

Nobelium Tech Corp.

(a Capital Pool Company)

Financial Statements

For the years ended January 31, 2019 and 2018

Independent Auditor's Report

To the Shareholders of Nobelium Tech Corp.:

Opinion

We have audited the financial statements of Nobelium Tech Corp. (the "Company") which comprise the statements of financial position as at January 31, 2019 and January 31, 2018, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2019 and January 31, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$107,948 during the year ended January 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Saad Shaikh.

The image shows a handwritten signature in black ink that reads "MNP LLP". The letters are stylized and slanted to the right.

Toronto, Ontario
May 27, 2019

**Chartered Professional Accountants
Licensed Public Accountants**

Nobelium Tech Corp.
(a Capital Pool Company)
Statements of Financial Position
As at January 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
	\$	\$
Assets		
Current assets		
Cash	296,660	404,076
Loan receivable (note 4)	25,000	-
HST recoverable	7,501	4,239
	<u>329,161</u>	<u>408,315</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<u>18,604</u>	<u>24,810</u>
Shareholders' equity		
Share capital (note 5)	464,742	643,117
Share-based payments reserve (note 5)	114,500	114,500
Warrant reserve (note 5)	-	18,500
Deficit	<u>(268,685)</u>	<u>(392,612)</u>
	<u>310,557</u>	<u>383,505</u>
	<u>329,161</u>	<u>408,315</u>

Going concern (note 1)

Approved on behalf of the Board of Directors

(signed) "Glen Lavigne", Director

(signed) "Erroll Treslan", Director

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

Nobelium Tech Corp.
(a Capital Pool Company)
Statements of Changes in Shareholders' Equity
For the years ended January 31, 2019 and 2018

	Share capital	Share-based payments reserve	Warrant reserve	Deficit	Total
	\$	\$	\$	\$	\$
Balance – February 1, 2017	643,117	114,500	18,500	(373,773)	402,344
Loss and comprehensive loss for the year	–	–	–	(18,839)	(18,839)
Balance – January 31, 2018	643,117	114,500	18,500	(392,612)	383,505
Balance – February 1, 2018	643,117	114,500	18,500	(392,612)	383,505
Loss and comprehensive loss for the year	–	–	–	(107,948)	(107,948)
Shares issued upon exercise of warrants (note 5 (iv))	53,500	–	(18,500)	–	35,000
Reclassification of seed shares (note 5 (i))	(231,875)	–	–	231,875	–
Balance – January 31, 2019	464,742	114,500	–	(268,685)	310,557

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

Nobelium Tech Corp.
(a Capital Pool Company)
Statements of Loss and Comprehensive Loss
For the years ended January 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
	\$	\$
Expenses		
Professional fees	56,516	29,666
Transfer, filing and listing fees	39,106	28,746
Consulting fees	10,403	33,828
Office	1,144	2,763
Travel	779	1,537
Rent and parking	-	1,720
Meals and entertainment	-	1,091
Recovery of expenses (note 9)	-	(80,512)
	<u>107,948</u>	<u>18,839</u>
Loss and comprehensive loss for the year		
	<u>107,948</u>	<u>18,839</u>
Weighted average number of shares outstanding during the year	3,783,836	3,500,000
Basic and diluted loss per share	(0.03)	(0.01)

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

Nobelium Tech Corp.
(a Capital Pool Company)
Statement of Cash Flows
For the years ended January 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash provided by (used in)		
Operating activities		
Net loss for the year	(107,948)	(18,839)
Net changes in non-cash working capital balances related to operations		
Decrease (increase) in HST recoverable	(3,262)	36,752
Increase in loan receivable	(25,000)	-
Decrease in accounts payable and accrued liabilities	(6,206)	(88,342)
	<u>(142,416)</u>	<u>(70,429)</u>
Financing activities		
Shares issued for cash, exercise of warrants (note 5 (iv))	<u>35,000</u>	-
		-
Decrease in cash	(107,416)	(70,429)
Cash – beginning of year	<u>404,076</u>	<u>474,505</u>
Cash – end of year	<u>296,660</u>	<u>404,076</u>

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

Nobelium Tech Corp.

(a Capital Pool Company)

Notes to the Financial Statements

For the years ended January 31, 2019 and 2018

1. Nature of operations and going concern

Nature of operations

Nobelium Tech Corp. (the "Corporation" or "Company" or "Nobelium") 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 during the year or prior years.

The Corporation's financial statements 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 and realize its assets and settle its liabilities and commitments in the normal course of business. There is a material uncertainty that exists that may cast significant doubt about the appropriateness of the going concern assumption as the Corporation incurred a net loss for the year of \$107,948 (2018: \$18,839) with a deficit of \$268,685 (2018: \$392,612) 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").

This is the first fiscal year of the Company's financial statements where IFRS 15 - "Revenue from Contracts with Customers" ("IFRS 15") and IFRS 9 - "Financial Instruments" ("IFRS 9") have been applied. The changes in accounting policies from those used in the Company's financial statements for the year ended January 31, 2018 are described below.

The financial statements were approved by the Board of Directors on May 27, 2019.

2. Significant accounting policies (continued)

a) Accounting standards implemented as of February 1, 2018

The Company adopted the following accounting standards which came into effect commencing February 1, 2018:

IFRS 15, Revenue from Contracts with Customers

The Company has adopted IFRS 15 with an initial application date of February 1, 2018. The impact on the Company's financial statements and additional disclosures are detailed as follows:

IFRS 15 outlines a single comprehensive model to account for revenue arising from contracts with customers and replaced the majority of existing IFRS requirements on revenue recognition including IAS 18, Revenue, IAS 11, Construction Contracts and related interpretations. The core principle of the standard is to recognize revenue to depict the transfer of control of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard has prescribed a five-step model to apply the principles. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract as well as requiring more informative and relevant disclosures. In April 2016, the IASB issued amendments to IFRS 15, which provided additional guidance on the identification of performance obligations, on assessing principal versus agent considerations and on licensing revenue. The Corporation has no revenue to date and therefore, there is no impact of the adoption of this standard on the financial statements.

IFRS 9, Financial Instruments

The Company has adopted IFRS 9 with a date of initial application of February 1, 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets, amends the requirements related to hedge accounting, and introduces a forward-looking expected loss impairment model.

The standard contains three classifications categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and the adoption of IFRS 9 did not change the Company's accounting policies for financial liabilities.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

2. Significant accounting policies (continued)

a) Accounting standards implemented as of February 1, 2018 (continued)

IFRS 9, Financial Instruments (continued)

The classification changes for each class of the Company's financial assets and financial liabilities upon adoption at February 1, 2018 is as follows:

Financial assets and liabilities	IAS 39	IFRS 9	IFRS 39 / IFRS 9 Carrying value
Cash	Loans and receivables	Amortized cost	\$ 404,076
HST recoverable	Loans and receivables	Amortized cost	\$ 4,239

As a result of the adoption of IFRS 9, the Company's accounting policies for financial instruments have been updated and applied from February 1, 2018 and in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

b) Stock-based compensation

The Corporation has a stock-based compensation plan that is described in note 5. 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.

c) 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.

d) 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 is 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.

2. Significant accounting policies (continued)

e) 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 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.

2. Significant accounting policies (continued)

f) 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 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 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.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

2. Significant accounting policies (continued)

g) Financial instruments

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of cash and loan receivable.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets mandatorily measured at fair value through profit or loss.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

2. Significant accounting policies (continued)

g) Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement (continued)

- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

2. Significant accounting policies (continued)

g) Financial instruments (continued)

Financial assets (continued)

Impairment (continued)

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statements of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

2. Significant accounting policies (continued)

g) Financial instruments (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Standards, amendments and interpretations issued and not yet effective and have not been adopted by the Company

The International Accounting Standards Board has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intended to adopt those standards when they become effective.

In January 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. The new 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.

IFRS 16 will also result in reclassification of the nature of lease expenses to depreciation and interest expense. IFRS 16 offers a range of transition options. The Company plans to apply IFRS 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16, if any, will be recognized as an adjustment to opening retained earnings as at January 1, 2019, with no restatement of comparative information.

The Corporation has no leases therefore there is no impact from the adoption of this standard.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

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. Loan receivable

In connection with the proposed transaction with the Maximos Metals Corp. ("Maximos") (note 10), the Corporation has provided Maximos with a \$25,000 non-interest bearing, unsecured loan. In the event the Corporation decides not to proceed with the proposed transaction and if Maximos is not in breach of material covenants and obligations under the definitive agreement, the Corporation has agreed to forfeit repayment of the loan.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

5. Shareholders' equity

i) Capital stock authorized

Unlimited number of common shares, without nominal or par value

	Number of shares #	Amount \$
Balance – January 31, 2017 and January 31, 2018	12,775,000	643,117
Shares issued for cash, exercise of warrants	350,000	53,500
Cancellation of seed shares on transfer to NEX board of exchange	<u>(4,637,500)</u>	<u>(231,875)</u>
Balance – January 31, 2019	<u>8,487,500</u>	<u>464,742</u>

As the Company has not completed its Qualifying Transaction (as defined in the CPC policy) within 24 months, it has requested and received shareholder approval at a special meeting of the shareholders held on July 13, 2018 to transfer its listing to the NEX board of the Exchange (NEX). The Company's listing was transferred to NEX effective at the opening of trading on Monday, November 5, 2018. In addition it received shareholder approval to cancel an aggregate of one-half of its \$0.05 seed shares (4,637,500 common shares) owned by founders (as defined by the Exchange) held by Non-Arms Length Parties of the CPC (including the officers, directors and insiders of the Company)

As at January 31, 2019, there are 4,637,500 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.

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 with an exercise price of \$0.10. The options vested immediately and are exercisable for a period of 10 years.

Nobelium Tech Corp.
(a Capital Pool Company)
Notes to the Financial Statements
For the years ended January 31, 2019 and 2018

5. Shareholders' equity (continued)

ii) Stock options (continued)

There were no changes in the Company's stock options during the year:

	Weighted average exercise price \$	Number of options	Expiry date
Balance – January 31, 2018 and January 31, 2019	0.10	1,277,500	April 13, 2026

iii) Share-based payment reserve

Balance – January 31, 2018 and January 31, 2019	\$ 114,500
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iv) Warrant reserve

The following table summarizes the changes in the Company's warrants for the years ended January 31, 2019 and 2018:

	Exercise price \$	Number #	Value \$
Balance – January 31, 2017 and January 31, 2018	0.10	350,000	18,500
Warrants exercised during the year	0.10	(350,000)	(18,500)
Balance – January 31, 2019		<u>-</u>	<u>-</u>

During the year ended, 350,000 warrants (2018 – nil) were exercised for proceeds of \$35,000 (2018 - \$nil).

v) 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, 2019 and 2018 of 3,783,836 and 3,500,000, respectively. For the year ended January 31, 2019, 4,637,500 (2018: 9,275,000) common shares were excluded from the calculation as these were contingently issuable or subject to cancellation under the escrow agreement entered on April 13, 2016. These shares will be excluded until the date the shares are no longer subject to cancellation. As at January 31, 2019, the conditions necessary for the shares' issuance have not been satisfied (note 5(i)).

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6. 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 \$18,000 (2018: \$12,832). 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.

7. Financial instruments

Credit risk

The Corporation's financial asset is cash and loan receivable. As at January 31, 2019, the Corporation's maximum exposure to credit risk is the carrying value of its financial assets.

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, 2019, the Corporation had a cash balance of \$296,660 (January 31, 2018: \$404,076). 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

8. Income taxes

- a) The Corporation has non-capital tax losses of approximately \$339,901 (January 31, 2018: \$257,035) available for carry-forward to reduce future years' taxable income. These non-capital tax losses expire as follows:

	2019
	\$
2035	11,280
2036	9,000
2037	120,025
2038	61,220
2039	138,376
	<u>339,901</u>

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8. Income taxes (continued)

- b) The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 31% (2018 – 31%) to the effective tax rate is as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Loss before income taxes	(107,948)	(18,839)
Expected income tax recovery based on statutory rates	(33,464)	(5,840)
Permanent differences	–	(3,710)
Change in tax benefits not recognized	33,464	9,550
	<u>–</u>	<u>–</u>

- c) Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	<u>2019</u>	<u>2018</u>
	\$	\$
Non-capital loss carry-forwards	339,901	257,040
Financing fees	66,772	97,200
Eligible capital expenditure	107,405	51,890
	<u>514,078</u>	<u>406,130</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.

9. Recovery of expenses

During the year ended January 31, 2018, the Company entered into a letter of intent to acquire a target company. The transaction did not proceed and as a result Nobelium recovered \$80,512 of the expenses incurred.

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10. Proposed transaction

The Corporation has entered into a letter of intent dated May 14, 2018 (the “LOI”) with Maximos Metals Corp. (“Maximos”), a private company incorporated under the Canada Business Corporations Act whereby Nobelium and Maximos will complete an arrangement, amalgamation, share exchange or similar transaction to ultimately form the resulting issuer (the “Resulting Issuer”) who will continue on the business of Maximos (the “Transaction”), subject to the terms and conditions outlined below. Nobelium intends that the Transaction will constitute its Qualifying Transaction.

The LOI contemplates Nobelium and Maximos completing a business combination transaction, pursuant to which Nobelium Shares, or Resulting Issuer shares (as the case may be), will be issued to holders of shares of Maximos on the basis of one post-Consolidation Nobelium Share (or Resulting Issuer share as applicable) for every one Maximos share (the “Exchange Ratio”). The final structure of the Transaction is subject to receipt of tax, corporate and securities law advice for both Maximos and Nobelium.

On completion of the Transaction, the security holders of Maximos would own a majority of the issued and outstanding shares of the Resulting Issuer. The common shares of the Resulting Issuer will be listed for trading on the Exchange. The Transaction is not a “Non-Arm's Length Qualifying Transaction” within the meaning of Policy 2.4 of the Exchange.

Pursuant to the terms of the LOI, until the earliest of: (i) the execution of the Definitive Agreement; (ii) mutual agreement of Nobelium and Maximos; or (iii) the termination of the LOI in accordance with its terms, Nobelium and Maximos have agreed not to solicit, negotiate, accept or discuss with any other entity, any transaction that would be in opposition to or in competition with the Transaction.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to: (i) the negotiation of the Definitive Agreement; (ii) receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents; (iii) the absence of any material change or a change in a material fact or a new material fact affecting Nobelium or Maximos; (iv) completion of the Private Placement (as defined below); and (v) if applicable, each company having received appropriate approvals from their shareholders. There can be no assurance that the Transaction will be completed on the terms proposed above or at all.

In connection with the Transaction, it is anticipated that Maximos will complete a private placement of Maximos common shares. The size of the offering and the issue price at which the Maximos common shares will be sold are to be determined in the context of the market (the “Private Placement”). Subject to applicable laws and Exchange policies, it is anticipated that each Maximos share issued pursuant to the Private Placement will be exchangeable into freely tradable common shares of the Resulting Issuer upon completion of the Transaction in accordance with the Exchange Ratio.

Upon completion of the Transaction the Resulting Issuer is expected to change its name to “Maximos Metals Corp.” or such other name as determined by Maximos and the Resulting Issuer will be a mining issuer under the Exchange rules.