

Triangle Industries Ltd.

Consolidated Financial Statements

Expressed in Canadian dollars

For the years ended December 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Triangle Industries Ltd.

We have audited the accompanying consolidated financial statements of Triangle Industries Ltd., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 Triangle Industries Ltd. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

April 20, 2018



Triangle Industries Ltd.
Consolidated Statements of Financial Position
Expressed in Canadian dollars

	Note	December 31, 2017	December 31, 2016
Assets			
Current assets			
Cash	3	\$ 325,195	\$ 352,976
Receivables		586	646
Prepaid expenses		5,838	7,151
Total assets		\$ 331,619	\$ 360,773
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 12,902	\$ 13,510
Total liabilities		12,902	13,510
Shareholders' equity			
Share capital	4	7,147,892	7,147,892
Share-based payment reserve	5	119,586	119,586
Deficit		(6,948,761)	(6,920,215)
Total shareholders' equity		318,717	347,263
Total liabilities and shareholders' equity		\$ 331,619	\$ 360,773

Basis of Presentation and Summary of Significant Accounting Policies (Note 2)
Subsequent Events (Note 8)

Approved on behalf of the Board of Directors by:

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

Triangle Industries Ltd.
Consolidated Statements of Loss and Comprehensive Loss
Expressed in Canadian dollars

	Note	Years ended December 31,	
		2017	2016
Expenses			
Office and administration		\$ 64	\$ 239
Professional fees		19,722	20,337
Transfer agent and shareholder costs		12,997	16,053
Loss from operating activities		(32,783)	(36,629)
Interest and other income		4,237	4,607
Loss and comprehensive loss for the year		\$ (28,546)	\$ (32,022)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.01)
Basic and diluted weighted average number of common shares outstanding		5,462,783	5,462,783

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

Triangle Industries Ltd.
Consolidated Statements of Changes in Shareholders' Equity
Expressed in Canadian dollars

	Share Capital		Share-based Payment Reserve	Deficit	Total Shareholder's Equity
	Number of Shares	Amount			
Balance, December 31, 2016	5,462,783	\$ 7,147,892	\$ 119,586	\$ (6,920,215)	\$ 347,263
Loss for the year	-	-	-	(28,546)	(28,546)
Balance, December 31, 2017	5,462,783	\$ 7,147,892	\$ 119,586	\$ (6,948,761)	\$ 318,717
Balance, December 31, 2015	5,462,783	\$ 7,147,892	\$ 119,586	\$ (6,888,193)	\$ 379,285
Loss for the year	-	-	-	(32,022)	(32,022)
Balance, December 31, 2016	5,462,783	\$ 7,147,892	\$ 119,586	\$ (6,920,215)	\$ 347,263

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

Triangle Industries Ltd.
Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Years ended December 31,	
	2017	2016
Cash flows from operating activities		
Loss for the year	\$ (28,546)	\$ (32,022)
Adjustments for:		
Interest income	(4,237)	(4,607)
Net change in non-cash working capital:		
Prepaid expenses	1,313	(1,077)
Accounts payable and accrued liabilities	(608)	(2,078)
Total cash outflows from operating activities	(32,078)	(39,784)
Cash flows from investing activities		
Interest received	4,297	4,663
Total cash inflows from investing activities	4,297	4,663
Decrease in cash during the year	(27,781)	(35,121)
Cash at beginning of year	352,976	388,097
Cash at the end of year	\$ 325,195	\$ 352,976

There were no non-cash financing or investing activities during the years ended December 31, 2017 and 2016.

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

1. Corporate Information

Triangle Industries Ltd. (the "Company") was incorporated on November 16, 1983 under the British Columbia Companies Act and was in the business of providing freight, reloading and warehousing services, collectively called "transloading". The Company wound up its transloading business and disposed of substantially all related assets in the year ended December 31, 2010. Management was of the opinion that Company resources could be better utilized under a new business plan designed to improve the Company's prospects and to recapture shareholder interest. The Company is actively seeking opportunities to acquire or participate in new assets or businesses.

On April 4, 2018, the Company's registered address changed to 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada (formerly Suite 409, 221 West Esplanade, North Vancouver, British Columbia, Canada).

On April 10, 2018, the Company completed a share consolidation on the basis of one new share for each two and a half old shares. The Company trades on the NEX board of the TSX Venture Exchange ("TSX-V"). Upon approval from the TSX-V, the Company began trading on a consolidated basis on April 11, 2018, under the symbol "TLD.H" (formerly "TIA.H"). Accordingly, all current and comparative share capital amounts within these consolidated financial statements have been retroactively restated to adjust for the share consolidation.

The Company incurred a net loss of \$28,546 during the year ended December 31, 2017 (2016 - \$32,022), and as of this date the Company's accumulated deficit is \$6,948,761 (2016 - \$6,920,215).

These consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on April 20, 2018.

2. Basis of Presentation and Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

l) Basis of Presentation and Measurement

a) Statement of Compliance

These audited consolidated financial statements for the year ended December 31, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 2(II). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

c) Continuation of Operations

The Company's corporate objective is to identify, evaluate and negotiate an acquisition of a participation in or an interest in properties, assets or businesses.

Management estimates that the Company has sufficient resources for the next 12 months to meet its on-going operating and regulatory obligations and to pay its existing obligations, and has sufficient funding to fulfil its corporate objective.

It is expected that additional funding in the future will come from an equity issuance, but there is no assurance that the Company will be able to raise adequate financing or to develop a profitable business. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue its existence.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company's policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in Note 2(IV).

II) Significant Accounting Policies

a) Basis of Consolidation

These consolidated financial statements combine the results and financial position of the Company and entities over which it exercises control. Although virtually inactive since 2011, the Company's wholly-owned subsidiaries are as follows:

Subsidiary	Jurisdiction	Nature of Operation	Equity Interest December 31,	
			2017	2016
Bridges Reload Inc.	BC, Canada	Holding	100%	100%
Burnaby Distribution Centers Inc.	BC, Canada	Holding	100%	100%
Triangle Asset Management Ltd.	BC, Canada	Holding	100%	100%

The financial statements of these subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceases. All intercompany balances and transactions have been eliminated.

b) Cash

Cash includes cash on hand and other short-term investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

c) Financial Instruments

Financial Assets

Financial assets are classified into one of the following categories depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. The Company's accounting policy for each category is as follows:

(i) Fair Value Through Profit or Loss ("FVTPL")

This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

(ii) Loans and Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

(iii) Available-For-Sale Investments ("AFS")

Non-derivative financial assets not included in the above categories are classified as AFS. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an AFS financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss.

Impairment on Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset could be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in the statement of loss and comprehensive loss.

Financial Liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liabilities were acquired. The Company's accounting policy for each category is as follows:

(i) Fair Value Through Profit or Loss ("FVTPL")

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

(ii) Other Financial Liabilities

These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument. Subsequent to recognition, these liabilities are carried at amortized cost using the effective interest rate method, which ensures that any interest expenses over the period to repayment is at a constant rate on the balance of the liability in the statement of financial position.

The Company has classified its cash as FVTPL. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other financial liabilities.

d) Income Taxes

Income tax expense is comprised of current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable with respect of previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of loss and comprehensive loss in the period that substantive enactment occurs.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

e) Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares or share options are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Share capital is reduced by the average per-common-share carrying amount, with the difference between this amount and the consideration paid, added to or deducted from the share-based payment reserve.

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 are classified as equity instruments.

The Company has adopted a 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 Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded in reserves.

f) (Loss) Earnings Per Share

Basic (loss) earnings per share is computed by dividing the net (loss) earnings by the weighted average number of common shares outstanding during the period, which excludes shares held in escrow.

Diluted (loss) earnings per share is computed by dividing the loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. In periods that the Company reports a net loss, stock options are excluded from the calculation of diluted loss per share as their inclusion would be anti-dilutive. For the years presented, this calculation proved to be anti-dilutive.

g) Share-based Payments

The stock option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that have vested.

Where stock options are exercised, the cash proceeds along with the amount previously recorded as share-based payment reserves are recorded as share capital.

III) Accounting Standards Not Yet Adopted

The following IFRS standards are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these consolidated financial statements.

- IFRS 9 Financial Instruments is effective for years commencing on or after January 1, 2018, and will replace IAS 39, Financial Instruments: Recognition and Measurement. Under IFRS 9, financial assets will be classified and measured based on the business model in which they are held and the characteristics of the associated contractual cash flows. IFRS 9 also includes a new general hedge accounting standard which will better align hedge accounting with risk management. The Company intends to adopt IFRS 9 in its consolidated financial statements for the year commencing January 1, 2018.
- IFRS 15 Revenue from Contracts with Customers is effective for years commencing on or after January 1, 2018, and will replace IAS 18, Revenue, IAS 11, Construction Contracts, and several revenue related interpretations. IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers, except insurance contracts, financial instruments, and lease contracts, which fall in the scope of other IFRSs. The Company intends to adopt IFRS 15 in its consolidated financial statements for the year commencing January 1, 2018.
- IFRS 16 Leases is effective for years commencing on or after January 1, 2019, and will replace IAS 17, Leases. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value, while lessor accounting remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained. The Company intends to adopt IFRS 16 in its consolidated financial statements for the year commencing January 1, 2019.

The eventual application of these standards is not expected to have a significant impact on the Company's existing accounting policies or financial statement presentation, other than increased disclosure.

IV) Critical Accounting Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and certain disclosures reported in these consolidated financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions are recognized in the period in which the estimates are revised and in future periods affected.

Areas where critical accounting estimates and assumptions have the most significant effect on the amounts recognized in these consolidated financial statements include the following:

a) Recovery of Deferred Tax Assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its deferred tax assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

b) Share-based Payments

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

3. Cash

Cash is comprised of the following:

	December 31, 2017	December 31, 2016
Cash	\$ 5,195	\$ 2,976
Term deposit	320,000	350,000
	\$ 325,195	\$ 352,976

The term deposit can be redeemed at any time without penalty.

4. Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. There were no shares issued from December 31, 2015 to December 31, 2017.

5. Share-Based Payments

Stock Option Plan Details

The Company adopted an incentive stock option plan in 2008 ("the 2008 Plan"), which allows the Company's Board of Directors, at its discretion and in accordance with the TSX-V requirements, to grant non-transferable options for the purchase of common shares to its directors, officers, employees, consultants, or service providers of the Company. Under the 2008 Plan, the maximum number of common shares which may be eligible for issuance at any one time, including shares issuable upon exercise of options outstanding is 2,731,391 common shares. Furthermore, the maximum number of common shares which may be granted to a participant under the 2008 Plan shall not exceed 5% of its issued and outstanding common shares on a non-diluted basis.

The terms of the 2008 Plan provide that the Board of Directors with the right to grant options, to acquire common shares of the Company, at not less than the closing market price of the shares at the time of granting the option. The options can be granted for a maximum term of 5 years. Options granted under the terms of the 2008 Plan vest at the discretion of the Board of Directors.

On September 7, 2012, when the Company's listing moved to the NEX board of the TSX-V, a further compliance limit was imposed on stock option grants. During any 12-month period, the maximum number of options that may be reserved for issuance or issued is limited to 10% of the issued and outstanding securities.

The following table is a reconciliation of outstanding and exercisable stock options from December 31, 2015 to December 31, 2017:

	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Fair Value (\$)
Outstanding – December 31, 2017, 2016 and 2015	420,000	\$ 0.125	\$ 0.01

The following table summarizes the share options outstanding and exercisable at December 31, 2017:

Exercise Price	Number of Share Options Vested and Exercisable	Weighted Average Remaining Contractual Life	Expiry Date
\$ 0.125	420,000	2.88 years	November 15, 2020

6. Income Taxes

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

	2017	2016
Net loss before income taxes	\$ (28,546)	\$ (32,022)
Expected income tax recovery	(7,000)	(8,000)
Change in statutory, foreign tax, foreign exchange rates and other	(22,000)	-
Change in unrecognized deductible temporary differences	29,000	8,000
Deferred income tax recovery	\$ -	\$ -

Significant components of the Company's deferred tax assets are as follows:

	2017	2016
Deferred tax assets:		
Allowable capital losses	\$ 85,000	\$ 82,000
Non-capital losses	438,000	414,000
Capital assets	64,000	62,000
Net unrecorded deferred tax assets	\$ 587,000	\$ 558,000

The significant components of the Company's deductible and taxable temporary differences and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	As of December 31,			
	2017	Expiry Dates	2016	Expiry Dates
Capital losses	\$ 315,000	Not applicable	\$ 315,000	Not applicable
Non-capital losses	1,622,000	2029 to 2037	1,594,000	2029 to 2036
Capital assets	238,000	Not applicable	238,000	Not applicable

7. Financial Instruments, Capital Management and Risk Management

I) Financial Instruments

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities.

Determination of Fair Value

The carrying value of cash, receivables, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Fair Value Measurement Hierarchy	FVTPL	Loans and Receivables	Other Financial Liabilities
As at December 31, 2017:				
Cash	Level 1	\$ 325,195	\$ -	\$ -
Receivables	Not applicable	-	586	-
Accounts payable and accrued liabilities	Not applicable	-	-	(12,902)
As at December 31, 2016:				
Cash	Level 1	\$ 352,976	\$ -	\$ -
Receivables	Not applicable	-	646	-
Accounts payable and accrued liabilities	Not applicable	-	-	(13,510)

Fair Value Hierarchy

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

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

Level 2 - inputs other than quoted prices included within 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).

II) Capital Management

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to seek new investment opportunities for the benefit of its shareholders. The Company includes shareholders' equity in the definition of capital.

The Company sets the amount of capital required in proportion to its operating requirements and perceived risk of loss. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically relied on the equity markets to fund its activities and is open to new sources of financing to manage its expenditures in the interest of sustaining long-term viability. The Company's capital management objectives, policies and processes have not changed over the years presented.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

III) Risk Management

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

a) 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 and arises principally from the Company's cash and receivables. The Company's credit exposure is limited to the carrying amount of its financial assets.

The Company's cash is held with a high-credit-rated financial institution and, as such, the Company does not believe there to be a significant credit risk.

b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and a foreign currency will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuations.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Its interest rate risk is limited to potential decreases on the interest rate offered for cash held with chartered Canadian financial institutions. The Company considers the risk to be immaterial.

(iii) Commodity price risk

Commodity risk is the exposure to fluctuations in the market price of commodities. The Company does not have any commodity exposure.

(iv) Equity price risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company does not have any equity investments.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The key success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company's policy is to ensure that it will have sufficient cash to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

	Up to 3 months	3 to 12 months	1 to 2 years	Over 2 years	Total
Accounts payable and other liabilities:					
December 31, 2017	\$ 4,762	\$ 8,140	\$ -	\$ -	\$ 12,902
December 31, 2016	12,510	1,000	-	-	13,510

8. Subsequent Events

On March 2, 2018, the Company completed the sale of 50,000,000 non-transferable subscription receipts (the "Subscription Receipts") at a price of \$0.02 per Subscription Receipt for gross proceeds of \$1,000,000. Each Subscription Receipt is conditionally exchangeable for one unit consisting of one common share and one warrant. Each warrant is exercisable to acquire a further common share at a price of \$0.05 per share for a period of 12 months (the "Offering").

Under the Subscription Receipt Agreement, the proceeds are to be released to the Company upon:

- i) shareholder approval of the Offering;
- ii) completion of the consolidation of the Company's issued and outstanding shares on the basis of one new share for each two and a half old shares (the "Consolidation"); and,
- iii) receipt of all necessary regulatory approvals.

Officers and Directors of the Company participated in the sale of Subscription Receipts by purchasing 1,000,000 units for total gross proceeds to the Company of \$20,000.

On April 10, 2018, the proceeds from the sale of Subscription Receipts was received by the Company after having completed the Consolidation and after having obtained shareholder and regulatory approvals.