WAMCO TECHNOLOGY GROUP LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

UHY McGovern Hurley LLP
Chartered Professional Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
Canada

Tel 416-496-1234
Fax 416-496-0125
Email info@uhymh.com
Web www.uhymh.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wamco Technology Group Ltd.

We have audited the accompanying financial statements of Wamco Technology Group Ltd., which comprise the statement of financial position as at December 31, 2017, and the statement of loss and comprehensive loss, statement of cash flows and statement of changes in shareholders' equity (deficiency) for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wamco Technology Group Ltd. as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matters

The financial statements of Wamco Technology Group Ltd. for the year ended December 31, 2016 were audited by other auditors who expressed an unmodified opinion on those statements on April 6, 2017.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company had continuing losses during the year ended December 31, 2017 and a cumulative deficit as at December 31, 2017. These conditions along with other matters set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

TORONTO, Canada
April 30, 2018

Wamco Technology Group Ltd.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at December 31,		2017		2016
ASSETS				
Current assets				
Cash	$	**8,586**	$	7,921
Amounts receivable (note 3)		**-**		5,513
Prepaid expenses		**-**		5,000
Total assets	$	**8,586**	$	18,434
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Trade and other payables (note 4)	$	**85,292**	$	243,940
Due to related parties (note 7)		**5,000**		7,500
Total liabilities		**90,292**		251,440
Shareholders' deficiency				
Share capital (note 5)		**3,596,922**		3,079,922
Contributed surplus (note 6)		**15,000**		15,000
Deficit		**(3,693,628)**		(3,327,928)
Total shareholders' deficiency		**(81,706)**		(233,006)
Total liabilities and shareholders' deficiency	$	**8,586**	$	18,434

Nature of operations and going concern (note 1)
Subsequent event (note 11)

Approved on behalf of the Board:

(Signed) "R. Bruce Durham", Director

(Signed) "Donald Christie" , Director

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

Wamco Technology Group Ltd.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Years Ended December 31,		**2017**		**2016**
Operating expenses				
Accounting, audit and legal (note 7)	**$**	**97,935**	$	51,337
Filing and transfer agent fees		**24,771**		6,173
General and administrative		**4,849**		638
Loss on settlement of debt		**238,145**		-
Net loss and comprehensive loss for the year	**$**	**(365,700)**	$	(58,148)
Basic and diluted loss per share	**$**	**(0.14)**	$	(0.13)
Weighted average number of common shares outstanding - basic and diluted		**2,570,910**		458,663

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

Wamco Technology Group Ltd.
Statements of Cash Flows
(Expressed in Canadian Dollars)

Years Ended December 31,	2017	2016
Operating activities		
Net loss for the year	**$ (365,700)**	$ (58,148)
Adjustments for:		
Loss on settlement of debt	**238,145**	-
Non-cash working capital items:		
Amounts receivable	**5,513**	(3,880)
Prepaid expenses	**5,000**	(5,000)
Trade and other payables	**120,207**	53,940
Due to related parties	**(2,500)**	(238,145)
Net cash provided by (used in) operating activities	**665**	(251,233)
Financing activity		
Proceeds from private placement	**-**	15,000
Net cash provided by financing activity	**-**	15,000
Net change in cash	**665**	(236,233)
Cash, beginning of year	**7,921**	6,009
Cash, end of year	**$ 8,586**	$ (230,224)

Supplemental information

Shares issued for debt settlement (note 5)	**$ 517,000**	$ -

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

Wamco Technology Group Ltd.

Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Share capital		Contributed		
	Number	Amount	surplus	Deficit	Total
Balance, December 31, 2015	**439,202**	**$ 3,064,922**	**$ 15,000**	**$ (3,269,780)**	**$ (189,858)**
Private placement (note 5)	27,273	15,000	-	-	15,000
Net loss for the year	-	-	-	(58,148)	(58,148)
Balance, December 31, 2016	**466,475**	**3,079,922**	**15,000**	**(3,327,928)**	**(233,006)**
Shares issued for debt settlement (note 5)	2,535,045	517,000	-	-	517,000
Net loss for the year	-	-	-	(365,700)	(365,700)
Balance, December 31, 2017	**3,001,520**	**$ 3,596,922**	**$ 15,000**	**$ (3,693,628)**	**$ (81,706)**

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

1. Nature of operations and going concern

Wamco Technology Group Ltd. (the "Company" or "Wamco") was incorporated under the laws of the Province of British Columbia on December 14, 1995. On September 1, 2011, the Company completed articles of amendment and continued the Company under the laws of the Province of Ontario. The Company's head office is located at 400 – 365 Bay Street, Toronto, ON, M5H 2V1. The Company's last operation was that of an online gaming website and wireless connectivity services. The business ventures were discontinued in the year ended December 31, 2003. The Company is currently seeking project opportunities. (See note 11).

As at December 31, 2017, the Company had a working capital deficiency of $81,706 (December 31, 2016 – $233,006 working capital deficiency), had not yet achieved profitable operations, had accumulated losses of $3,693,628 (December 31, 2016 - $3,327,928) and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that casts significant doubt upon the Company's ability to continue as a going concern. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company will be able to acquire sufficient funds to cover planned operations throughout the next twelve month period by securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the financial statements.

These financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on April 30, 2018.

2. Significant accounting policies

The Company's financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2017.

Basis of presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies below.

Share based payment transactions

Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

2. Significant accounting policies (continued)

Share based payment transactions (continued)

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings per share.

Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of the statement of financial position.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

Taxation (continued)

Deferred income tax (continued)
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:

- where the deferred income tax asset relating to the deductible temporary difference arises 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, associates 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.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The “treasury stock method” is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

2. Significant accounting policies (continued)

Financial assets

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

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

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's amounts receivable are classified as loans-and- receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2017 and 2016 the Company has not classified any financial assets as available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

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 method. The effective interest 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 exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's trade and other payables 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 unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income. At December 31, 2017 and 2016, the Company has not classified any financial liabilities as FVTPL.

Impairment of financial assets

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

2. Significant accounting policies (continued)

Assets carried at amortized cost
If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to amounts receivable, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale
If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

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 are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

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. Parties are also considered to be related if they are subject to common control or common significant influence, 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.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to valuation of deferred income tax amounts and share-based payments.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Recent accounting pronouncements

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The adoption of IFRS 9 will not have a material impact on the Company's financial statements.

(ii) IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

3. Amounts receivable

As at December 31,	**2017**	**2016**
Sales tax receivable - (Canada)	**$ -**	**$ 5,513**

4. Trade and other payables

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

As at December 31,	**2017**	**2016**
Less than 1 month	**$ 33,569**	**$ 38,244**
1 to 3 months	**26,017**	**4,557**
Greater than 3 months	**25,706**	**201,139**
	$ 85,292	**$ 243,940**

5. Share capital

a) Authorized – 100,000,000 Common shares without par value
10,000,000 Preferred shares without par value

b) Common shares issued

On January 24, 2017, the Company filed articles of amendment giving effect to the consolidation of its issued and outstanding common shares on a one (1) for five (5) basis. On February 7, 2018, pursuant to the Amalgamation (see note 11), the common shares in the capital of Wamco were consolidated on the basis of one (1) post-consolidation common share of Wamco for every two point two (2.2) pre-consolidation common shares of Wamco. Any reference to number of common shares have been adjusted to reflect these share consolidations.

On April 15, 2016, the Company closed a private placement for aggregate gross proceeds of $15,000 through the issuance of 27,273 common shares of the Company at a price of $0.55 per common share.

On March 16, 2017, the Company settled an aggregate of $278,855 of indebtedness owed to certain arm's length and non-arm's length creditors through the issuance of an aggregate of 2,535,045 common shares of the Company at an estimated fair value of $0.20 per common share.

A total of 2,432,318 common shares with an estimated fair value of $496,000 were issued to unrelated parties for settlement of debt and 102,727 common shares with an estimated fair value of $21,000 were issued to a related party.

6. Contributed surplus

On December 3, 2003, the Company surrendered and cancelled all 1,500,000 performance escrow shares as a result of the disposal of a subsidiary company, reducing share capital and increasing contributed surplus by $15,000.

7. Related party transactions and major shareholders

During the year ended December 31, 2017, $13,000 (2016 - $12,000) was charged for services by the Chief Financial Officer and $67,110 (2016 - $nil) was charged for legal services by a law firm holding significant holdings of the Company's common shares. As at December 31, 2017, $33,282 (2016 - $89,270) in amounts due to related parties was included in trade and other payables.

Amounts due to related parties represent amounts owing to directors for cash advances. The amounts are unsecured, bear no interest and have no specified terms of repayment. As at December 31, 2017, $5,000 (2016 - $7,500) is owing to directors for cash advances.

8. Financial instruments

Fair value

Financial instruments recorded at fair value on the statement of financial position are classified using 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 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on 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);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

8. Financial instruments (continued)

Fair value (continued)

The Company's financial instruments as at December 31, 2017 include cash, amounts receivable, trade and other payables and due to related parties. The Company records its financial instruments at their carrying amounts which approximates fair value, unless otherwise disclosed in the financial statements. The carrying amounts approximate fair values due to the short-term maturities of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Interest rate risk

The Company's cash includes bank deposits that are subject to floating interest rates. The Company's current policy is to invest excess cash in bank deposits by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and sales tax receivable included in current assets. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits and cash held in trust with the Company's legal counsel, from which, management believes the risk of loss is remote. As at December 31, 2017, the Company's receivables primarily consist of amounts due from the Canadian government. The Company's receivables are normally collected within a 30-60 day period. The Company has not experienced any collection issues to December 31, 2017. The Company is exposed to credit risk with regards to debtors refusing payment and the government denying the Company claims filed.

The Company's maximum exposure to credit risk as at December 31, 2017 is the carrying value of cash and amounts receivable.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2017, the Company had current assets of $8,586 (2016 - $18,434) compared to current liabilities of $90,292 (December 31, 2016 - $251,440). The ability of the Company to continue to pursue its activities and continue as a going concern is dependent on its ability to secure additional equity or other financing. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at December 31, 2017, the Company had a working capital deficiency of $81,706 (2016 – $233,006 working capital deficiency).

(Expressed in Canadian Dollars)

9. Capital management

The Company considers its capital to include components of equity.

The Company's objectives in managing its capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's activities; to safeguard the Company's ability to continue as a going concern in order to pursue project opportunities; to maintain a flexible capital structure for its projects for the benefit of its stakeholders; to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company considers its capital to be share capital, contributed surplus and deficit, which as at December 31, 2017 totaled a deficiency of $81,706 (2016 – $233,006 deficiency).

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to pursue project opportunities. 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 Company currently has no major sources of revenue; as such the Company is dependent on external financing to fund its activities. In order to pursue project opportunities and pay for administrative costs, the Company will continue to assess its existing working capital position and raise additional amounts as needed.

The Company's investment policy is to invest its cash in bank deposits, to ensure it is available for upcoming expenditures.

The Company expects its capital resources will be sufficient to pursue project opportunities and carry out operations through its current operating period. 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 December 31, 2017. The Company is not subject to externally imposed capital requirements.

10. Income taxes

(a) Provision for income taxes

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2017 and 2016 is as follows:

Years Ended December 31,	**2017**	**2016**
Loss before income taxes	**$ (365,700)**	$ (58,148)
Expected income tax recovery based on statutory rate 26.50% (2016 - 26.50%)	**(33,800)**	(15,400)
Adjustment to expected income tax benefit:		
Change in current and future tax rates	**-**	(30,000)
Tax benefits not recognized	**33,800**	45,400
Deferred income tax provision (recovery)	**$ -**	$ -

(Expressed in Canadian Dollars)

10. Income taxes (continued)

(b) Deferred income tax

The primary differences which give rise to deferred income tax assets at December 31, 2017 and 2016 are as follows:

As at December 31,	**2017**	**2016**
Deductible temporary differences		
Canadian exploration expenditures	**$ 302,700**	$ 302,700
Capital losses carried forward	**104,000**	104,000
Non-capital losses carried forward	**150,000**	137,900
	556,700	544,600
Tax benefits not recognized	**(556,700)**	(544,600)
Net deferred income tax assets	**$ -**	$ -

As at December 31, 2017, the Company has available for carry forward non-capital losses of $647,500 which expire as follows:

2026	$ 203,100
2027	10,500
2028	9,100
2029	18,800
2030	26,300
2031	54,800
2032	31,500
2033	25,900
2034	32,200
2035	50,100
2036	58,200
2037	127,000
	$ 647,500

11. Subsequent event

On September 26, 2017, the Company announced that it had executed a binding letter of intent ("LOI") with Generic Gold Corporation ("Generic Gold"), pursuant to which the parties agreed to complete an amalgamation whereby Wamco would acquire all of the issued and outstanding common shares of Generic Gold by way of a three-cornered amalgamation (the “Amalgamation”) between Generic Gold, Wamco and a corporation to be incorporated (being 2604935 Ontario Inc.). As a result of the Amalgamation, Generic Gold and 2604935 Ontario Inc. would amalgamate and become a wholly-owned subsidiary of Wamco.

On February 7, 2018, the common shares in the capital of Wamco were consolidated on the basis of one (1) post-consolidation common share of Wamco for every two point two (2.2) pre-consolidation common shares of Wamco. Each shareholder of Generic Gold will receive one (1) post-consolidation common share of the Resulting Issuer.

On February 20, 2018, Wamco, Generic Gold and 2604935 Ontario Inc. entered into an agreement pursuant to which Generic Gold and 2604935 Ontario Inc. completed the Amalgamation pursuant to the Business Corporations Act (Ontario). Articles of amalgamation were filed with the Ontario Ministry of Government Services on February 20, 2018 to effect the Amalgamation. The name of the amalgamated corporation is 1989670 Ontario Limited. Upon the amalgamation becoming effective, the non-dissenting shareholders of Generic Gold received one (1) common share of Wamco for each one (1) common share of Generic Gold. Additionally, 8,356,968 warrants and 620,171 finder warrants were issued to former shareholders of Generic Gold. Wamco now holds 100% of the securities of the pre-amalgamated Generic Gold through its wholly-owned subsidiary 1989670 Ontario Limited.

Concurrently, Wamco filed articles of amendment effecting its name change to “Generic Gold Corp".

On February 28, 2018, Generic Gold Corp. announced that it had received final approval to list its common shares on the Canadian Securities Exchange ("CSE"). Generic Gold Corp. began trading on the CSE on March 1, 2018 under the symbol "GGC". On March 1, 2018, Generic Gold Corp. had 36,358,365 shares outstanding of which 25,000,000 (68.8%) are held by Nevada Zinc Corporation and the Wamco shareholders owned 3,001,397 (8.2%) of Generic Gold Corp. shares.