,043
<b>Balance, September 30, 2017</b>		<b>\$ 348,043</b>

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 5. Share capital

#### Common shares

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As at September 30, 2017, there were 9,700,001 common shares issued and outstanding.

On June 1, 2017, the Company issued one common share to a director of the Company at a price of \$1.

During the period ended September 30, 2017, the Company issued 1,700,000 common shares at a price of \$0.01 per share, whereby \$8,500 was recorded to share premium reserve. A further 8,000,000 common shares were issued by the Company at a price of \$0.005 per share.

### 6. Related party transactions

The amounts due to related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest-bearing and have no specific terms for repayment. These transactions are in the normal course of operations and recorded in these Financial Statements at the fair value of services performed.

#### a) Related party balances

	September 30, 2017
Due to a company with directors in common	\$ 500
Due to a company with directors in common with Mineral One	324,480
Due to a company controlled by CFO	3,500
Due to a company controlled by a director	1,184
	\$ 329,664

#### b) Summary of related party transactions

	September 30, 2017
Accounting fees	\$ 3,500
Business development	1,184
	\$ 4,684

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Other than the transactions noted above, no other key management compensation was incurred.

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 7. Financial instruments and risks

#### Fair values

The following table outlines the Company's financial instruments measured at fair value by level with the fair value hierarchy described in Note 3. Assets and liabilities are classified based on the lowest level of input that is significant to the fair measurement.

As at September 30, 2017, the Company's financial instruments measured at fair value are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>September 30, 2017</b>				
Cash	57,352	-	-	57,352
<b>Total</b>	<b>57,352</b>	<b>-</b>	<b>-</b>	<b>57,352</b>

#### Financial instrument risks

The Company's financial instruments are exposed to certain financial risks, including interest rate risk, credit risk, liquidity risk and foreign exchange risk.

#### General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

##### a) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be low.

##### b) 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 that are potentially subject to credit risk for the Company consist of cash. The Company has \$57,352 of cash as at September 30, 2017. The cash is held at a large Canadian bank and the Company considers the credit risk to be minimal.

## **Hybrid Minerals Inc.**

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### **7. Financial instruments and risks (Cont'd)**

#### **c) Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. For the period ended September 30, 2017, the Company manages this risk by monitoring its working capital to ensure its expenditures will not exceed available resources. As at September 30, 2017, the Company is exposed to liquidity risk, as the Company's cash of \$57,352 is not able to settle current liabilities of \$339,664, which fall due for payment within twelve months of the consolidated statement of financial position date.

#### **d) 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 respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to amounts payable and related parties balance that are denominated in US dollars. A 10% fluctuation in the US dollar against the Canadian dollar would give rise to approximately \$29,000 change in comprehensive income.

### **8. Capital management**

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables. The Company is not subject to any externally imposed capital requirements.

## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 9. Earnings per share

The calculation of basic and diluted earnings per share for the period is based on the following:

	<b>September 30, 2017</b>
Net income for the period	\$ 8,730
Basic weighted average number of common shares outstanding	2,843,562
Effect of dilutive securities	-
Diluted weighted average number of common shares outstanding	2,843,562
Basic earnings per share	\$ 0.003
Diluted earnings per share	\$ 0.003

### 10. Segmented information

The Company operates in one business segment, being the exploration and development of mineral properties. Geographical information is as follows:

	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Exploration and evaluation assets</b>			
Balance, as at September 30, 2017	\$ Nil	\$ 348,043	\$ 348,043

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## Hybrid Minerals Inc.

Notes to the Consolidated Financial Statements

For the period from inception on June 1, 2017 to September 30, 2017

(Expressed in Canadian Dollars)

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### 11. Income taxes

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	<b>2017</b>
Net income for the period	\$ 8,730
Statutory income tax rate	26%
Income tax computed at statutory tax rate	2,270
Change in timing differences	3,857
Unrecognized benefit of deferred income tax assets	(6,127)
Income tax expense	\$ -

Unused tax losses for which no deferred tax asset is recognized as of September 30, 2017 are \$14,800.

The Company has non-capital losses of \$14,800 available for carry-forward to reduce future years' income for income tax purposes. These losses expire in 2037.

**Appendix B**

**Condensed Consolidated Interim Financial Statements of Hybrid Minerals USA  
Inc. for the three months ended December 31, 2017**

**Hybrid Minerals Inc.**

**Interim Condensed Consolidated Financial Statements  
For the three months ended December 31, 2017  
Expressed in Canadian Dollars  
(Unaudited – Prepared by Management)**

## Hybrid Minerals Inc.

### Interim Condensed Consolidated Statement of Financial Position

(Expressed in Canadian Dollars)

	Note	December 31, 2017	September 30, 2017
<b>ASSETS</b>			
Current assets			
Cash		\$ 48,452	\$ 57,352
Goods and services tax receivable		785	-
Total current assets		49,237	57,352
Non-current assets			
Exploration and evaluation assets	4	716,399	348,043
Total assets		\$ 765,636	\$ 405,395
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 10,500	10,000
Due to related parties	6	685,577	329,664
Total liabilities		696,077	339,664
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	48,501	48,501
Reserve	5	8,500	8,500
Retained earnings		12,558	8,730
Total shareholders' equity		69,559	65,731
Total liabilities and shareholders' equity		\$ 765,636	\$ 405,395

Approved on behalf of the Board of Directors:

*"Alfred Wong"*

Alfred Wong, Director

*"Kulwant Malhi"*

Kulwant Malhi, Director

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

## Hybrid Minerals Inc.

### Interim Condensed Consolidated Statement of Comprehensive Income

(Expressed in Canadian Dollars)

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	Note	Three months ended December 31, 2017
Expenses		
Business development	6	\$ 3,250
Professional fees	6	2,181
Unrealized foreign exchange gain		(9,259)
<u>Net income and comprehensive income</u>		<u>\$ 3,828</u>
<u>Net income per share, basic and diluted</u>	9	<u>\$ 0.001</u>
<u>Weighted average number of common shares outstanding</u>	9	<u>5,288,493</u>

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

## Hybrid Minerals Inc.

### Interim Condensed Consolidated Statement of Changes in Equity (Expressed in Canadian Dollars)

	Share capital						
	Note	Number of shares	Amount	Reserve	Retained earnings	Total	
Balance, June 1, 2017		-	\$ -	\$ -	\$ -	\$ -	
Net income		-	-	-	8,730	8,730	
Common share issued at inception		1	1	-	-	1	
Common shares issued for cash	5	9,700,000	48,500	8,500	-	57,000	
Balance, September 30, 2017		9,700,001	\$ 48,501	\$ 8,500	\$ 8,730	\$ 65,731	
Net income		-	-	-	3,828	3,828	
Balance, December 31, 2017		9,700,001	\$ 48,501	\$ 8,500	\$ 12,558	\$ 69,559	

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

**Hybrid Minerals Inc.**Interim Condensed Consolidated Statement of Cash Flows  
(Expressed in Canadian Dollars)

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	Three months ended December 31, 2017
<hr/>	
Cash Provided By (Used In)	
Operating Activities	
Net Income	\$ 3,828
Items not affecting cash:	
Unrealized foreign exchange loss	(12,443)
Changes in non-cash working capital:	
Goods and services tax receivable	(785)
Accounts payable and accrued liabilities	500
Net cash used by operating activities	(8,900)
Decrease in cash	(8,900)
Cash, beginning of period	57,352
Cash, end of period	\$ 48,452
<hr/>	
<b>Supplemental information and non-cash items:</b>	
Acquisition of mineral property included in due to related parties	\$ 355,913

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

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 1. Nature of operations and going concern

Hybrid Minerals Inc. (the “Company”) is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia, Canada on June 1, 2017. The head office, principal address and records office of the Company are located at Suite 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8. Its principal business activities include the exploration and development of mineral properties.

On June 26, 2017, the Company acquired all 100 outstanding shares of Mineral One Corporation (“Mineral One”), a company located in Utah, USA, for total cash consideration of \$132 (\$100 US). Upon acquisition, assets of Mineral One comprised of \$317,250 (US\$235,000) in mineral property interests and liabilities comprised of \$294,808 (US\$235,000) in related-party loans (Note 4).

These condensed interim consolidated financial statements (“Financial Statements”) present the consolidated operations of the Company and Mineral One, and have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon generating profitable operations. There can be no assurance that management’s plan will be successful.

On October 27, 2017, the Company entered into a share exchange agreement with Savoy Ventures Inc. (“Savoy”). The agreement contemplates a business combination transaction (the “Acquisition”) pursuant to which Savoy will acquire all of the issued and outstanding common shares of the Company in exchange for common shares of Savoy (the “Savoy Shares”) on a 1:1 exchange ratio. The Acquisition is an arm’s length transaction and is expected to constitute a Reactivation Transaction under the rules of the TSX Venture Exchange (the “Exchange”). The agreement also contemplates other material conditions precedent to the closing of the Acquisition (the “Closing”), including the completion of an equity financing to raise minimum gross proceeds of \$1,500,000 (the “Concurrent Financing”), customary due diligence, receipt of all necessary regulatory, corporate and third-party approvals, compliance with all applicable regulatory requirements, and all requisite board and shareholder approvals being obtained. It is a condition of Closing that Savoy maintain its listing on the Exchange.

On January 16, 2018, all of the Company’s issued and outstanding common shares were acquired by Savoy, pursuant to the agreement, and Savoy completed the Concurrent Financing for gross proceeds of \$1,500,000. With the completion of the Acquisition, the Company changed its name to Hybrid Minerals USA Inc. and Savoy changed its name to Hybrid Minerals Inc.

The Company’s future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions. As at December 31, 2017, the Company had a working capital deficit of \$646,840 and retained earnings of \$12,558. The Company has not advanced its property to commercial production, and is not able to finance day to day activities through operations. Consequently, there are material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 1. Nature of operations and going concern (Cont'd)

will periodically have to raise funds to continue operations, and although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

### 2. Basis of preparation

#### a) Basis of consolidation

These Financial Statements include the accounts of the Company and its controlled entity. Details of the controlled entity are as follows:

	<b>Country of incorporation</b>	<b>Percentage owned December 31, 2017</b>
Mineral One Corporation, Utah, USA	USA	100%

The Company's Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, and are presented in Canadian dollars, except where otherwise indicated. All intercompany transactions and balances have been eliminated.

#### b) Statement of compliance

The Financial Statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Financial Statements of the Company should be read in conjunction with the Company's audited 2017 financial statements for the period ended September 30, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited 2017 financial statements for the period ended September 30, 2017 except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

Since the Company was incorporated on June 1, 2017, it does not have comparative three months ended December 31, 2016 for its statements of comprehensive loss and cash flows.

The Board of Directors approved these Financial Statements on March 26, 2018.

#### c) Functional currency

These Financial Statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency.

## **Hybrid Minerals Inc.**

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies**

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements and reported amounts of income 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.

Critical accounting estimates and assumptions developed and applied by management are as follows.

#### **a) Judgments**

##### **Going concern**

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

##### **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **Functional currency**

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency to be the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment. The Company reconsiders its functional currency if there is a change in events and conditions that determined the primary economic environment.

#### **a) Cash**

Cash includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

## **Hybrid Minerals Inc.**

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **b) Principles of consolidation**

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interest in the net assets of the consolidated subsidiaries are identified separately from the Company's equity. The non-controlling interest consist of the non-controlling interest's portion of net assets and profit or loss.

All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

#### **c) Exploration and evaluation properties**

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related property and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the production of hydrocarbon resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to producing property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's 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, if no impairment loss had been recognized.

## **Hybrid Minerals Inc.**

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **d) Impairment of non-financial assets**

The carrying amount of the Company's non-financial assets is reviewed annually at the financial year-end to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

#### **e) Financial instruments**

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

##### **Fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

## **Hybrid Minerals Inc.**

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **Loans and receivables**

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

#### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

#### **Available-for-sale investments**

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive income is reclassified from accumulated other comprehensive income to profit or loss.

#### **Financial liabilities**

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The Company does not have any derivative financial assets and liabilities.

## **Hybrid Minerals Inc.**

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### **3. Summary of significant accounting policies (Cont'd)**

#### **f) Provisions**

##### **Rehabilitation provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

##### **Other provisions**

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

#### **g) Foreign currency translation**

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The Financial Statements are presented in Canadian dollars.

##### **Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 3. Summary of significant accounting policies (Cont'd)

#### g) Foreign currency translation (cont'd)

##### Foreign operations:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

#### h) Basic and diluted income per share

Basic income per share is computed by dividing the net income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted income per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

#### i) Standards, amendments, and interpretations not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. Management is currently evaluating the impact of these standards.

##### **IFRS 9 *Financial Instruments***

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 3. Summary of significant accounting policies (Cont'd)

#### i) Standards, amendments, and interpretations not yet effective (Cont'd)

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- *Classification and measurement of financial assets:* Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: "amortized cost", "fair value through other comprehensive income", or "fair value through profit or loss" (default). Equity instruments are classified and measured as "fair value through profit or loss" unless upon initial recognition elected to be classified as "fair value through other comprehensive income".
- *Classification and measurement of financial liabilities:* When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity's own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.
- *Impairment of financial assets:* An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at "amortized cost" or "fair value through other comprehensive income", lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.
- *Hedge accounting:* Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

This standard is effective to the Company's annual period beginning January 1, 2018.

### 4. Exploration and evaluation assets

#### CAS Cobalt-Gold Property (the "CAS Property")

The CAS Property is a cobalt, copper and gold property located in Lemhi County, Idaho, USA. The CAS Property consists of 55 mineral claims covering a total of 1,080 acres.

On June 1, 2017, Mineral One entered into an assignment agreement with Utah Mineral Resources LLC ("UMR"), a related party by common shareholders, to obtain a 100% interest in the CAS Property with assignment fees of US\$235,000 (CAD\$294,808, unpaid, Note 6). The Company acquired the shares of Mineral One on June 26, 2017 (Note 1). Prior to the acquisition, the Company and Mineral One had common shareholders.

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

### 4. Exploration and evaluation assets (Cont'd)

#### CAS Cobalt-Gold Property (the "CAS Property") (cont'd)

Under the agreement, Mineral One assumes all of UMR's interests and obligations in the CAS Property. These include:

- Total cash payments of US\$925,000 (US\$50,000 was paid by UMR) to the original owner of the CAS Property over the next ten-year period as follows:
  - Pay US\$25,000 (paid by UMR) on or before September 24, 2017.
  - Pay US\$50,000 (paid on March 23, 2018 by Savoy) on or before March 24, 2018.
  - On each anniversary of this agreement from March 24, 2019 to 2026, a payment of US\$100,000.
- A work commitment (Exploration Expenditures) of US\$300,000 is required per year for the first ten years of the agreement (2017 to 2026). If the Company fails to spend the work commitment in any one year, it may need to pay the original owner of the property the shortfall due to be spent that year in full satisfaction of that year's work commitment. In situations that the Company cannot incur the US\$300,000 spending requirement, but exceeds 75% of the amount due, it will not be in breach of the agreement if the shortfall is completed in the following year.
- A 2% net smelter returns ("NSR") royalty payable to the original owner on any production from the CAS Property claims, of which 1% of the NSR can be purchased for US\$1,000,000 at any time within ten years from March 24, 2017.

During the three months ended December 31, 2017, the Company agreed to pay for the acquisition costs of US\$75,000 and exploration expenditures of US\$234,900 incurred, paid by UMR (Note 6).

As of December 31, 2017, the exploration and evaluation assets consist of the following:

	<b>CAS Property, Idaho, USA</b>
<b>Balance, June 1, 2017</b>	-
Acquisition cost	\$ 348,043
<b>Balance, September 30, 2017</b>	\$ 348,043
Acquisition cost	66,587
Exploration expenditures - Filing, ground work, and reports	301,769
<b>Balance, December 31, 2017</b>	\$ 716,399

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 5. Share capital

#### Common shares

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As at December 31, 2017, there were 9,700,001 common shares issued and outstanding.

On June 1, 2017, the Company issued one common share to a director of the Company at a price of \$1.

During the period ended December 31, 2017, the Company issued 1,700,000 common shares at a price of \$0.01 per share, whereby \$8,500 was recorded to share premium reserve. A further 8,000,000 common shares were issued by the Company at a price of \$0.005 per share.

### 6. Related party transactions

The amounts due to related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest-bearing and have no specific terms for repayment. These transactions are in the normal course of operations and recorded in these Financial Statements at the fair value of services performed.

#### a) Related party balances

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	December 31, 2017
Amount due to a company with directors in common	\$ 500
Amount due to a company with directors in common in Mineral One (Note 4)	450,495
Amount due to Savoy (Note 1)	233,081
Company controlled by former CFO	1,500
	\$ 685,577

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During the three months ended December 31, 2017, the Company's mineral exploration related expenditures of US\$185,796 were paid by Savoy pursuant to the share exchange agreement. Subsequently, the Company became a wholly owned subsidiary through the Acquisition (Note 1).

#### b) Summary of related party transactions

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	December 31, 2017
Accounting fees	\$ 5,681
Business development	3,250
	\$ 8,931

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Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Other than the transactions noted above, no other key management compensation was incurred.

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 7. Financial instruments and risks

#### Fair Values

The following table outlines the Company's financial instruments measured at fair value by level with the fair value hierarchy described in Note 3. Assets and liabilities are classified based on the lowest level of input that is significant to the fair measurement.

As at December 31, 2017, the Company's financial instruments measured at fair value are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>December 31, 2017</b>				
Cash	48,452	-	-	48,452
<b>Total</b>	<b>48,452</b>	<b>-</b>	<b>-</b>	<b>48,452</b>

#### Financial Instrument Risks

The Company's financial instruments are exposed to certain financial risks, including interest rate risk, credit risk, liquidity risk and foreign exchange risk.

#### General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

##### a) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be low.

##### b) 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 that are potentially subject to credit risk for the Company consist of cash. The Company has \$48,452 of cash as at December 31, 2017. The cash is held at a large Canadian bank and the Company considers the credit risk to be minimal.

## **Hybrid Minerals Inc.**

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### **7. Financial instruments and risks (Cont'd)**

#### **c) Liquidity Risk**

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. For the period ended December 31, 2017, the Company manages this risk by monitoring its working capital to ensure its expenditures will not exceed available resources. As at December 31, 2017, the Company is exposed to liquidity risk, as the Company's cash of \$48,452 is not able to settle current liabilities of \$696,077, which fall due for payment within twelve months of the consolidated statement of financial position date.

#### **d) 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 respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is exposed to foreign currency risk on fluctuations related to amounts payable and related parties balance that are denominated in US dollars. A 10% fluctuation in the US dollar against the Canadian dollar would give rise to approximately \$71,494 change in comprehensive income.

### **8. Capital management**

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables. The Company is not subject to any externally imposed capital requirements.

## Hybrid Minerals Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended December 31, 2017

(Expressed in Canadian Dollars)

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### 9. Earnings per share

The calculation of basic and diluted earnings per share for the period is based on the following:

		<b>December 31, 2017</b>
Net income for the period	\$	3,828
Basic weighted average number of common shares outstanding		5,288,493
Effect of dilutive securities		-
Diluted weighted average number of common shares outstanding		5,288,493
Basic earnings per share	\$	0.001
Diluted earnings per share	\$	0.001

### 10. Segmented information

The Company operates in one business segment, being the exploration and development of mineral properties. Geographical information is as follows:

	<b>Canada</b>	<b>USA</b>	<b>Total</b>
<b>Exploration and evaluation assets</b>			
Balance, as at December 31, 2017	\$ Nil	\$ 716,399	\$ 716,399

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### 11. Subsequent events

See Note 1 and 4

## **Appendix C**

**Unaudited pro-forma financial statements of Hybrid Minerals Inc. (formerly Savoy Ventures Inc.) as of September 30, 2017**

**HYBRID MINERALS INC.**  
**PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS**

HYBRID MINERALS INC.  
PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

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**HYBRID MINERALS INC.**

## UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2017

Expressed in Canadian Dollars

	Savoy Ventures Inc.	Hybrid Minerals Inc.	Pro Forma Adjustments Maximum	Note	Pro Forma Hybrid Minerals Inc.
<b>ASSETS</b>					
Current					
Cash	\$ 476	\$ 57,352	1,500,000	3(a)	\$ 1,557,828
Taxes recoverable	16,729	-	-		16,729
	17,205	57,352	1,500,000		1,574,557
Non Current					
Exploration and evaluation assets	-	348,043	2,645,065	2	2,993,108
	-	348,043	2,645,065		2,993,108
	\$ 17,205	\$ 405,395	\$ 4,145,065		\$ 4,567,665
<b>LIABILITIES</b>					
Current					
Trade and other payables	91,813	10,000	100,000	2	387,609
			185,796	2	
Due to related parties	-	329,664	-		329,664
Total liabilities	91,813	339,664	285,796		717,273
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital	948,535	48,501	(48,501)	3(b)	4,873,535
			2,425,000	2	
			1,500,000	3(a)	
Contributed surplus	145,396	8,500	(8,500)	3(b)	145,396
Deficit	(1,168,539)	8,730	(8,730)	3(b)	(1,168,539)
	(74,608)	65,731	3,859,269		3,850,392
	17,205	\$ 405,395	\$ 4,145,065		\$ 4,567,665

**HYBRID MINERALS INC.**

## UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the nine months ended September 30, 2017

Expressed in Canadian Dollars

	<b>Savoy Ventures Inc. nine months ended September 30 2017</b>	<b>Hybrid Minerals year ended September 30 2017</b>	<b>Note</b>	<b>Pro Forma Hybrid Minerals Inc.</b>
<b>Expenses</b>			<b>Pro Forma Adjustments Maximum</b>	
Business development	\$ -	1,184		<b>1,184</b>
Consulting fees	67,500	-		<b>67,500</b>
Management	45,000	-		<b>45,000</b>
office and miscellaneous	22,480	49		<b>22,529</b>
Professional fees	17,090	13,500		<b>30,590</b>
Rent	54,000	-		<b>54,000</b>
Transfer agent and filing fees	6,298	-		<b>6,298</b>
Travel	-	100		<b>100</b>
Unrealized foreign exchange gain	-	(23,563)		<b>(23,563)</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (212,368)</b>	<b>8,730</b>		<b>(203,638)</b>

## **HYBRID MINERALS INC.**

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(Expressed in Canadian Dollars)

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### **1. Basis of Presentation**

On October 27, 2017, Savoy Ventures Inc. ("Savoy Ventures") and Hybrid Minerals Inc. ("Hybrid Minerals") announced that they entered into a share exchange agreement (the "Agreement") pursuant to which Savoy Ventures has agreed to acquire 100% of the issued and outstanding common shares of Hybrid Minerals. Pursuant to the terms of the Agreement, all common shares of Hybrid Minerals Inc. (the "Hybrid Shares") issued and outstanding immediately prior to consummation of the transaction will be exchanged for common shares of Savoy Ventures (the "Savoy Shares") on a one-for-one basis (the "Transaction"). The acquisition is subject to a number of conditions including among other things, regulatory approval and customary due diligence. In the opinion of the Company's management, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation of the transaction as described below. Upon closing of the noted Transaction, the combined entity will continue under the name Hybrid Minerals Inc. (the "Company") and Hybrid Minerals will change its name to Hybrid Minerals USA Inc. The unaudited pro forma consolidated financial statements have been prepared to give effect to the concurrent financing in conjunction with the Transaction.

These unaudited pro forma consolidated financial statements have been prepared in accordance with policies consistent with International Financial Reporting Standards ("IFRS"). The unaudited pro forma consolidated financial statements have been prepared from, and should be read in conjunction with, the following historical information prepared in accordance with IFRS and applicable securities regulations:

- i. the audited financial statements of Hybrid Minerals Inc. as at and for the period from inception on June 1, 2017 to September 30, 2017;
- ii. the unaudited financial statements of Savoy Ventures Inc. as at and for the nine months ended September 30, 2017;

The unaudited pro forma consolidated statement of financial position as at September 30, 2017 has been prepared as if the Transaction described in Note 2 and pro forma adjustments and assumptions described in Note 3 had occurred on September 30, 2017. The unaudited pro forma consolidated financial statements may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or the results which may be obtained in the future. In preparing these unaudited pro forma consolidated financial statements no adjustments have been made to reflect the operating synergies and administrative cost savings that could result from the operations of the combined assets.

Accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are in accordance with those disclosed in the audited financial statements of Savoy Ventures as at and for the year ended December 31, 2016 and the audited financial statements of Hybrid Minerals as at and for the year ended September 30, 2017 are consistent with Hybrid Minerals' accounting policies. In the opinion of management these unaudited pro forma consolidated financial statements include all the necessary adjustments for a fair presentation of the ongoing entity.

Certain elements of the financial statements of Savoy Ventures and Hybrid Minerals have been reclassified to provide a consistent format.

**HYBRID MINERALS INC.**

NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(Expressed in Canadian Dollars)

**2. Acquisition**

Pursuant to the Agreement, Savoy Ventures will acquire all the issued and outstanding common shares of Hybrid Minerals, wherein Savoy Ventures will issue one (1) Savoy Ventures common share for every one (1) outstanding Hybrid Minerals common share ("exchange ratio") totaling 9,700,001 common shares to the shareholders of Hybrid Minerals. Savoy Ventures agrees to purchase all the shares for an aggregate purchase price of \$2,425,000 (deemed share price of \$0.25)

Savoy Ventures also agrees to pay Hybrid Minerals \$185,796 which represents the expenses Hybrid Minerals has incurred to the property subsequent to September 30, 2017.

The Acquisition did not meet the definition of a business combination and has been accounted for as an asset acquisition.

**Purchase Price Consideration Paid**

Fair values of 9,700,001 common shares issued	\$2,425,000
Reimbursement of expenses	185,796
Estimated transaction costs	100,000
<b>Total Consideration</b>	<b>\$2,710,976</b>

**Net Assets Acquired**

Cash	\$57,352
Exploration and evaluation assets	2,993,288
Accounts payable	(10,000)
Due to related parties	(329,664)
<b>Net assets acquired</b>	<b>\$2,710,976</b>

**HYBRID MINERALS INC.**

## NOTES TO PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(Expressed in Canadian Dollars)

**3. Pro Forma Assumptions and Adjustments**

These unaudited pro forma consolidated financial statements incorporate the following pro forma assumptions:

- a) It is assumed that the concurrent financing of the resulting issuer is at the Maximum Financing which will include 6,000,000 units (the "Units") at price of \$0.25 per Unit for gross proceeds of \$1,500,000.
- b) Equity balances of Hybrid Minerals are eliminated
- c) The total pro forma purchase price as described in Note 2 above results in a share capital increase of \$2,425,000 which represents the fair value of the Consideration Shares issued to Hybrid Minerals Shareholders to effect the Acquisition.
- d) Transaction costs of \$100,000 include legal, accounting and filing costs in connection with the Acquisition.

**4. Pro Forma Share Capital**

Pro forma share capital as at September 30, 2017 has been determined as follows:

	Number of Shares	Share Capital
Common shares of Savoy Ventures issued and outstanding as at September 30, 2017	14,480,001	\$ 948,535
Common Shares of Hybrid Minerals Inc. issued and outstanding as at September 30, 2017	9,700,001	\$ 48,501
Adjustment to eliminate equity balances (Note 3)	(9,700,001)	(48,501)
Concurring financing (Note 3)	6,000,000	1,500,000
Fair value of common shares issued to acquire Hybrid Minerals (Note 2)	9,700,001	2,425,000
<b>Pro Forma Share Capital</b>	<b>30,180,002</b>	<b>\$ 4,873,535</b>