



**EAST ASIA**  
MINERALS CORPORATION

August 31, 2018

Consolidated Financial Statements  
*(Expressed in Canadian dollars)*

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
East Asia Minerals Corporation

We have audited the accompanying consolidated financial statements of East Asia Minerals Corporation, which comprise the consolidated statements of financial position as at August 31, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of East Asia Minerals Corporation as at August 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 qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about East Asia Minerals Corporation's ability to continue as a going concern.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

December 31, 2018

# EAST ASIA MINERALS CORPORATION

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	August 31, 2018	August 31, 2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 68,353	\$ 1,542,545
Receivables (note 4)	33,299	159,858
Prepays and advances	12,872	39,790
	114,524	1,742,193
Non-current assets:		
Exploration and evaluation assets (note 5)	1,347,281	548,106
	\$ 1,461,805	\$ 2,290,299
<b>Liabilities and Shareholders' Equity (Deficiency)</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 2,201,545	\$ 938,418
Loans payable (note 7)	98,868	-
Due to related parties (note 8)	236,466	4,200
	2,536,879	942,618
Shareholders' equity (deficiency):		
Share capital (note 9)	70,528,804	70,413,300
Share subscribed (note 9)	30,000	-
Reserves (note 10)	19,301,689	19,091,514
Deficit	(90,935,567)	(88,157,133)
	(1,075,074)	1,347,681
	\$ 1,461,805	\$ 2,290,299

Nature of operations and going concern (note 1)

Subsequent events (note 18)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

"Terry Filbert"

Director

"R. Scott Chaykin"

Director

# EAST ASIA MINERALS CORPORATION

Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

	Year ended August 31, 2018	Year ended August 31, 2017
General and administrative expenses:		
Consulting fees	\$ 727,379	\$ 465,508
Directors' fees (note 8)	91,502	68,981
Foreign exchange loss (gain)	7,538	(6,961)
Interest expense	55,253	-
Investor relations	130,167	158,493
Management fees (note 8)	305,696	245,724
Office and administration	376,207	132,438
Professional fees (note 8)	452,356	211,002
Rent (note 8)	55,941	25,122
Share-based compensation (note 8 and 10)	216,446	193,148
Transfer agent and regulatory fees	49,000	40,771
Travel and accommodation	152,911	122,663
Total general and administrative expenses	(2,620,396)	(1,656,889)
Write-off of receivables	(158,038)	-
Gain on settlement of debt	-	147,998
	(158,038)	147,998
Loss and comprehensive loss for the year	\$ (2,778,434)	\$ (1,508,891)
Basic and diluted loss per common share (note 11)	\$ (0.05)	\$ (0.05)
Weighted average number of common shares outstanding	54,428,272	30,107,400

See accompanying notes to the consolidated financial statements.

# EAST ASIA MINERALS CORPORATION

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Shares Subscribed	Reserves	Deficit	Shareholders' Equity (Deficiency)
Balance, August 31, 2016	16,867,944	\$ 66,771,463	\$ -	\$ 18,553,917	\$(86,648,242)	\$ (1,322,862)
Private placements	36,919,668	4,242,360	-	-	-	4,242,360
Share issuance costs	-	(256,074)	-	-	-	(256,074)
Finders' warrants	-	(344,449)	-	344,449	-	-
Share-based compensation	-	-	-	193,148	-	193,148
Loss for the year	-	-	-	-	(1,508,891)	(1,508,891)
Balance, August 31, 2017	53,787,612	70,413,300	-	19,091,514	(88,157,133)	1,347,681
Exercise of warrants	48,124	15,403	-	(9,628)	-	5,775
Private placement	2,220,000	111,000	-	-	-	111,000
Share issuance costs	-	(7,542)	-	-	-	(7,542)
Shares subscribed	-	-	30,000	-	-	30,000
Finders' warrants	-	(3,357)	-	3,357	-	-
Share-based compensation	-	-	-	216,446	-	216,446
Loss for the year	-	-	-	-	(2,778,434)	(2,778,434)
Balance, August 31, 2018	56,055,736	\$ 70,528,804	\$ 30,000	\$ 19,301,689	\$(90,935,567)	\$ (1,075,074)

See accompanying notes to the consolidated financial statements.

# EAST ASIA MINERALS CORPORATION

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Year ended August 31, 2018	Year ended August 31, 2017
Cash provided by (used in):		
<b>Operating activities:</b>		
Loss for the year	\$ (2,778,434)	\$ (1,508,891)
Items not involving cash:		
Share-based compensation	216,446	193,148
Interest expense	55,253	-
Write-off of receivables	158,038	-
Gain on settlement of debt	-	(147,998)
Changes in non-cash operating working capital items:		
Receivables	(31,479)	(151,855)
Prepays and advances	26,918	(38,807)
Accounts payable and accrued liabilities	736,020	24,919
Due to related parties	232,266	(405,313)
	(1,384,972)	(2,034,797)
<b>Investing activities:</b>		
Exploration and evaluation assets	(327,321)	(461,444)
	(327,321)	(461,444)
<b>Financing activities:</b>		
Private placements	111,000	4,242,360
Shares subscribed	30,000	-
Share issuance costs	(7,542)	(256,074)
Exercise of warrants	5,775	-
Loan proceeds	98,868	-
	238,101	3,986,286
Change in cash and cash equivalents	(1,474,192)	1,490,045
Cash and cash equivalents, beginning of the year	1,542,545	52,500
Cash and cash equivalents, end of the year	\$ 68,353	\$ 1,542,545
Cash and cash equivalents are comprised of:		
Cash	\$ 33,853	\$ 1,508,045
Cash equivalents	34,500	34,500
	\$ 68,353	\$ 1,542,545

Supplemental disclosure with respect to cash flows (note 14)

See accompanying notes to the consolidated financial statements.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 1. Nature of operations and going concern

East Asia Minerals Corporation (“the Company”) was incorporated under the laws of British Columbia and was in the process of exploring and developing its exploration and evaluation assets in Indonesia. The address of the Company’s corporate office and principal place of business is Suite 210 - 905 West Pender St, Vancouver, British Columbia, Canada.

The Company’s exploration and evaluation assets are located in Indonesia. The Company also has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing, permits to explore, develop and achieve future profitable production activity from its exploration and evaluation assets or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. During the year ended August 31, 2018, the Company had a net loss and comprehensive loss of \$2,778,434 and had an accumulated deficit of \$90,935,567 as of August 31, 2018. These material uncertainties may cast significant doubt upon the entity’s ability to continue as a going concern.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements.

The consolidated financial statements were authorized for issue on December 31, 2018 by the Board of Directors of the Company.

## 2. Significant accounting policies

### *Basis of presentation*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) effective as of August 31, 2018.

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the reporting currency of the Company. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards (“IAS”) 21.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 2. Significant accounting policies (cont'd)

### *Principles of consolidation*

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities controlled by the Company. Control exists when the Company has the power to directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries located in Canada (Sangihe Gold Corporation), Indonesia (PT. Tambang Mas Sangihe and PT. East Asia Minerals Indonesia), Hong Kong, Netherlands and Mongolia (EAM Teshig LLC and EAM Exploration LLC). All Netherlands entities have been inactive since inception. All inter-company transactions and accounts have been eliminated upon consolidation.

### *Significant accounting judgments, estimates and assumptions*

The preparation of the consolidated financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may vary from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to but are not limited to, the following:

- *Fair value of stock options and warrants*

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

Critical accounting judgments are accounting policies that have been identified as being complex or involved subjective judgments or assessments and include:

- *Recoverability of exploration and evaluation assets*

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including: geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable reserves, evaluation of permitting and environmental issues and local support for the project.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 2. Significant accounting policies (cont'd)

### *Significant accounting judgments, estimates and assumptions (cont'd)*

#### *- Income taxes*

In assessing the probability of realizing income tax assets, management makes estimates related to the expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

### *Cash and cash equivalents*

Cash is comprised of cash on hand and demand deposits and funds held in trust by lawyers. Cash equivalents include short-term highly liquid investments with original maturities or restrictions of three months or less at the date of purchase that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### *Foreign currency translation*

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

### *Exploration and evaluation assets*

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and evaluation of mineral properties incurred subsequent to the acquisition of legal rights to explore are capitalized by property. Mineral properties acquired from entities under common control are recorded at the same carrying value which the common control entity carried the mineral properties at. If economically recoverable ore reserves are determined to exist, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of an exploration and evaluation asset is impaired, that asset is written down to its estimated net realizable value. An exploration and evaluation asset is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 2. Significant accounting policies (cont'd)

### *Exploration and evaluation assets (cont'd)*

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to explore and complete the development of the properties, and future profitable production from the disposition of the metals produced from the properties or by sale.

Once technical feasibility and commercial viability of a mineral property has been established, the property is considered to be a development property and is classified as mine development assets in property, plant and equipment. The carrying value of the mineral property is tested for impairment before the expenditures are transferred.

### *Provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

### *Impairment of long-lived assets*

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Assets that have an indefinite useful life are not subject to amortization and are tested at each reporting period for impairment.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 2. Significant accounting policies (cont'd)

### *Share capital*

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

### *Share-based payments*

The Company makes periodic grants of share-based awards to selected directors, officers, employees and others providing a similar service.

The fair value of the equity-settled awards is determined at the date of the grant using the Black-Scholes option pricing model. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of loss and comprehensive loss with a corresponding entry within equity, against the reserve for equity settled share based transactions. No expense is recognized for awards that do not ultimately vest.

Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Warrants issued to brokers are measured at their fair value on the vesting date and are recognized as a deduction from equity and credited to reserves. The fair value of stock options and warrants issued to brokers are estimated using the Black-Scholes option pricing model. Any consideration received on the exercise of stock options and/or warrants, together with the related portion of contributed surplus, is credited to share capital.

### *Loss per share*

Loss per share is calculated by dividing net loss available to common shareholders by the weighted average number of common shares outstanding for the reporting period. For diluted earnings per share, dilutive effect is recognized from the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period.

The basic loss per share figure has been calculated using the weighted average number of common shares outstanding during the respective period. Diluted loss per share is equal to basic loss per share as the effect of outstanding options and warrants is anti-dilutive.

### *Related party transactions*

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are generally measured at fair value except for transactions between entities which are under common control, which are recorded at the carrying value of the related party transaction.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 2. Significant accounting policies (cont'd)

### *Income taxes*

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### *Warrants issued in equity financing transactions*

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore its exploration and evaluation assets. These equity financing transactions may involve the issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are valued based on the residual value method. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

### *Financial instruments*

#### *Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. The Company's cash and cash equivalents are classified as FVTPL.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's receivables are classified as loans and receivables.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 2. Significant accounting policies (cont'd)

### *Financial instruments (cont'd)*

#### *Financial assets (cont'd)*

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 12 months after the end of the reporting period.

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 and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses. The Company has not classified any of its investments as available-for-sale financial assets.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

#### *Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At August 31, 2018, the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payables and accrued liabilities, loans payable and due to related parties are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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### 3. New standards, amendments and interpretations not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9 – Financial Instruments, Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Company has determined that adopting IFRS 9 will not have a significant impact on the Company's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers. IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programs, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC-31, Revenue – Barter Transactions involving Advertising Service. The Company has determined that adopting IFRS 15 will not have a significant impact on the Company's consolidated financial statements.

IFRS 16 – Leases. According to IFRS 16, all leases will be on the statement of financial position of lessees, except those that meet the limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019. The Company has not early adopted IFRS 16 and is currently evaluating the impact, if any, that this standard might have on its consolidated financial statements.

### 4. Receivables

	August 31, 2018	August 31, 2017
Sales tax receivables	\$ 32,109	\$ 13,780
Other receivables	1,190	146,078
	\$ 33,299	\$ 159,858

During the year ended August 31, 2018, the Company wrote-off \$158,038 of other receivables as the collectability is uncertain.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 5. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Indonesia and the Company is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Indonesia.

The Company's exploration and evaluation assets consist of:

	<b>Sangihe property (Indonesia)</b>	<b>Total Mineral Properties</b>
Balance, August 31, 2016	\$ -	\$ -
Assay costs	2,765	2,765
Geology	116,436	116,436
Office and supplies	4,282	4,282
Professional fees	102,125	102,125
Travel	7,429	7,429
Technical reports	117,428	117,428
Tenement costs	197,641	197,641
Total additions	548,106	548,106
Balance, August 31, 2017	\$ 548,106	\$ 548,106
Drilling	19,482	19,482
Geology	239,299	239,299
Office and supplies	217	217
Professional fees	4,314	4,314
Travel	22,014	22,014
Technical reports	231,645	231,645
Tenement costs	307,742	307,742
Total additions	824,713	824,713
Currency translation adjustment	(25,538)	(25,538)
Balance, August 31, 2018	\$ 1,347,281	\$ 1,347,281

### (a) Sangihe

The Sangihe Gold-Copper Project is located on the island of Sangihe, Indonesia. Certain foreign companies and foreign Indonesian joint venture companies exploring natural resources in Indonesia normally conduct their activities under Indonesian incorporated foreign investment joint venture companies, which are regulated by terms and conditions contained in a contract commonly referred to as the Contract of Work ("CoW agreement"). A CoW agreement is a legally binding contract between the Government of the Republic of Indonesia and a foreign-investment joint venture company, which is specifically incorporated to hold the title of the CoW area ("CoW company"). In the CoW agreement, the Indonesian government grants the CoW company the exclusive right to explore and mine mineral deposits that may exist in the contract area. The agreement covers comprehensive terms of engagement such as the various stages of exploration from general geological survey and exploration and bankable feasibility study to mining, royalty and taxes, employment, corporate social responsibilities, and environmental protection.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 6. Accounts payable and accrued liabilities

	August 31, 2018	August 31, 2017
Accounts payable	\$ 1,979,652	\$ 908,105
Accrued liabilities	221,893	30,313
	\$ 2,201,545	\$ 938,418

## 7. Loans payable

During the year ended August 31, 2018, the Company received loan proceeds of \$98,868 (2017 - \$nil) from two related parties and an arm's length party. The loan proceeds are non-interest bearing, unsecured, with no stated terms of repayment.

## 8. Related party transactions

Compensation and payments to key management personnel was as follows:

	Year ended August 31, 2018	Year ended August 31, 2017
Fees and short-term benefits - management	\$ 305,696	\$ 245,724
Fees and short-term benefits - directors	91,502	68,981
Fees and short-term benefits - professional	96,000	83,993
Share-based compensation	125,258	48,165
Rent	-	7,800
	\$ 618,456	\$ 454,663

During the year ended August 31, 2017, the Company settled debt with certain management and directors and accordingly recorded a gain on settlement of debt of \$11,943. As at August 31, 2018, \$236,466 (2017 - \$4,200) is due to directors and officers of the Company. The amounts were non-interest bearing, unsecured, with no stated terms of repayment.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 9. Share capital

### (a) Common shares

#### *Authorized*

Unlimited common shares, without par value.

#### *Share consolidation*

During the year ended August 31, 2017, the Company consolidated the shares of the Company on a ten to one basis. These statements reflect the share consolidation retroactively.

#### *Issued share capital*

On August 31, 2018, there were 56,055,736 (2017 – 53,787,612) issued and outstanding common shares.

During the year ended August 31, 2018:

The Company announced a private placement raising \$2,000,000 through an offering of 40,000,000 units at \$0.05 per unit (the "Offering") where each unit consists of one common share and one share purchase warrant. Each whole share purchase warrant shall entitle the holder to purchase one additional common share at the price of \$0.10 per common share for a period of two years from the closing of the Offering. As at August 31, 2018, the Company has closed a tranche of \$111,000 related to the Offering from the issuance of 2,220,000 units. The Company incurred cash share issuance costs of \$7,542 and issued 71,400 finders' warrants with an exercise price of \$0.10 valued at \$3,357 expiring in two years related to the Offering (note 18).

The Company received \$5,775 from exercise of 48,124 warrants and \$30,000 from share subscriptions.

During the year ended August 31, 2017:

The Company completed a non-brokered private placement for gross proceeds of \$940,000 from issuance of 9,400,000 units at \$0.10 per unit, where each unit comprised a common share and one-half of one share purchase warrant. One whole share purchase warrant can be exercised for the purchase of one common share at the price of \$0.50 per common share for a period of five years. The Company incurred cash share issuance costs of \$14,411 related to the private placement.

The Company completed a non-brokered private placement for gross proceeds of \$3,302,360 from the issuance of 27,519,668 units at \$0.12 per unit, where each unit comprised a common share and one-half of one share purchase warrant. One whole share purchase warrant can be exercised for the purchase of one common share at the price of \$0.50 per common share for a period of five years. The Company incurred cash share issuance costs of \$241,663 and issued 1,739,127 finders' warrants with an exercise price of \$0.12 valued at \$344,449 expiring in two years related to the private placement.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 9. Share capital (cont'd)

### (b) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	August 31, 2018		August 31, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants, beginning of the year	25,793,014	\$ 0.59	8,539,053	\$ 3.50
Granted	2,307,441	0.10	20,198,961	0.47
Exercised	(48,124)	0.12	-	-
Expired	-	-	(2,945,000)	8.26
Warrants, end of the year	28,052,331	\$ 0.14*	25,793,014	\$ 0.59

\* During the year ended August 31, 2018, the exercise price of 24,053,887 warrants was amended to \$0.15.

The following warrants were outstanding at August 31, 2018:

Number of warrants	Exercise price	Expiry date
976,493	\$ 0.15	December 11, 2019
4,617,560	0.15	March 10, 2020
4,700,000	0.15	March 8, 2022
13,759,834	0.15	May 8, 2022
1,707,044	0.12	May 8, 2019*
2,220,000	0.10	May 25, 2020
71,400	0.10	May 25, 2020*
28,052,331		

\* Finders' warrants

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 9. Share capital (cont'd)

### (b) Warrants (cont'd)

During the year ended August 31, 2018, the Company granted 71,400 (2017 – 1,739,127) finders' warrants with an initial fair market value of \$3,357 (2017 - \$344,449) or \$0.05 (2017 - \$0.20) per warrant which was recorded as share issue costs. The following weighted average assumptions were used for the Black-Scholes valuation of the finders' warrants:

	<u>2018</u>	<u>2017</u>
Risk-free interest rate	1.96%	0.70%
Expected life of warrant	2.00 years	2.00 years
Expected dividend yield	0%	0%
Expected stock price volatility	285.69%	134.49%
Fair value per warrant	\$0.05	\$0.20

## 10. Share-based payments

### (a) Stock options

The Company has an incentive stock option plan (the "Plan") in place under which it is authorized to grant options to executive officers, directors, employees, and consultants to acquire up to 10% of the outstanding issued common shares. The Plan allows for the option price at the time each option is granted to be not less than the discounted market price as calculated and defined in accordance with the policies of the TSX Venture Exchange ("TSX-V"). Options granted under the Plan will have a term not to exceed ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the TSX-V. Stock option transactions and the number of stock options outstanding are summarized as follows:

	<u>August 31, 2018</u>		<u>August 31, 2017</u>	
	Number of	Weighted	Number of	Weighted
	Options	average	options	average
		exercise		exercise
		price		price
Outstanding, beginning of the year	1,160,000	\$ 0.35	373,200	\$ 2.57
Granted	3,298,572	0.05	1,040,000	0.28
Expired/cancelled/forfeited	(170,000)	0.77	(253,200)	3.33
Outstanding, end of the year	4,288,572	\$ 0.10	1,160,000	\$ 0.35

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 10. Share-based payments (cont'd)

### (a) Stock options (cont'd)

The following stock options were outstanding and exercisable at August 31, 2018:

<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Exercise price (\$)</b>	<b>Expiry date</b>
25,000	25,000	0.50	November 19, 2018*
600,000	600,000	0.20	April 2, 2022
365,000	365,000	0.40	June 20, 2022
3,298,572	3,298,572	0.05	July 30, 2023
4,288,572	4,288,572		

\*expired subsequent to August 31, 2018 unexercised.

### (b) Reserves

Reserves relates to stock options, agent's unit options, and compensatory warrants that have been issued by the Company. The Company uses the Black-Scholes valuation option pricing model to value stock options.

During the year ended August 31, 2018, the Company granted 3,298,572 (2017 - 1,040,000) stock options to officers, directors, employees and consultants. Share-based compensation expense of \$216,446 was recognized on options that vested during the year ended August 31, 2018 (2017 - \$193,148). The fair value of all compensatory options granted is estimated on the grant date using the Black-Scholes option pricing model. The weighted average assumptions used in calculating the fair values are as follows:

	<u>2018</u>	<u>2017</u>
Risk-free interest rate	2.19%	1.10%
Expected life of option	5.00 years	5.00 years
Expected dividend yield	0%	0%
Expected stock price volatility	128.17%	152.30%
Fair value per option	\$0.04	\$0.26

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 11. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended August 31, 2018 was based on the loss attributable to common shareholders of \$2,778,434 (2017 – \$1,508,891) and the weighted average number of common shares outstanding of 54,428,272 (2017 – 30,107,400).

Diluted loss per share did not include the effect of the outstanding stock options and the outstanding warrants as the effect would be anti-dilutive.

## 12. Financial instruments

IFRS 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents are classified as Level 1 in the fair value hierarchy.

As at August 31, 2018, the carrying values of receivables, accounts payable and accrued liabilities, loan payable, and due to related parties approximate their fair values due to their short term to maturity.

### Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

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## 12. Financial instruments (cont'd)

### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. Substantially all of the Company's cash and cash equivalents are held with a major Canadian financial institution. A portion of receivables is due from the Government of Canada for sales tax refunds. Management believes that the credit risk concentration with respect to cash and cash equivalents and receivables is minimal.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at August 31, 2018, the Company had cash and cash equivalents of \$68,353 (2017 - \$1,542,545) to settle current liabilities of \$2,536,879 (2017 - \$942,618).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding.

### *Interest and foreign exchange risk*

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At August 31, 2018, the Company was not exposed to significant interest rate risk.

Certain of the Company's operating expenditures are denominated in United States dollars ("USD") and Indonesian Rupiah ("IDR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities. The Company is principally engaged in the exploration and development of mineral properties in Indonesia.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 12. Financial instruments (cont'd)

### *Financial assets*

The Canadian dollar equivalent of the amounts denominated in foreign currencies are as follows:

August 31, 2018	USD		IDR		Total
Cash and cash equivalents	\$	1,685	\$	1,497	\$ 3,182
Other receivables		-		93	93
	\$	1,685	\$	1,590	\$ 3,275

August 31, 2017	USD		IDR		Total
Cash and cash equivalents	\$	770,577	\$	12,809	\$ 783,386
Other receivables		915		144,184	145,099
	\$	771,492	\$	156,993	\$ 928,485

### *Financial liabilities*

The exposure of the Company's financial liabilities to currency risk is as follows:

August 31, 2018	USD		IDR		Total
Accounts payable and accrued liabilities	\$	1,112,053	\$	574,484	\$ 1,686,537

  

August 31, 2017	USD		IDR		Total
Accounts payable and accrued liabilities	\$	201,574	\$	583,103	\$ 784,677

### *Sensitivity analysis*

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables and accounts payable and accrued liabilities that are denominated in USD. As at August 31, 2018, net financial liabilities totalling \$1,265,772 (2017 – net financial assets of \$569,918) were held in USD and net financial liabilities totalling \$572,894 (2017 – \$428,110) were held in IDR.

Based on the above net exposure as at August 31, 2018 and assuming all other variables remain constant, a 1% depreciation or appreciation of the USD against the Canadian dollar would result in an increase or decrease of approximately \$12,700 (2017 - \$5,700) in the Company's loss and comprehensive loss. A 1% depreciation or appreciation of the IDR against the Canadian dollar would result in an increase or decrease of approximately \$5,700 (2017 - \$4,300) in the Company's loss and comprehensive loss.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

*(Expressed in Canadian dollars)*

Year ended August 31, 2018

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## 13. Capital management

The Company considers the items in shareholders' equity as capital. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration, and development of its exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended August 31, 2018. The Company is not subject to externally imposed capital requirements.

## 14. Supplemental disclosure with respect to cash flows

The Company's significant non-cash transactions during the year ended August 31, 2018 were as follows:

- (a) Transferred \$9,628 to share capital from reserves on the exercise of 48,124 warrants.
- (b) Included in exploration and evaluation assets is \$558,516 which relates to accounts payable and accrued liabilities.
- (c) Issued 71,400 common share purchase warrants as finders' warrants valued at \$3,357 relating to a private placement.

The Company's significant non-cash transactions during the year ended August 31, 2017 were as follows:

- (a) Included in exploration and evaluation assets is \$86,662 which relates to accounts payable and accrued liabilities.

## 15. Segmented information

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in Indonesia.

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 16. Credit facility

During the year ended August 31, 2018, the Company entered into an arrangement with Isatis Capital Group of Montreal to secure a credit facility loan for up to \$13.5 million (USD). The contemplated credit facility will be carried out by a private venture fund (the "Fund") that will make an offering to US investors (the "Lenders") of units comprising of promissory convertible notes and common shares of the Fund (the "Units"). The Fund will then loan the Company all proceeds of the Units, and that loan will be secured through a mortgage granted by the Company on the common shares the Company holds in Sangihe Gold Corporation. The Fund's Units will be gold loans, convertible to 99.9% gold bullion at LBMA price (minus 5%) after 24 months (following a minimum 12 months advanced notice), at the sole discretion of the Lenders. The Units will mature at 48 months, with 8% annual interest (calculated monthly) on the outstanding principal, and will be redeemable on or before 36 months (but before 48 months) with a 2% penalty.

## 17. Income taxes

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

	Year ended August 31, 2018	Year ended August 31, 2017
Loss for the year	\$ 2,778,434	\$ 1,508,891
Expected income tax recovery	(741,000)	(392,000)
Change in statutory, foreign tax, foreign exchange rates and other	246,000	(124,000)
Permanent difference	57,000	35,000
Share issue costs	(2,000)	(67,000)
Expiry of non-capital losses	1,531,000	974,000
Change in unrecognizable deductible temporary differences	(1,091,000)	(426,000)
Income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	Year ended August 31, 2018	Year ended August 31, 2017
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 7,351,000	\$ 7,674,000
Property and equipment	97,000	97,000
Canadian eligible capital (CEC)	141,000	141,000
Share issue costs	44,000	59,000
Non-capital losses available for future period	4,040,000	4,918,000
	11,673,000	12,889,000
Unrecognized deferred tax assets	(11,673,000)	(12,889,000)
Net deferred tax assets	\$ -	\$ -

# EAST ASIA MINERALS CORPORATION

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

Year ended August 31, 2018

## 17. Income taxes (cont'd)

	August 31, 2018	Expiry	August 31, 2017	Expiry
Non-capital loss carry-forwards - Canada	\$ 14,274,000	2032-2038	\$ 12,185,000	2032-2037
Non-capital loss carry-forwards - Indonesia	1,116,000	2019-2023	7,001,000	2018-2022
Non-capital loss carry-forwards - Hong Kong	302,000	No expiry date	-	-
Non-capital loss carry-forwards - Mongolia	-	-	1,000	2018
Exploration and evaluation assets	29,380,000	No expiry date	30,679,000	No expiry date
Property and equipment	385,000	No expiry date	385,000	No expiry date
Canadian eligible capital (CEC)	543,000	No expiry date	543,000	No expiry date
Share issue costs	171,000	2039-2042	227,000	2038-2041

Tax attributes are subject to review, and potential adjustments, by tax authorities.

## 18. Subsequent events

Subsequent to the year ended August 31, 2018, the Company:

- Completed three tranches related to the financing announced in February 2018 of 5,680,000 units for proceeds of \$284,000 and finders' fees of \$21,250 and 390,000 broker's warrants; 7,361,400 units for proceeds of \$368,070 and finders' fees of \$750 and 15,000 broker's warrants; and 4,890,000 units for proceeds of \$244,500.