



MAXTECH VENTURES INC.

**Interim Condensed
Consolidated Financial Statements**

**For the Nine Months Ended
April 30, 2018**

(expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Maxtech Ventures Inc.

Interim Condensed Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	April 30, 2018	July 31, 2017
	\$	\$
Assets		
Current Assets		
Cash	306,634	101,780
Sales tax receivable	839	-
Prepayments	5,857	8,400
Marketable securities (Note 4)	-	-
	313,330	110,180
Exploration and evaluation assets (Note 7)	334,631	200,160
Total	647,961	310,340
Liabilities and Shareholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5)	81,872	143,004
	81,872	143,004
Shareholders' Equity		
Share capital (Note 8)	10,670,802	9,037,500
Shares to be issued (Note 8)	-	99,984
Reserves (Note 8)	7,119,713	6,409,713
Deficit	(17,224,426)	(15,379,861)
Total Shareholders' Equity (Deficiency)	566,089	167,336
Total Liabilities and Shareholders' Equity (Deficiency)	647,961	310,340

Nature of operations and going concern (Note 1)

Commitments (Note 13)

"Peter Wilson"

Director

"Eugene Hodgson"

Director

See accompanying notes to the interim consolidated financial statements

Maxtech Ventures Inc.
Interim Condensed Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	For the three months		For the nine months	
	April 30, 2018	April 30, 2017	April 30, 2018	April 30, 2017
	\$	\$		
Expenses				
Business development	30,000	-	30,000	-
Consulting (Note 9)	352,414	81,366	488,789	129,966
Public relations and advertising	353,736	156,299	510,232	156,299
Office facilities and administration (Note 9)	17,802	32,608	36,189	44,341
Professional fees (Note 9)	-	41,709	4,000	47,598
Property investigation - Zambia	7,899	25,508	40,080	54,184
Stock-based compensation (Note 8)	-	948,561	710,000	948,560
Transfer agent and listing fees	7,992	6,873	25,275	15,665
Loss before the following	(769,843)	(1,317,524)	(1,844,565)	(1,396,613)
Gain (loss) on marketable securities (Note 4)	-	-	-	(5,070)
Fair value adjustment - marketable securities	-	5,000	-	5,000
Recovery of note receivable previously written off (Note 6)	-	-	-	56,000
Loss for the year	(769,843)	(1,312,524)	(1,844,565)	(1,340,683)
Other comprehensive income:				
Reclassification to net loss - marketable securities	-	-	-	-
Translation loss reclassified to net loss	-	-	-	-
Comprehensive income (loss)	(769,843)	(1,312,524)	(1,844,565)	(1,340,683)
Basic and diluted loss per share	(0.01)	(0.03)	(0.04)	(0.03)
Weighted average number of common shares outstanding	53,098,591	45,762,535	51,124,711	45,705,741

See accompanying notes to the interim consolidated financial statements

MAXTECH VENTURES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the nine months ended April 30

	2018	2017
	\$	\$
Operating activities		
Net income (loss) for the period	(1,844,565)	(1,340,683)
Stock-based compensation	710,000	948,561
Loss (gain) on marketable securities	-	5,070
Unrealized loss on marketable securities	-	(5,000)
Changes in non-cash operating working capital		
Other receivables	7,561	(2,120)
Prepayments	(5,857)	-
Accounts payable and accrued liabilities	(46,116)	(55,572)
Cash used in operating activities	(1,178,977)	(449,744)
Investing activities		
Exploration and evaluation expenditures	(134,471)	(120,160)
Proceeds realized on disposition of marketable securities	-	44,930
Cash provided by (used in) investing activities	(134,471)	(75,230)
Financing activities		
Promissory notes issued	-	-
Promissory notes repaid	-	-
Exercise of options	45,000	-
Exercise of warrants	521,250	-
Proceeds from private placement, net	952,110	627,500
Share issuance cost	(58)	-
Cash provided by financing activities	1,518,302	627,500
Increase in cash	204,854	102,526
Cash, beginning of period	101,780	8,863
Cash, end of period	306,634	111,389

See accompanying notes to the interim consolidated financial statements

Maxtech Ventures Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

	Share capital		Obligation to issue shares	Foreign translation reserve	Reserves		Deficit	Total
	Number	Amount			Share-based payment reserve	Investment revaluation reserve		
		\$	\$	\$	\$	\$	\$	\$
Balance, July 31, 2016	45,648,948	8,330,000	-	-	5,349,127	5,000	(13,713,895)	(29,768)
Fair value adjustment of marketable securities	-	-	-	-	-	(5,000)	-	(5,000)
Stock options granted	-	-	-	-	948,561	-	-	948,561
Private placement	3,137,500	627,500	-	-	-	-	-	627,500
Net income (loss)	-	-	-	-	-	-	(1,340,683)	(1,340,683)
Balance, April 30, 2017	48,786,448	8,957,500	-	-	6,297,688	-	(15,054,578)	200,610
Balance, July 31, 2017	49,186,448	9,037,500	99,984	-	6,490,713	-	(15,379,861)	167,336
Private placement	3,206,030	1,052,110	(99,984)	-	-	-	-	952,126
Share issuance cost	-	(58)	-	-	-	-	-	(58)
Proceeds from warrant exercises	1,737,500	521,250	-	-	-	-	-	521,250
Proceeds from option exercises	150,000	45,000	-	-	-	-	-	45,000
Shares granted for services	34,884	15,000	-	-	-	-	-	15,000
Stock-based compensation	-	-	-	-	710,000	-	-	710,000
Net Loss	-	-	-	-	-	-	(1,844,565)	(1,844,565)
Balance, April 30, 2018	54,314,862	10,670,802	-	-	7,119,713	-	(17,224,426)	566,089

See accompanying notes to the interim consolidated financial statements

Maxtech Ventures Inc.
Notes to the interim consolidated financial statements
For the Nine Months Ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Maxtech Ventures Inc. (the “Company” or “Maxtech”) was incorporated on April 19, 2000 under the laws of the province of British Columbia, Canada. The Company’s shares are traded on the Canadian Securities Exchange (the “CSE”) under the symbol “MVT”. The Company is in the business of exploration and evaluation of mineral property interests in Brazil.

The head office, principal address and records office of the Company are located at 702 – 595 Howe Street, Vancouver, B.C. V6C 2T5.

These interim condensed consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at April 30, 2018, the Company is not able to finance day to day activities through operations and had recurring losses since inception. The Company’s continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with the private placements of common shares.

2. STATEMENT OF COMPLIANCE

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, they do not include all of the information and disclosures required by International Financial Reporting Standards (“IFRS”) for annual consolidated statements. These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on June 28, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These interim condensed consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for financial instruments measured at their fair value. The consolidated financial statements are presented in Canadian dollars, unless otherwise noted.

Consolidation

These consolidated financial statements for the period ended April 30, 2018, include the accounts of the Company and its controlled subsidiaries:

Name	Status	Ownership	Place of incorporation
Emerging Minerals Corp. (“Emerging Minerals”)	Inactive	53%	B.C., Canada
Eotheme International Ltd (“Eotheme”)	Inactive	100%	Wyoming, USA

As at April 30, 2018, the subsidiaries remain inactive.

Maxtech Ventures Inc.
Notes to the interim consolidated financial statements
For the Nine Months Ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation (continued)

All intercompany balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentational currency. The functional currency of MRPL was the Indian Rupee, the functional currency of Emerging Minerals is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and similar instruments outstanding that may add to the total number of common shares.

Share-based payments

The Company grants stock options to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Maxtech Ventures Inc.
Notes to the interim consolidated financial statements
For the Nine Months Ended April 30, 2018 and 2017
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Fair value through profit or loss ("FVTPL") - Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. They are subsequently measured at fair value with changes in fair value recognized in profit or loss. The Company has designated its cash to be FVTPL.

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 subsequently measured at amortized cost using the effective interest method less any provision for impairment. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company intends to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not hold any held-to-maturity financial assets.

Available-for-sale - These consist of non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets. The Company designates its marketable securities as available-for-sale.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company's non-derivative financial liabilities consist of trade payables. Non-derivative financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. The Company does not have any derivative financial assets and liabilities.

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current tax:

Current tax assets and liabilities for the current period 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, at the reporting date, in the countries where the Company operates and generates taxable income.

Current tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred 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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- carrying value of exploration and evaluation asset; and
- the determination of the functional currency of the parent company and its subsidiaries.

Maxtech Ventures Inc.
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after July 31, 2017 or later periods.

These new 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 consolidated financial statements.

4. MARKETABLE SECURITIES

During the year ended July 31, 2017, the Company disposed of its marketable securities and recorded a loss of \$5,070 on the disposition and received proceeds of \$44,930.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2018	July 31, 2017
	\$	\$
Trade payables	71,872	133,004
Accrued liabilities	10,000	10,000
	81,872	143,004

6. NOTES RECEIVABLE

Chimata Gold Corp. ("Chimata"), a former subsidiary of the Company, owed the company \$56,000. During the year ended July 31, 2015, management determined the amount was uncollectible and recognized an impairment of \$56,000. During the year ended July 31, 2017, the Company received payment in full. As a result, a recovery of \$56,000 has been recorded.

During the year ended July 31, 2017, the Company issued promissory notes for \$70,676. The promissory notes were repaid in full during the year ended July 31, 2017.

7. EXPLORATION AND EVALUATION EXPENDITURES

Mato Grosse Brazil Project

During the year ended July 31, 2017, the Company acquired 4 mineral claims in Brazil. The terms of the acquisition include payment of US\$10,000 and the issuance of 400,000 common shares of the Company. The shares had a fair value of \$80,000 based on the Company's most recently completed private placement.

	Mato Grosse Brazil
Balance, July 31, 2016	\$ -
Acquisition	90,000
Consulting	60,000
Geologist	28,820
Travel	22,000
Balance, July 31, 2017	200,160
Administration	72,858
Geologist	61,613
Balance, April 30, 2018	334,631

Maxtech Ventures Inc.
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8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

Nine Months Ended April 30, 2018

On September 22, 2017, the Company closed a private placement for 700,000 units for proceeds of \$175,000. Each unit comprised one common share and one share purchase warrant exercisable for two years from date of closing at an exercise of \$0.30 for two years from date of grant.

On November 17, 2017, 500,000 warrants were exercised for \$0.30 per share. On December 4, 2017, 650,000 warrants were exercised for \$0.30 per share. On December 20, 2017, 300,000 warrants were exercised for \$0.30 per share.

On January 15, 2018, the Company issued 34,884 shares to firm engaged to provide capital markets consulting services (Note 12).

On February 26, 2018, 187,500 warrants were exercised for \$0.30 per share. On March 5, 2018, 100,000 warrants were exercised for \$0.30 per share.

On March 9, 2018, the Company closed a private placement for 2,506,030 units for proceeds of \$877,110. Each unit comprised one common share and one share purchase warrant exercisable for two years from date of closing at an exercise of \$0.45 for two years from date of grant.

On March 21, 2018, 150,000 options were exercised for \$0.30 per share.

Year Ended July 31, 2017

During the year ended July 31, 2017, the Company closed a private placement for 3,137,500 units for proceeds of \$727,500. Each unit comprised one common share and one share purchase warrant exercisable for two years from date of closing at an exercise of \$0.30 for the first year and \$0.40 for the second year thereafter.

On May 8, 2017, the Company issued 400,000 shares with a fair value of \$80,000. In connection with the Mato Grosse Brazil Project (Note 7).

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the outstanding shares. Options granted under the Plan may have a maximum term of 5 years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the CSE on the trading day immediately before the date of grant, less the discount permitted. The options vest at the discretion of the Board of Directors.

Maxtech Ventures Inc.
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For the Nine Months Ended April 30, 2018 and 2017
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8. SHARE CAPITAL (continued)

For the Period Ended April 30, 2018

In the November 8, 2017, the Company issued 3,000,000 share purchase options to officers and directors of the Company. These options entitle the holder to purchase one share for \$0.30 for five years from the date of grant. These options issued had a fair value of \$710,000 using the Black Scholes model with the following inputs: i) exercise price: \$0.30; ii) share price: \$0.55; iii) term: 5 years; iv) volatility: 111%; v) discount rate: 0.6624%.

For the Year Ended July 31, 2017

In the March 3, 2017, the Company issued 1,500,000 share purchase options to officers and directors of the Company. These options entitle the holder to purchase one share for \$0.47 for five years from the date of grant. These options issued had a fair value of \$516,421 using the Black Scholes model with the following inputs: i) exercise price: \$0.47; ii) share price: \$0.44; iii) term: 5 years; iv) volatility: 149%; v) discount rate: 1.17%.

In the March 16, 2017, the Company issued 1,000,000 share purchase options to officers and directors of the Company. These options entitle the holder to purchase one share for \$0.57 for five years from the date of grant. These options issued had a fair value of \$463,296 using the Black Scholes model with the following inputs: i) exercise price: \$0.57; ii) share price: \$0.55; iii) term: 5 years; iv) volatility: 148%; v) discount rate: 1.24%.

	Options outstanding and exercisable	Weighted average exercise price \$	Weighted average expiry
Opening – August 1, 2016, 2015	-	-	
Granted	2,500,000	0.51	-
Outstanding – July 31, 2017	2,500,000	0.51	4.35
Granted	3,000,000	0.30	-
Exercised	(150,000)	0.30	-
Outstanding – April 30, 2018	5,350,000	0.40	4.22

Share purchase warrants

	Warrants outstanding and exercisable	Weighted average exercise price \$	Weighted average life remaining
Opening – July 31, 2016, 2015	-	-	
Issued	3,137,500	0.30	1.6 years
Outstanding – July 31, 2017	3,137,500	0.30	1.6 years
Issued	3,406,512	0.41	-
Exercised	(1,737,500)	0.30	-
Outstanding – April 30, 2018	4,806,512	0.38	1.46 years

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Investment revaluation reserve

The investment revaluation reserve records unrealized gain or loss arising on change in the fair value of

Maxtech Ventures Inc.
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available-for-sale financial assets.

9. RELATED PARTY TRANSACTIONS

Transactions with key management and directors

The Company paid \$222,544 in fees for consulting services, and reimbursement for travel, administration, property exploration costs and subcontractors, to a company controlled by the CEO (2017: \$nil). As at April 30, 2018, \$Nil is included in accounts payable (2017: \$12,254).

The Company paid \$8,500 to a private company controlled by the CFO of the Company for accounting and administrative services (2017: \$nil).

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	April 30, 2018	July 31, 2017
	\$	\$
Fair value through profit and loss:		
Cash	306,634	101,780
Available-for-sale financial assets:		
Marketable securities	-	-
	<u>306,634</u>	<u>101,780</u>

Financial liabilities included in the statement of financial position are as follows:

	April 30, 2018	July 31, 2017
	\$	\$
Non-derivative financial liabilities:		
Trade payables	81,872	143,004
Notes payable	-	-
	<u>81,872</u>	<u>143,004</u>

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount as at April 30, 2018 and July 31, 2017 due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and marketable securities are recorded at fair value based on level 1 inputs.

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11. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to sustain future development of the business. The capital structure of the Company consists of cash, marketable securities, and common shares as capital.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

12. COMMITMENTS

Operating leases

The Company has the following operating lease commitments. The operating lease expires in 2020.

Year	Operating lease	
2018	\$	19,488
2019		19,488
2020		16,240
Total	\$	55,216

Consulting agreement

On November 10, 2017, the Company entered into an agreement with a party consulting firm (the "Agreement") to provide capital markets advisory services. The Company is obligated to pay \$30,000 to the firm in equivalent Company shares valued at the closing price of the shares on the trading day of the closing of the Agreement. The fee is payable in equal blocs of shares of the Company payable on the date of closing of the Agreement and three months from closing of the Agreement.

13. SUBSEQUENT EVENTS

None noted.