

**DATINVEST INTERNATIONAL LTD.**

**FINANCIAL STATEMENTS**

For the Years Ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

# DATINVEST INTERNATIONAL LTD.

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## **INDEPENDENT AUDITOR'S REPORT**

To: the shareholders of Datinvest International Ltd.

I have audited the accompanying financial statements of Datinvest International Ltd. ("the Company"), which comprise the statements of financial position as at December 31, 2017 and December 31, 2016 and the statements of loss and comprehensive loss and cash flows and statements of changes in shareholders' equity for the years then ended December 31, 2017 and December 31, 2016, 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**

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and December 31, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### **Matter of Emphasis**

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Company incurred a net loss of \$125,057 during the year ended December 31, 2017 and, as of that date, had an accumulated deficit of \$3,299,648 since inception. These conditions, along with other matters as 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.

Vancouver, Canada  
April 27, 2018

**"Sam S. Mah Inc"**  
Chartered Professional Accountant

**DATINVEST INTERNATIONAL LTD.**

Statements of Financial Position

(Expressed in Canadian Dollars)

As of December 31

|  | Note | 2016             | 2016              |
|--|------|------------------|-------------------|
| <b><u>ASSETS</u></b>                               |      |                  |                   |
| <b>Current</b>                                     |      |                  |                   |
| Cash   |      | \$ 71,363        | \$ 162,841        |
| Marketable securities                              | 4    | 1,063            | 937               |
| Receivables  | 3    | 4,367            | 6,594             |
| Loan receivable                                    | 5    | -                | 35,000            |
| <b>TOTAL ASSETS</b>                                |      | <b>\$ 76,793</b> | <b>\$ 205,372</b> |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b> |      |                  |                   |
| <b>Current</b>                                     |      |                  |                   |
| Accounts payable and accrued liabilities           | 6    | \$ 18,943        | \$ 22,464         |
| Loans and borrowing                                | 7    | 12,000           | 12,000            |
| <b>TOTAL LIABILITIES</b>                           |      | <b>30,942</b>    | <b>34,464</b>     |
| <b>Shareholders' Equity</b>                        |      |                  |                   |
| Share capital                                      | 8    | 3,221,875        | 3,221,875         |
| Contributed surplus                                | 8    | 123,624          | 123,624           |
| Deficit  |      | (3,299,648)      | (3,174,591)       |
| <b>TOTAL EQUITY</b>                                |      | <b>45,851</b>    | <b>170,908</b>    |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  |      | <b>\$ 76,793</b> | <b>\$ 205,372</b> |

*Approved on behalf of the Board:**“Sean L. Davis”*

Sean L. Davis, Director

*“Kyle Stevenson”*

Kyle Stevenson, Director

The accompanying notes are an integral part of these financial statements

**DATINVEST INTERNATIONAL LTD.**  
**Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31**

|   | Note | 2017                | 2016         |
|---|------|---------------------|--------------|
| <b>Administrative Costs</b>                   |      |                     |              |
| Management fee                                | 10   | \$ -                | 45,000       |
| Consulting fee                                |      | <b>60,000</b>       | 27,000       |
| Office  | 10   | <b>210</b>          | 20,882       |
| Professional fees                             | 10   | <b>16,029</b>       | 22,013       |
| Transfer & filing fees                        |      | <b>13,560</b>       | 11,616       |
|   |      | <b>(89,799)</b>     | (126,511)    |
| <b>Other</b>                                  |      |                     |              |
| Interest income                               |      | <b>1,802</b>        | 406          |
| Unrealized gain on investments                |      | <b>126</b>          | 625          |
| Write-off of GST receivables                  |      | -                   | (22,210)     |
| Write-off of loans receivable                 | 5    | <b>(37,186)</b>     | (47,280)     |
| Net and comprehensive (loss) for the year     |      | \$ <b>(125,057)</b> | \$ (194,970) |
| Loss per share                                |      | \$ <b>(0.006)</b>   | \$ (0.010)   |
| Weighted average number of shares outstanding |      | <b>19,793,100</b>   | 19,793,100   |

The accompanying notes are an integral part of these financial statements

**DATINVEST INTERNATIONAL LTD.**Statements of Changes in Equity  
(Expressed in Canadian Dollars)

|   | Number of<br>Common<br>Shares | Share<br>Capital    | Contributed<br>Surplus | Deficit               | Total<br>Shareholders'<br>Equity |
|---|-------------------------------|---------------------|------------------------|-----------------------|----------------------------------|
| <b>Balance, December 31, 2015</b>       | <b>19,793,100</b>             | <b>\$ 3,221,875</b> | <b>\$ 123,624</b>      | <b>\$ (2,979,621)</b> | <b>\$ 365,878</b>                |
| Net and comprehensive loss for the year | -                             | -                   | -                      | (194,970)             | (194,970)                        |
| <b>Balance, December 31, 2016</b>       | <b>19,793,100</b>             | <b>3,221,875</b>    | <b>123,624</b>         | <b>(3,174,591)</b>    | <b>170,908</b>                   |
| Net and comprehensive loss for the year | -                             | -                   | -                      | (125,057)             | (125,057)                        |
| <b>Balance, December 31, 2017</b>       | <b>19,793,100</b>             | <b>\$ 3,221,875</b> | <b>\$ 123,624</b>      | <b>\$ (3,299,648)</b> | <b>\$ 45,851</b>                 |

The accompanying notes are an integral part of these financial statements

**DATINVEST INTERNATIONAL LTD.**

Statements of Cash Flows

For the Years Ended December 31

(Expressed in Canadian Dollars)

|   | <b>2016</b>      | 2015         |
|---|------------------|--------------|
| <b>Cash provided by (used in):</b>                      |                  |              |
| <b>Operating activities</b>                             |                  |              |
| Net loss for the year                                   | \$ (125,057)     | \$ (194,970) |
| Items not affecting cash:                               |                  |              |
| Unrealized gain on investments                          | (126)            | (625)        |
| Write-off of GST receivables                            | -                | 22,210       |
| Write-off of loans receivable                           | 37,186           | 47,280       |
| Changes in non-cash working capital items:              |                  |              |
| Receivables   | 40               | 3,050        |
| Loan Receivable   | -                | (35,000)     |
| Accounts payable and accrued liabilities                | (3,521)          | 9,287        |
| Net cash used in operating activities                   | <b>(91,478)</b>  | (148,768)    |
| <br>  |                  |              |
| <b>Change in cash</b>                                   | <b>(91,478)</b>  | (148,768)    |
| <br>  |                  |              |
| <b>Cash and Cash Equivalents, beginning of the year</b> | <b>162,841</b>   | 311,609      |
| <b>Cash and Cash Equivalents, ending of the year</b>    | <b>\$ 71,363</b> | \$ 162,841   |

The accompanying notes are an integral part of these financial statements

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**1. Nature of Operations and Going Concern**

**Nature of Operations**

Datinvest International Inc. (the “Company”) was incorporated under the British Columbia Company Act on May 1, 1987.

The Company was unable to meet Tier Maintenance Requirements pursuant to the policies of the Exchange and was designated as Inactive on September 28, 2001. The Company's shares are trading under the symbol DAI.H and are regulated by the NEX policies.

The address of the Company’s corporate office and principal place of business is Suite 918, 1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3.

**Going Concern**

The recoverability of carrying amounts for resource property interests and related deferred exploration and development costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying resource properties, the ability of the Company to obtain necessary financing to complete exploration and development, and achievement of future profitable production or proceeds from disposition.

The Company’s financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. Certain conditions and events cast significant doubt on the validity of this assumption. For the year ended December 31, 2017, the Company reported a net loss of \$125,057 (2016: \$194,970) and as at that date had an accumulated deficit of \$3,299,648 (2016: \$3,174,591). As of December 31, 2017, the Company has a working capital of \$45,851 (2016: \$170,908). While in the past, the Company has been successful in obtaining funding from equity financings, option agreements, loans or through other arrangements, there is no assurance that these initiatives will be successful in the future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

**2. Summary of Significant Accounting Policies**

**a) Statement of compliance**

These financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies applied in these financial statements are based on IFRS issued and outstanding as of April 27, 2018, the date the Board of Directors approved the financial statements.

**b) Basis of Presentation**

These financial statements were prepared on an accrual basis, except for cash flow, and are based on historical costs, except for certain financial instruments, which are measured at fair value.



**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies - continued**

**c) Critical Accounting Estimates, Judgments and Uncertainties**

The Company makes estimates about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

*Critical Accounting Estimates and Assumptions*

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

*Critical Accounting Judgments*

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

*Recovery of deferred tax assets*

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

**d) Functional and Presentation Currency**

The Company's functional currency is the Canadian Dollar ("CAD"). The financial statements are presented in CAD which is the Company's presentation currency, unless otherwise noted.

All amounts in these financial statements are rounded to the nearest dollar.

**e) Exploration and Evaluation Assets**

Exploration and evaluation asset expenditures are capitalized once the legal right to explore a property has been acquired. Exploration and evaluation assets are recorded at cost less accumulated impairment losses. Direct costs related to the acquisition and exploration and evaluation of exploration and evaluation assets are capitalized until the commercial viability of the asset is established, at which time the capitalized costs are reclassified to mineral properties under development. To the extent that the expenditures are spent to establish ore reserves within the rights to explore, the Company will consider those costs as intangible assets in nature. The depreciation of a capital asset in connection with exploring or evaluating a property of this nature will be included in the cost of the intangible asset.

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies - *continued***

**e) Exploration and Evaluation Assets - *continued***

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation asset expenditures incurred are deemed to be impaired. As a result, those exploration and expenditure asset costs, in excess of estimated recoveries, are written off to profit or loss.

Management reviews the facts and circumstances suggesting if the carrying amount of the exploration and evaluation assets exceeds their recoverable amount on a regular basis. If the facts and circumstances suggest the carrying value exceeds the recoverable amount, the Company will perform an impairment test on the property.

Exploration stage assets and development stage assets are considered separate cash generating units (“CGU”) for impairment testing purposes.

The amount shown for exploration and evaluation assets does not necessarily represent present or future values. Recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

**f) Income Taxes**

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

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 purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. 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 substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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.

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies - continued**

**g) Property, Plant and Equipment**

Equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the items and restoring the site on which it is located.

Depreciation is provided at rates calculated to amortize the costs of PPE less their estimated residual value, using the straight-line method over five years commencing from the year the assets are put into service.

An item of equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit and loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

**h) Decommissioning and restoration provisions**

The Company records a liability based on the best estimates of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate. Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a liability based on estimated future cash flows required to discharge the liability discounted at a risk-free rate. The restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the risk-free discount rate.

The restoration provision is also accreted to full value over time through periodic charges to profit or loss. The amount of the restoration provision initially recognized is capitalized as part of the related asset's carrying value and amortized to profit or loss. The method of amortization follows that of the underlying asset. The costs related to a restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit. A revision in estimates or a new disturbance will result in an adjustment to the liability with an offsetting adjustment to the related asset.

**i) 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 probably 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.

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies - continued**

**j) Earnings (Loss) per Share**

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

**k) Financial Instruments**

*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 profit or loss. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company has classified receivables 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 and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. At December 31, 2017, the Company has not classified any financial assets as available for sale.

Transaction 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. At December 31, 2017, 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 payable and accrued liabilities 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 profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies – continued**

**l) Share Capital**

- (i) Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments.
- (ii) Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.
- (iii) The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing price on the measurement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

**m) Share-based Payments**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. On the exercise of stock options, the applicable amounts of reserves are transferred to share capital and consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments, such as stock options and warrants, 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. Otherwise, share-based payments are measured at the fair value of the goods or services received.

**n) Cash Equivalents**

Cash equivalents are highly liquid investments, such as term deposits with major financial institutions, having a term to maturity of three months or less at acquisition, that are readily convertible to specified amounts of cash.

**o) Risk Instruments and Risk Management**

*Financial Risk Management*

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The fair values of cash, other receivables, marketable securities, loan receivables, accounts payable and accrued liabilities, and loans and borrowings; approximate their book values because of the short-term nature of these instruments.

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies – continued**

**o) Risk Instruments and Risk Management – continued**

*Financial Instrument Risk Exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its bank accounts and accounts receivable. Bank accounts are with Canadian Schedule 1 banks. Management believes that the credit risk with respect to accounts receivable is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company manages its liquidity risk through private placements.

The Company's operating cash requirements including amounts projected to complete its existing capital expenditure program are continuously monitored and adjusted as input variables change. These variables include but are not limited to commodity prices, cost overruns on capital projects and changes to government regulations relating to land tenure, allowable production and availability of markets. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

*Interest Rate Risk*

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of December 30, 2016, the Company has no interest-bearing debentures with long-term maturities and therefore does not believe that interest rate risk is significant. The Company does not use derivative instruments to reduce its interest rate risk as the Company's management believes that the likely financial impact of interest rate changes does not justify using derivatives. The only significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The Company's future interest income is exposed to short-term rates.

*Environmental Risk*

The Company is not subject to environmental risks associated with its operations.

*Commodity Price Risk*

The Company is subject to commodity price risk for the sale of gold and silver. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from the extraction of mineral products. As such, the effect of these factors on the price in future product sales, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

**DATINVEST INTERNATIONAL LTD.**  
**Notes to the Financial Statements**  
**(Expressed in Canadian Dollars)**  
**For the Years Ended December 31, 2017 and 2016**

**2. Summary of Significant Accounting Policies – continued**

**p) Recent Accounting Pronouncements**

*IFRS 9 – Financial Instruments (“IFRS 9”)*

New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, “Financial Instruments: Recognition and Measurement.” IFRS 9 has two measurement categories: 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 and loss. This standard is effective for years beginning on or after January 1, 2018. The Company is currently assessing the impact that these standards will have on the Company’s financial statements. The Company plans to adopt these standards as soon as they become effective for the Company’s reporting period.

*IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”)*

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018

*IFRS 16 – Leases (“IFRS 16”)*

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

**3. Receivables**

|   | 2017            | 2016            |
|---|-----------------|-----------------|
| Amounts due from the Government of Canada pursuant to GST/HST input tax credits | \$ 4,367        | \$ 6,209        |
| Interest receivable   | -               | 385             |
|   | <b>\$ 4,367</b> | <b>\$ 6,594</b> |

The Company qualifies for the Goods and Services Tax input tax credits which may change pursuant to an audit by the taxation authorities.

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**4. Marketable Securities**

The Company's other investments, which are classified as held-for-trading have been valued at their market prices.

| 2017            |                | 2016     |        |
|-----------------|----------------|----------|--------|
| Cost            | Market         | Cost     | Market |
| <b>\$10,000</b> | <b>\$1,063</b> | \$10,000 | \$937  |

The Company signed a Letter of Intent ("LOI") dated June 6, 2008 with Intuitive Exploration Inc. ("NTX") for the acquisition of all issued and outstanding shares of NTX, a British Columbia resource exploration company. A refundable deposit of \$25,000 was paid on October 27, 2008 to Intuitive Exploration as part of the negotiation for a reverse takeover. The Company announced on December 29, 2008 that an agreement could not be reached and that the transaction would not proceed. The deposit was secured by a promissory note. Due to the contingency on collectability of this deposit, the Company decided to write it off in year 2008.

On August 12, 2010, the Company received 250,000 shares of Orestone Mining Corp. in settlement of the \$25,000 owed by Intuitive Exploration Inc., which was acquired by Orestone on June 3, 2010. On September 18, 2012 Orestone consolidated its shares on 1 for 4 basis as a result the Company now hold 62,500 shares. The Company classifies these shares as held-for-trading and, accordingly; any unrealized gains and losses in fair value are included in net income or loss for the year.

**5. Loans Receivable**

On June 26, 2014, the Company advanced \$12,280 to Cerro Mining Corp. ("Cerro"). The amount is unsecured, bears no interest and is due on demand. On March 27, 2015 the Company advanced additional \$35,000 to Cerro, the amount is due on demand, bears no interest; the amount and all previous advances are secured by all of the assets of Cerro. At December 31, 2016, the Company wrote-off the advances of \$47,280.

On August 26, 2016, the Company entered into a promissory note agreement with Agri Leaf International Ltd. ("Agri Leaf"). The Company advanced \$15,000 to Agri Leaf, the amount bears 5% interest per annum and is due on August 26, 2017. On November 16, 2016, the Company entered into a promissory note agreement with Agri Leaf. The Company advanced \$20,000 to Agri Leaf, the amount bears 5% interest per annum and is due on November 16, 2017.

Because the promissory notes were not repaid on November 16, 2017, the Company wrote-off the promissory notes.

**6. Accounts Payable and Accrued Liabilities**

|                        | December 31, 2017 | December 31, 2016 |
|------------------------|-------------------|-------------------|
| Trade accounts payable | \$ 10,943         | \$ 14,464         |
| Accrued liabilities    | 8,000             | 8,000             |
|                        | <b>\$ 18,943</b>  | <b>\$ 22,464</b>  |

**7. Loans and Borrowings**

As at December 31, 2017, the Company owes \$12,000 (December 31, 2016: \$12,000) to certain shareholders. The loans are without interest and are due on demand. Since these loans are non-interest bearing and have no fixed terms, their carrying costs approximate the amortized costs.



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**8. Share Capital and Contributed Surplus**

Authorized: Unlimited common shares without par value

There were no shares issued during the years ended December 31, 2017 and 2016.

**Warrants**

As at December 31, 2017 and 2016, there were no warrants outstanding and unexercised.

**Options**

As at December 31, 2017 and 2016, there were no stock options outstanding and unexercised.

**9. Income Taxes**

The Company has accumulated non-capital losses for Canadian income tax purposes of approximately \$1,053,000 which expire in various years to 2037 as follows:

|      |                     |
|------|---------------------|
| 2026 | 67,000              |
| 2027 | 191,000             |
| 2028 | 132,000             |
| 2029 | 51,000              |
| 2030 | 50,000              |
| 2031 | 62,000              |
| 2032 | 72,000              |
| 2033 | 77,000              |
| 2034 | 54,000              |
| 2035 | 83,000              |
| 2036 | 126,000             |
| 2037 | 88,000              |
|      | <u>88,000</u>       |
|      | <u>\$ 1,053,000</u> |

The Company also has capital losses of approximately \$1,086,778 which may be carried forward indefinitely.

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**9. Income Taxes - continued**

The reconciliation of income tax provision at statutory rates to the reported income tax provision is as follows:

|  | 2017            | 2016         |
|--|-----------------|--------------|
|  | <b>26.0%</b>    | 26.0%        |
| Net loss for the year                                    | \$ (125,057)    | \$ (194,970) |
| Income tax benefits computed at Canadian statutory rates | <b>32,514</b>   | 17,904       |
| Unrecognized tax losses                                  | <b>(32,514)</b> | (17,904)     |
|  | \$ -            | \$ -         |

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates are as follows:

|  | 2017             | 2015       |
|--|------------------|------------|
| Future income tax assets                         |                  |            |
| Temporary differences in assets                  | \$ 700           | \$ 700     |
| Non-capital losses carried forward               | <b>274,000</b>   | 235,000    |
| Net capital losses carried forward               | <b>283,000</b>   | 283,000    |
| Cumulative resource development costs            | <b>15,000</b>    | 15,000     |
|  | <b>573,000</b>   | 533,700    |
| Valuation allowance for future income tax assets | <b>(573,000)</b> | ( 533,700) |
| Future income tax assets                         | \$ -             | \$ -       |

The conditions required to recognize potential future tax assets based on establishment of likely future profitability have not been met. Accordingly, a 100% valuation allowance has been provided.

**10. Related Party Transactions**

During the year ended December 31, 2017 the Company was charged \$Nil (December 31, 2016: \$45,000) for management fees, \$Nil (2016 - \$20,612) for rent and office and \$nil (2016: \$Nil) for accounting services by its former directors. At December 31, 2017, the Company owed \$nil to related parties (December 31, 2016 - \$Nil).

The Company incurred the following key management fees and expenses charged by its former directors of the Company for the year ended December 31, 2017 and 2016.

|                 | 2017 | 2016      |
|-----------------|------|-----------|
| Management fees | \$ - | \$ 45,000 |
| Rent            | -    | 15,663    |
| Office          | -    | 4,949     |
| Accounting      | -    | -         |
| Total           | \$ - | \$ 65,612 |

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**11. Capital Risk Management**

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, contributed surplus and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company has no business or operations and is currently reviewing new projects. As such, the Company is dependent on external financing to fund its activities. In order to pay for its operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

Management reviews its capital management approach on an ongoing basis.

**12. Fair Value Measurement**

Measurement of the fair value of financial instruments is made under a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1 - quoted prices 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).

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

At December 31, 2017, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized in the balance sheet at fair value are categorized are as follows:

|                           | <b>Level 1</b> | <b>Level 2</b> |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | \$ 71,363      |                |
| Marketable securities     | \$ 1,063       |                |

**13. Subsequent Events**

On January 5, 2018, the Company announced that it has consolidated the Company's outstanding common share capital on a ten-for-one basis; effective on January 11, 2018.

On January 31, 2018, the Company completed a private placement of 4,000,000 units at a price of \$0.125 per unit for gross proceeds of \$500,000. Each unit consists of one common share of the Company and one transferable common share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.15 for a period of twelve months. All of the securities issued under the private placement are subject to a four-month hold period. A finder's fee of \$40,000 was paid.

Subject to regulatory approval, on March 16, 2018, the Company announced it has granted a total of 500,000 incentive stock options to its directors, officers and consultants, which are exercisable for a period of 5 years

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**13. Subsequent Events - *continued***

from the date of grant at an exercise price of \$0.41 per common share in the capital of the Company. The options vest immediately upon issuance.

Of the 500,000 incentive stock options granted on March 16, 2018; 450,000 of the incentive stock options were granted to directors and officers of the Company.