

# **Nobelium Tech Corp.**

(a Capital Pool Company)

Financial Statements

**For the years ended January 31, 2018 and 2017**

## Independent Auditors' Report

To the Shareholders of Nobelium Tech Corp.:

We have audited the accompanying financial statements of Nobelium Tech Corp., which comprise the statements of financial positions as at January 31, 2018 and 2017, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial positions of Nobelium Tech Corp. as at January 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Nobelium Tech Corp. has a net loss in the period and has no operations at this time that will generate revenue. These conditions, along with other matters as set forth in Note 1 in the financial statements, indicate the existence of a material uncertainty that cast significant doubt about Nobelium Tech Corp.'s ability to continue as a going concern.

Toronto, Ontario  
March 16, 2018

*MNP LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

**MNP**

**Nobelium Tech Corp.**  
(a Capital Pool Company)  
Statements of Financial Position  
As at January 31, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash	404,076	474,505
HST recoverable	4,239	40,991
	<u>408,315</u>	<u>515,496</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	24,810	113,152
<b>Shareholders' equity</b>		
Share capital (note 4)	643,117	643,117
Share-based payments reserve (note 4)	114,500	114,500
Warrants reserve (note 4)	18,500	18,500
Deficit	<u>(392,612)</u>	<u>(373,773)</u>
	<u>383,505</u>	<u>402,344</u>
	<u>408,315</u>	<u>515,496</u>
<b>Going concern</b> (note 1)		

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

**Approved on behalf of the Board of Directors**

\_\_\_\_\_  
(signed) "Glen Lavigne", Director

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(signed) "Erroll Treslan", Director

**Nobelium Tech Corp.**  
(a Capital Pool Company)  
Statements of Changes in Equity  
For the year ended January 31, 2018 and 2017

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	Share capital	Share-based payments reserve	Warrants	Deficit	Total
	\$	\$	\$	\$	\$
<b>Balance – February 1, 2016</b>	463,750	–	–	(11,280)	452,470
Loss and comprehensive loss for the year	–	–	–	(362,493)	(362,493)
Shares issued for cash, net of issue costs	197,867	–	–	–	197,867
Warrants issued as commission	(18,500)	–	18,500	–	–
Stock-based compensation	–	114,500	–	–	114,500
<b>Balance – January 31, 2017</b>	<b>643,117</b>	<b>114,500</b>	<b>18,500</b>	<b>(373,773)</b>	<b>402,344</b>
<b>Balance – February 1, 2017</b>	643,117	114,500	18,500	(373,773)	402,344
Loss and comprehensive loss for the year	–	–	–	(18,839)	(18,839)
<b>Balance – January 31, 2018</b>	<b>643,117</b>	<b>114,500</b>	<b>18,500</b>	<b>(392,612)</b>	<b>383,505</b>

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

**Nobelium Tech Corp.**  
(a Capital Pool Company)  
Statements of Loss and Comprehensive Loss  
For the year ended January 31, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
	\$	\$
<b>Expenses</b>		
Consulting fees	33,828	67,625
Professional fees	29,666	110,195
Transfer, filing and listing fees	28,746	17,937
Office	2,763	4,353
Rent and parking	1,720	16,401
Travel	1,537	17,569
Meals and entertainment	1,091	11,141
Stock based compensation	—	114,500
Marketing and promotion	—	1,762
Conferences	—	1,010
Non-refundable deposit	—	25,000
Recovery of expenses (note 8)	<u>(80,512)</u>	<u>(25,000)</u>
<b>Loss and comprehensive loss for the year</b>	<u>18,839</u>	<u>362,493</u>
<b>Weighted average number of shares outstanding during the year</b>	3,500,000	4,651,844
<b>Basic and diluted loss per share</b>	(0.01)	(0.08)

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

**Nobelium Tech Corp.**  
(a Capital Pool Company)  
Statements of Cash Flows  
For the year ended January 31, 2018 and 2017

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	<u>2018</u>	<u>2017</u>
	\$	\$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the year	(18,839)	(362,493)
Charges to operations not involving cash		
Stock-based compensation	–	114,500
Net changes in non-cash working capital balances related to operations		
Decrease (increase) in HST recoverable	36,752	(28,815)
(Decrease) increase in accounts payable and accrued liabilities	<u>(88,342)</u>	<u>98,621</u>
	<u>(70,429)</u>	<u>(178,187)</u>
<b>Financing activities</b>		
Proceeds from issuance of common shares	–	350,000
Decrease in deferred share issuance costs	–	90,361
Increase in share issuance costs	<u>–</u>	<u>(152,133)</u>
	<u>–</u>	<u>288,228</u>
<b>(Decrease) Increase in cash</b>	<u>(70,429)</u>	<u>110,041</u>
<b>Cash – beginning of year</b>	<u>474,505</u>	<u>364,464</u>
<b>Cash – end of year</b>	<u>404,076</u>	<u>474,505</u>

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

# **Nobelium Tech Corp.**

## **Notes to the Financial Statements**

**For the year ended January 31, 2018 and 2017**

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### **1. Nature of operations and going concern**

#### **Nature of operations**

Nobelium Tech Corp. (the "Corporation") was incorporated under the Canada Business Corporations Act on February 26, 2015 as Aconi Capital Corporation and changed its name to Nobelium Tech Corp. on January 8, 2016. The Corporation is classified as a Capital Pool Company as defined in the TSX Venture Exchange Policy 2.4. The principal business of the Corporation is the identification and evaluation of a Qualifying Transaction and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

#### **Going concern**

The Corporation is currently investigating prospective acquisitions and is devoting all of its present efforts to securing and establishing a new business and its planned principal operations have not commenced. Accordingly, no revenue has been derived to date since inception.

The Corporation's financial statements as at January 31, 2018 have been prepared on the basis of International Financial Reporting Standards applicable to a going concern, which assumes the Corporation will continue in operation for the foreseeable future realize its assets and settle its liabilities and commitments in the normal course of business. There is significant doubt about the appropriateness of the going concern assumption as the Corporation incurred a net loss for the year of \$18,839 (2017: \$362,493) with a deficit of \$392,612 (2017: \$373,773) and has no operations at this time which will generate revenue. Management cannot provide assurance that the Corporation will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital.

These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material.

### **2. Significant accounting policies**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were approved by the Board of Directors on March 16, 2018.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 2 Significant accounting policies (continued)

#### a) Stock-based compensation

The Corporation has a stock-based compensation plan that is described in note 4. The Corporation accounts for stock options using the fair value method. The estimated fair value of all stock options granted is recorded in the statement of loss and comprehensive loss over their vesting periods.

#### b) Share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate to, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

#### c) Loss per share

The Corporation presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing loss attributable to equity shareholders by the weighted average number of common shares outstanding during the year. Diluted loss per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments, employee incentive share units, and warrants using the treasury stock method. Under this method, stock options or warrants, whose exercise price is less than the average market price of the Corporation's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the year. The incremental number of common shares issued under stock options and repurchased from proceeds is included in the calculation of diluted loss per share.

#### d) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 2. Significant accounting policies (continued)

#### d) Income taxes (continued)

or the liability is settled. The effect on deferred tax assets or liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venture and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

#### e) Management estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from those estimates.

Critical areas of estimation and judgments in applying accounting policies include the following:

##### Deferred taxes

The calculation of deferred taxes is based on assumptions which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude of non-capital losses available for carry forward and of the balances in various tax pools. By their nature, these estimates are

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 2. Significant accounting policies (continued)

#### e) Management estimates (continued)

subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future period could be material. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

#### Share-based payments

The Corporation estimates the fair value of convertible securities such as warrants and options using the Black-Scholes option-pricing model which requires significant estimation around assumptions and inputs such as expected term to maturity, expected volatility and expected dividends.

#### Going concern

As discussed above, these financial statements have been prepared in accordance with IFRS on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment in determining assumptions for cash flow projections, such as anticipated financing and future commitments to assess the Company's ability to continue as a going concern. A critical judgment is that the Corporation continues to raise funds going forward and satisfy their obligations as they become due.

#### f) Financial instruments

The Corporation has classified its cash as "loans and receivables". After its initial measurement, it is measured at amortized cost using the effective interest method, less any provision for impairment. The Corporation has classified its accounts payable and accrued liabilities as financial liabilities that are initially recognized at fair value. Subsequently, all the Corporation's financial liabilities are measured at amortized cost using the effective interest method.

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 2. Significant accounting policies (continued)

#### g) Accounting standards issued but not yet applied

A number of new standards and amendments to standard and interpretation are effective for annual periods beginning on or after February 1, 2018 and have not been applied in preparing these financial statements. Accordingly, the Corporation expects to adopt these standards as set forth below.

##### i) IFRS 9, Financial Instruments

IFRS 9, "Financial instruments", introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be measured at amortized cost or fair value in subsequent accounting periods following initial recognition. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods.

Requirements for classification and measurement of financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 was amended in November 2013 to (i) include guidance on hedge accounting, (ii) allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in an entity's own credit risk, from financial liabilities designated under the fair value option, in other comprehensive loss, without having to adopt the remainder of IFRS 9, and (iii) remove the previous mandatory effective date for adoption of January 1, 2015, although the standard is available for early adoption.

The final version of IFRS was issued in July 2014 and includes: (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward-looking expected loss impairment model; and (iii) a mandatory effective date for IFRS 9 of annual periods beginning on or after January 1, 2018, with early adoption permitted. The new standard has no impact on the Corporation's financial statements.

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 2. Significant accounting policies (continued)

#### g) Accounting standards issued but not yet applied (continued)

##### ii) IFRS 15, Revenue from Contracts with Customers

On May 28, 2014 the IASB issued IFRS 15, "Revenue from contracts with customers". The new standard is effective for fiscal years ending on or after January 1, 2018 and is available for early adoption.

IFRS 15 will replace IAS 11, "Construction contracts", IAS 18, "Revenue", IFRIC 13, "Customer loyalty programmes", IFRIC 15, "Agreements for the construction of real estate", IFRIC 18, "Transfers of assets from customers" and SIC 31, "Revenue – barter transactions involving advertising services". The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time; or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The Corporation intends to adopt IFRS 15 in its financial statements for the annual period beginning on February 1, 2018. The adoption of this standard has no impact on the Corporation's financial statements.

##### iii) IFRS 16, Leases

On January 13, 2016 the IASB issued IFRS 16, "Leases". The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, "Revenue from contracts with customers" at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, "Leases".

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 2. Significant accounting policies (continued)

#### g) Accounting standards issued but not yet applied (continued)

##### iii) IFRS 16, Leases (continued)

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

The extent of the impact of adoption of this standard has not yet been determined.

The Corporation intends to adopt IFRS 16 in its financial statements for the annual period beginning on February 1, 2019.

### 3. Capital management

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the identification and evaluation of a Qualifying Transaction. The Corporation considers capital to be shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. Additional funds may be required to finance the Corporation's Qualifying Transaction.

### 4. Shareholders' equity

#### i) Capital stock Authorized

Unlimited number of common shares, without nominal or par value

	Number of shares #	Amount \$
<b>Balance – January 31, 2016</b>	9,275,000	463,750
Share issued for cash, net of issue costs	3,500,000	197,867
Warrants issued as commissions	-	(18,500)
	<hr/>	<hr/>
<b>Balance – January 31, 2017 and January 31, 2018</b>	<b>12,775,000</b>	<b>643,117</b>

As at January 31, 2018, there are 9,275,000 shares subject to an escrow agreement. These shares started to be held in escrow on April 13, 2016 after the initial public offering and will be held in escrow pursuant to the TSX Venture Exchange to be released as to 10% thereof on the completion of the Corporation's Qualifying Transaction, as defined in the policies of the TSX Venture Exchange, and an additional 15% thereof on each of the 6th, 12th, 18th, 24th, 30th and 36th months following the initial release.

# Nobelium Tech Corp.

## Notes to the Financial Statements

For the year ended January 31, 2018 and 2017

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### 4. Shareholders' equity (continued)

#### ii) Stock options

The Corporation has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Corporation unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the TSX Venture Exchange at the time of the grant.

The Company granted 1,277,500 options on April 13, 2016. The options vested immediately and are exercisable for a period of 10 years.

In determining the stock-based compensation expense, the fair value of options issued is estimated using the Black-Scholes option pricing model. Using the following weighted average assumptions.

Risk free interest rate	1.5%
Expected volatility	100%
Expected dividend yield	—
Exercise price	0.10
Expected life	10 years

The following table summarizes the changes in the Corporation's stock options:

	Weighted average exercise price \$	Number of options	Expiry date
<b>Balance – January 31, 2016</b>	-	-	
Granted during the year	0.10	<u>1,277,500</u>	April 13, 2026
<b>Balance – January 31, 2017 and 2018</b>		<u>1,277,500</u>	

# Nobelium Tech Corp.

## Notes to Financial Statements

For the years ended January 31, 2018 and 2017

### 4. Shareholders' equity (continued)

#### iii) Contributed surplus and other

	\$
<b>Balance – January 31, 2016</b>	-
<b>Stock based compensation</b>	<u>114,500</u>
<b>Balance – January 31, 2017 and 2018</b>	<u>114,500</u>

#### Warrants

There were no changes in the Company's warrants during the year-ended January 31, 2018:

	Expiry date	Exercise price \$	Number #	Value \$
<b>Balance – January 31, 2017 and January 31, 2018</b>	April 13, 2018	0.10	350,000	18,500

The fair value of warrants recognized has been estimated at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in the pricing model for warrants are as follows:

Risk free interest rate	1.5%
Expected volatility	100%
Expected dividend yield	-
Exercise price	0.10
Expected life	2 years

#### iv) Loss per share

The basic and fully diluted loss per share has been calculated using the weighted average number of common shares outstanding for the years ended January 31, 2018 and 2017 of 3,500,000 and 4,651,844, respectively. 9,275,000 common were excluded from the calculation starting April 13, 2016 as these were contingently issuable or subject to cancellation under the escrow agreement entered on that date. These shares will be excluded until the date the shares are no longer subject to cancellation. As at January 31, 2018, the conditions necessary for the issuance of shares have not been satisfied (note 4i).

# Nobelium Tech Corp.

## Notes to Financial Statements

For the years ended January 31, 2018 and 2017

### 5. Related party transactions

Legal services were provided by a firm of which a shareholder of the Corporation is the sole lawyer practitioner. The cost of these services during the year was \$12,832 (2017: \$21,679). These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the parties.

### 6. Financial instruments

#### Credit risk

The Corporation's financial asset is cash. As at January 31, 2018, the Corporation's maximum exposure to credit risk is the carrying value of its financial asset.

#### Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2018, the Corporation had a cash balance of \$404,076 (January 31, 2017: \$474,505). The Corporation's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. Refer to note 1, Going Concern.

### 7. Income taxes

#### a) Losses

The Corporation has non-capital tax losses of approximately \$257,035 (January 31, 2017: \$133,720) available for carry-forward to reduce future years' taxable income. These non-capital tax losses expire as follows:

	<b>2018</b>
	<b>\$</b>
2035	11,280
2036	9,000
2037	107,525
2038	129,230
	<hr/>
	257,035
	<hr/>

# Nobelium Tech Corp.

## Notes to Financial Statements

For the years ended January 31, 2018 and 2017

### 7. Income taxes (continued)

- b) The Corporation's effective income tax rate differs from the amount that would be computed from applying the federal and provincial statutory rate of 26.5% (2017 - 26.5%) to the pre-tax net loss for the year. The reasons for the difference are as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Loss before income taxes	<u>(18,839)</u>	<u>(362,493)</u>
Expected income tax recovery based on statutory rates	(5,840)	(96,060)
Permanent differences	(3,710)	37,520
Change in tax benefits not recognized	<u>9,550</u>	<u>58,540</u>
	<u>—</u>	<u>—</u>

- c) The following deductible temporary differences and non-capital losses have not been recognized in the financial statements:

	<u>2018</u>	<u>2017</u>
	\$	\$
Non-capital loss carry-forwards	257,040	133,720
Net capital loss carry-forwards	-	12,500
Financing fees	97,200	121,710
ECC	<u>51,890</u>	<u>—</u>
	<u>406,130</u>	<u>384,330</u>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue and financing costs will be fully amortized in 2022. The remaining deductible temporary differences may be carried forward indefinitely.

### 8. Recovery of expenses

During the years ended January 31, 2018 and January 31, 2017 the Corporation entered into letters of intent to acquire target companies. The transactions did not proceed and as a result Nobelium subsequently recovered \$80,512 (2017: \$25,000) of the expenses incurred.

# **Nobelium Tech Corp.**

## **Notes to Financial Statements**

**For the years ended January 31, 2018 and 2017**

### **9. Comparative figures**

Certain of the prior years expenses have been reclassified to conform with the presentation adopted in the current year.

### **10. Subsequent events**

Subsequent to January 31, 2018, the Corporation entered into a non-binding preliminary term sheet for the proposed acquisition of Blockchain Royalty Corp. ("BRC"). Per the preliminary term sheet, the Corporation would acquire 100% of the issued and outstanding common shares of BRC for total consideration valued at \$8.5 million. The purchase price would be satisfied with 85,000,000 shares of the Corporation to be issued to BRC and 4,857,143 shares of the Corporation to be issued to the advisor as an advisory fee totaling to 89,857,143 shares. Closing of the acquisition will be subject to the terms of the preliminary term sheet.