



MAXTECH VENTURES INC.

Consolidated Financial Statements

For the Year Ended July 31, 2018 and 2017

(expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Maxtech Ventures Inc.

We have audited the accompanying consolidated financial statements of Maxtech Ventures Inc., which comprise the consolidated statements of financial position as at July 31, 2018 and 2017, and the consolidated statements of comprehensive loss, cash flows, and changes in shareholders' equity (deficiency) 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.

Auditor's 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 auditor's 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, the consolidated financial statements present fairly, in all material respects, the financial position of Maxtech Ventures Inc. as at July 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Maxtech Ventures Inc.'s ability to continue as a going concern.

A handwritten signature in black ink that reads 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
November 28, 2018

Maxtech Ventures Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	July 31, 2018	July 31, 2017
	\$	\$
Assets		
Current Assets		
Cash	135,242	101,780
Prepayments	30,217	8,400
Marketable securities (Note 4)	-	-
	165,459	110,180
Exploration and evaluation assets (Note 7)	434,811	200,160
Total	600,270	310,340
Liabilities and Shareholders' Equity (Deficiency)		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5)	333,689	143,004
	333,689	143,004
Shareholders' Equity		
Share capital (Note 8)	10,670,860	9,037,500
Shares to be issued (Note 8)	-	99,984
Reserves (Note 8)	7,519,713	6,409,713
Deficit	(17,923,992)	(15,379,861)
Total Shareholders' Equity (Deficiency)	266,581	167,336
Total Liabilities and Shareholders' Equity (Deficiency)	600,270	310,340

Nature of operations and going concern (Note 1)

Commitments (Note 12)

Subsequent events (Note 14)

"Peter Wilson"
Director

"Eugene Hodgson"
Director

See accompanying notes to the consolidated financial statements

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

	For the years ended	
	July 31, 2018	July 31, 2017
	\$	\$
Expenses		
Business development (Note 9)	30,000	-
Consulting and management fees (Note 9)	662,664	156,283
Office facilities and administration (Note 9)	143,090	93,278
Professional fees (Note 9)	27,536	99,624
Property investigation	40,080	130,249
Public relations and advertising	499,293	156,300
Stock-based compensation (Note 8 and 9)	1,110,000	1,060,586
Transfer agent and listing fees	31,468	25,576
Loss before the following	(2,544,131)	(1,721,896)
Loss on marketable securities (Note 4)	-	(70)
Recovery of note receivable (Note 6)	-	56,000
Loss for the year	(2,544,131)	(1,665,966)
Other comprehensive income:		
Reclassification to net loss - marketable securities (Note 4)	-	(5,000)
Comprehensive loss	(2,544,131)	(1,670,966)
Basic and diluted loss per share	(0.05)	(0.04)
Weighted average number of common shares outstanding	51,926,319	47,290,969

See accompanying notes to the consolidated financial statements

MAXTECH VENTURES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended	
	July 31, 2018	July 31, 2017
	\$	\$
Operating activities		
Net loss for the year	(2,544,131)	(1,665,966)
Stock-based compensation	1,110,000	1,060,586
Loss on marketable securities	-	70
Shares granted for services	15,000	-
Changes in non-cash operating working capital		
Other receivables	-	1,643
Prepayments	(21,817)	(8,400)
Accounts payable and accrued liabilities	190,685	52,730
Cash used in operating activities	(1,250,263)	(559,337)
Investing activities		
Exploration and evaluation expenditures	(234,651)	(120,160)
Proceeds realized on disposition of marketable securities	-	44,930
Cash used in investing activities	(234,651)	(75,230)
Financing activities		
Promissory notes issued	-	70,676
Promissory notes repaid	-	(70,676)
Exercise of options	45,000	99,984
Exercise of warrants	521,250	-
Proceeds from private placement, net	952,126	627,500
Cash provided by financing activities	1,518,376	727,484
Increase in cash	33,462	92,917
Cash, beginning of year	101,780	8,863
Cash, end of year	135,242	101,780

See accompanying notes to the consolidated financial statements

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

	Share capital		Reserves			Deficit	Total
	Number	Amount	Obligation to issue shares	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)
Disposal of marketable securities	–	–	–	–	(5,000)	–	(5,000)
Stock options granted	–	–	–	1,060,586	–	–	1,060,586
Acquisition of property	400,000	80,000	–	–	–	–	80,000
Private placements	3,137,500	627,500	99,984	–	–	–	727,484
Net Loss	–	–	–	–	–	(1,665,966)	(1,665,966)
Balance, July 31, 2017	49,186,448	9,037,500	99,984	6,409,713	–	(15,379,861)	167,336
Balance, July 31, 2017	49,186,448	9,037,500	99,984	6,409,713	–	(15,379,861)	167,336
Private placements	3,206,030	1,052,110	(99,984)	–	–	–	952,126
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 options granted	–	–	–	1,110,000	–	–	1,110,000
Net Loss	–	–	–	–	–	(2,544,131)	(2,544,131)
Balance, July 31, 2018	54,314,862	10,670,860	–	7,519,713	–	(17,923,992)	266,581

See accompanying notes to the consolidated financial statements

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 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 and Zambia.

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

These 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 July 31, 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 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

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

These consolidated financial statements were approved and authorized by the Board of Directors on November 28, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These 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 year ended July 31, 2018, include the accounts of the Company and its controlled subsidiaries:

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

*As at July 31, 2018, these subsidiaries remain inactive.

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 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.

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 consolidated financial statements
For the year ended July 31, 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 does not hold any available-for-sale financial assets.

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.

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

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;
- the determination of the functional currency of the parent company and its subsidiaries; and
- measurement of share based transactions.

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS Standard, Amendments and Interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations. No new or revised standards or amendments are expected to have any significant impact to the Company's financial statements.

New Standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

New Standard IFRS 16 "Leases"

IFRS 16, Leases, new standard contains a single lessee accounting model, eliminating the distinction between operating and financing leases from the perspective of the lessee. The accounting requirements from the perspective of the lessor remains largely in line with previous IAS 17 requirements, effective for annual 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.

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

	July 31, 2018	July 31, 2017
	\$	\$
Trade payables	321,689	133,004
Accrued liabilities	12,000	10,000
	333,689	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.

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION EXPENDITURES

	Mato Grosso Brazil	Bahia Brazil Project	Zambia Project	Total
	\$	\$	\$	\$
Balance, July 31, 2016	-	-	-	
Acquisition	90,000	-	-	90,000
Consulting	59,340	-	-	59,340
Geologist	28,820	-	-	28,820
Travel	22,000	-	-	22,000
Balance, July 31, 2017	200,160	-	-	200,160
Acquisition	-	676	-	676
Administration	106,858	-	-	106,858
Geologist	113,013	3,500	10,603	127,116
Balance, July 31, 2018	420,031	4,176	10,603	434,810

Mato Grosso Brazil Project

During the year ended July 31, 2017, the Company acquired 4 mineral claims in Brazil. The terms of the acquisition included a payment of US\$10,000 and the issuance of 400,000 common shares with a fair value of \$80,000.

Bahia Brazil Project

On July 20, 2018, two vanadium mineral claims were filed with the Departamento Nacional de Produção Mineral in the state of Bahia, Brazil.

Zambia Project

On April 23, 2018, the Company received approval for the formation of its wholly owned subsidiary Maxtech Zambia Mining Ltd. Further on May 8, 2018, the Company filed for two exploration licenses in Zambia through this subsidiary. On August 2, 2018, subsequent to July 31, 2018, the Minister of Mines and Mineral Development of Zambia approved the application for these licenses.

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

Year Ended July 31, 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 warrant exercisable for two years at \$0.30.

On January 15, 2018, the Company issued 34,884 shares for consulting services with a fair value of \$15,000.

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

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 warrant exercisable for two years at \$0.45.

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 Grosso 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.

For the Period Ended July 31, 2018

On 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 \$1,050,000 using the Black Scholes model with the following inputs: i) exercise price: \$0.30; ii) share price: \$0.385; iii) term: 5 years; iv) volatility: 148%; v) discount rate: 1.62%.

On July 11, 2018, the Company issued 600,000 share purchase options to a capital raising consulting firm of the Company. These options entitle the holder to purchase 300,000 shares for \$0.30 per share for two years from the date of grant, and 300,000 shares for a \$0.50 per share for two years from date of grant. These options issued had a fair value of \$60,000 using the Black Scholes model with the following inputs: i) exercise price: \$0.30 and \$0.50; ii) share price: \$0.22; iii) term: 2 years; iv) volatility: 115%; v) discount rate: 2.08%.

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%.

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

	Options outstanding and exercisable	Weighted average exercise price \$	Weighted average life remaining
Opening – August 1, 2016, 2015	-	-	
Granted	2,500,000	0.51	-
Outstanding – July 31, 2017	2,500,000	0.51	4.35 years
Granted	3,600,000	0.32	-
Exercised	(150,000)	0.30	-
Outstanding – July 31, 2018	5,950,000	0.40	3.76 years

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	0.42	-
Exercised	(1,737,500)	0.30	-
Outstanding – July 31, 2018	4,806,512	0.38	1.21 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.

9. RELATED PARTY TRANSACTIONS

Transactions with key management and directors

The Company paid \$309,544 in fees for consulting services, reimbursement for travel, administration, property exploration costs and subcontractors, to a company controlled by the CEO (2017: \$161,989). As at July 31, 2018, \$Nil is included in accounts payable (2017: \$12,254).

The Company paid \$5,250 to a private company controlled by the CFO of the Company for accounting and administrative services (2017: \$5,000).

During the year the Company granted 950,000 (2017: 1,675,000) shares of share-based payments for a total of \$332,500 (2017: \$410,047) to directors, officers, and related company.

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

	July 31, 2018	July 31, 2017
	\$	\$
Fair value through profit and loss:		
Cash	135,242	101,780
	135,242	101,780

Maxtech Ventures Inc.
Notes to the consolidated financial statements
For the year ended July 31, 2018 and 2017
(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (continued)

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

	July 31, 2018	July 31, 2017
	\$	\$
Non-derivative financial liabilities:		
Trade payables	333,689	143,004
	333,689	143,004

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount as at July 31, 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 trade payables are recorded at fair value based on level 1 inputs.

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 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	
2019	\$	19,488
2020		16,240
Total	\$	35,728

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13. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	July 31, 2018	July 31, 2017
	\$	\$
Net loss before taxes	(2,544,131)	(1,665,966)
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory tax rate	(661,500)	(433,151)
Non-deductible items and other	288,600	276,272
Temporary differences not recognized	372,900	156,879
Income tax recovery	-	-

The Company has the following taxable temporary differences for which no deferred tax asset has been recognized:

	July 31, 2018	July 31, 2017
	\$	\$
Non-capital loss carry-forwards	982,000	608,000
Exploration and evaluation assets	195,000	195,000
Equipment	2,000	43,000
Other	116,000	186,000
Unrecognized deferred tax assets	(1,295,000)	(1,032,000)
Deferred tax assets	-	-

The Company has \$3,777,067 in tax losses which expire as follows:

	Canadian non-capital losses
	\$
2027	205,571
2028	647,989
2030	53,799
2031	212,148
2033	156,021
2034	48,165
2035	276,318
2036	137,615
2037	605,310
2038	1,434,131
	3,777,067

14. SUBSEQUENT EVENTS

On September 17, 2018, the Company issued 700,000 shares at \$0.25 per unit to settle a debt of \$175,000 for work performed by a consultant.

On October 2, 2018, the Company issued 800,000 shares at \$0.25 deemed value per share to settle debt of \$200,000 for work performed by a consultant.

On November 20, 2018, the Company paid \$45,000 cash and issued 750,000 shares valued at \$0.16 per share as deposits on the purchase of 100% rights, title and interest in mineral claims in Quebec, Canada.