



**MAXTECH VENTURES INC.**

**Condensed Interim Consolidated Financial Statements**

**For the Six Months Ended January 31, 2019**

(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)

	January 31, 2019	July 31, 2018
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash	1,644	135,242
Prepayments	30,217	30,217
Marketable securities (Note 4)	-	-
	<b>31,861</b>	<b>165,459</b>
Exploration and evaluation assets (Note 6)	<b>624,210</b>	<b>434,811</b>
<b>Total</b>	<b>656,071</b>	<b>600,270</b>
<b>Liabilities and Shareholders' Equity (Deficiency)</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	153,956	333,689
	<b>153,956</b>	<b>333,689</b>
<b>Shareholders' Equity</b>		
Share capital (Note 7)	11,165,860	10,670,860
Shares to be issued (Note 7)	-	-
Reserves (Note 7)	7,519,713	7,519,713
Deficit	(18,183,458)	(17,923,992)
<b>Total Shareholders' Equity (Deficiency)</b>	<b>502,115</b>	<b>266,581</b>
<b>Total Liabilities and Shareholders' Equity (Deficiency)</b>	<b>656,071</b>	<b>600,270</b>

*Nature of operations and going concern (Note 1)*

*Commitments (Note 11)*

*Subsequent events (Note 12)*

"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 ended		For the six months ended	
	January 31, 2019	January 31, 2018	January 31, 2019	January 31, 2018
	\$	\$	\$	\$
<b>Expenses</b>				
Consulting and management fees (Note 7)	-	118,556	175,000	136,375
Office facilities and administration	1,931	14,328	11,752	18,389
Professional fees	-	4,000		4,000
Property investigation	13,656	30,587	13,656	32,180
Public relations and advertising	-	113,034	50,000	156,495
Stock-based compensation	-	710,000	-	710,000
Transfer agent and listing fees	7,013	11,536	9,058	17,283
<b>Loss before the following</b>	<b>(22,600)</b>	<b>(1,002,041)</b>	<b>(259,466)</b>	<b>(1,074,722)</b>
Loss on marketable securities	-	-	-	-
Recovery of note receivable	-	-	-	-
<b>Loss for the year</b>	<b>(22,600)</b>	<b>(1,002,041)</b>	<b>(259,466)</b>	<b>(1,074,722)</b>
<b>Other comprehensive income:</b>				
Reclassification to net loss - marketable securities	-	-	-	-
<b>Comprehensive loss</b>	<b>(22,600)</b>	<b>(1,002,041)</b>	<b>(259,466)</b>	<b>(1,074,722)</b>
<b>Basic and diluted loss per share</b>	<b>(0.00)</b>	<b>(0.02)</b>	<b>(0.00)</b>	<b>(0.02)</b>
<b>Weighted average number of common shares outstanding</b>	<b>56,401,819</b>	<b>50,856,721</b>	<b>55,651,819</b>	<b>50,169,954</b>

*See accompanying notes to the interim consolidated financial statements*

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

	For the six months ended	
	January 31, 2019	January 31, 2018
	\$	\$
<b>Operating activities</b>		
Net loss for the year	(259,466)	(1,074,722)
Share-based compensation (Note 7)	175,000	710,000
Loss on marketable securities	-	-
Shares granted for services	-	15,000
Changes in non-cash operating working capital		
Other receivables	-	7,561
Prepayments	-	(5,857)
Accounts payable and accrued liabilities	(63,181)	(46,116)
Cash used in operating activities	<b>(147,647)</b>	<b>(394,134)</b>
<b>Investing activities</b>		
Exploration and evaluation expenditures	(69,400)	(109,799)
Proceeds realized on disposition of marketable securities	-	-
Cash used in investing activities	<b>(69,400)</b>	<b>(109,799)</b>
<b>Financing activities</b>		
Proceeds from private placement	-	75,000
Share issuance cost	-	-
Related party advances	83,450	-
Exercise of warrants	-	435,000
Proceeds from private placement, net	-	-
Cash provided by financing activities	<b>83,450</b>	<b>510,000</b>
<b>Increase in cash</b>	<b>(133,597)</b>	<b>6,067</b>
<b>Cash, beginning of period</b>	<b>135,242</b>	<b>101,780</b>
<b>Cash, end of period</b>	<b>1,645</b>	<b>107,847</b>

*See accompanying notes to the interim 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		
		\$	\$	\$	\$	\$
Balance, July 31, 2017	49,186,448	9,037,500	99,984	-	6,490,713	(15,379,861)
Private placement	700,000	175,000	(99,984)	-	-	-
Proceeds from warrant exercises	1,450,000	435,000	-	-	-	-
Shares granted for services	34,884	15,000	-	-	-	-
Stock-based compensation	-	-	-	-	710,000	-
Net Loss	-	-	-	-	-	(1,074,722)
Balance, January 31, 2018	51,371,332	9,662,500	-	-	7,119,713	(16,454,583)
<b>Balance, July 31, 2018</b>	<b>54,314,862</b>	<b>10,670,860</b>	<b>-</b>	<b>7,519,713</b>	<b>-</b>	<b>(17,923,992)</b>
<b>Share based compensation (Note 7)</b>	<b>700,000</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,000</b>
<b>Debt settlement with shares</b>	<b>800,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>
<b>Shares issued for property</b>	<b>750,000</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,000</b>
<b>Net Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(259,466)</b>
<b>Balance, January 31, 2019</b>	<b>56,564,862</b>	<b>11,165,860</b>	<b>-</b>	<b>7,519,713</b>	<b>-</b>	<b>(18,183,458)</b>

*See accompanying notes to the interim consolidated financial statements*

**Maxtech Ventures Inc.**  
Notes to the interim consolidated financial statements  
For the six months ended January 31, 2019 and 2018  
(Expressed in Canadian dollars)

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**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 January 31, 2019, 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**

**Statement of compliance with International Financial Reporting Standards**

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of April 1, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended July 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending July 31, 2019 could result in restatement of these unaudited condensed consolidated interim financial statements.

**3. 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.

**Maxtech Ventures Inc.**  
Notes to the interim consolidated financial statements  
For the six months ended January 31, 2019 and 2018  
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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**

	January 31, 2019	July 31, 2018
	\$	\$
Trade payables	70,508	321,689
Accrued liabilities	83,450	12,000
	<b>153,958</b>	<b>333,689</b>

**6. EXPLORATION AND EVALUATION EXPENDITURES**

	Mato Grosso Brazil	Bahia Brazil Project	Zambia Project	Lac Patu Vanadium Project	Total
	\$	\$	\$	\$	\$
<b>Balance, July 31, 2017</b>	<b>200,160</b>	-	-	-	<b>200,160</b>
Acquisition	-	676	-	-	676
Administration	106,858	-	-	-	106,858
Geologist	113,013	3,500	10,603	-	127,116
<b>Balance, July 31, 2018</b>	<b>420,031</b>	<b>4,176</b>	<b>10,603</b>	-	<b>434,810</b>
Acquisition	-	-	3,100	165,000	<b>168,100</b>
Administration	10,000	-	-	-	10,000
Geologist	8,800	2,500	-	-	11,300
<b>Balance, January 31, 2019</b>	<b>438,831</b>	<b>6,676</b>	<b>13,703</b>	<b>165,000</b>	<b>624,210</b>

Mato Grosso Brazil Project

During the year ended July 31, 2017, the Company acquired four 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.

Lac Patu Vanadium Project

On November 20, 2018, the Company 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 in addition to paying \$45,000 cash as at October 31, 2018.



**Maxtech Ventures Inc.**  
Notes to the interim consolidated financial statements  
For the six months ended January 31, 2019 and 2018  
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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, the Minister of Mines and Mineral Development of Zambia approved the application for these licenses.

**7. SHARE CAPITAL**

**Authorized**

Unlimited number of common shares without par value.

**Issued**

For the period ended January 31, 2019

On November 20, 2018, the Company 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,

On September 17, 2018, the Company issued 700,000 shares at \$0.25 per share totalling \$175,000 for work performed by a consultant. \$175,000 was included in consulting expense for the period ended October 31, 2018.

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.

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.

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.

## Maxtech Ventures Inc.

### Notes to the interim consolidated financial statements For the six months ended January 31, 2019 and 2018 (Expressed in Canadian dollars)

#### 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 January 31, 2019

Multiple stock options were cancelled during this period.

#### 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%.

	<b>Options outstanding and exercisable</b>	<b>Weighted average exercise price \$</b>	<b>Weighted average life remaining</b>
Outstanding – July 31, 2017	<b>2,500,000</b>	0.51	4.35 years
Granted	<b>3,600,000</b>	0.32	-
Exercised	<b>(150,000)</b>	0.30	-
Outstanding – July 31, 2018	<b>5,950,000</b>	0.40	3.76 years
Cancelled	<b>(5,050,000)</b>	-	-
Outstanding – January 31, 2019	<b>900,000</b>	0.37	2.44 years

#### Share purchase warrants

	<b>Warrants outstanding and exercisable</b>	<b>Weighted average exercise price \$</b>	<b>Weighted average life remaining</b>
Outstanding – July 31, 2017	<b>3,137,500</b>	0.30	1.6 years
Issued	<b>3,406,512</b>	0.42	-
Exercised	<b>(1,737,500)</b>	0.30	-
Outstanding – July 31, 2018	<b>4,806,512</b>	0.38	1.21 years
Expired	<b>(1,500,000)</b>	-	-
Outstanding – January 31, 2019	<b>3,306,512</b>	0.25	1.02 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.

**Maxtech Ventures Inc.**  
Notes to the interim consolidated financial statements  
For the six months ended January 31, 2019 and 2018  
(Expressed in Canadian dollars)

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**8. RELATED PARTY TRANSACTIONS**

Transactions with key management and directors

The Company paid \$Nil in fees for consulting services, reimbursement for travel, administration, property exploration costs and subcontractors, to a company controlled by the CEO (2017: \$13,819). As at January 31, 2019, \$83,450 is included in accounts payable for cash advances made to the Company (2018 - \$Nil).

The Company paid \$5,000 to a private company controlled by the CFO of the Company for accounting and administrative services (2018: \$5,000).

**9. FINANCIAL INSTRUMENTS**

***Classification of financial instruments***

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

	January 31, 2019	July 31, 2018
	\$	\$
Fair value through profit and loss:		
Cash	1,644	135,242
	1,644	135,242

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

	January 31, 2019	July 31, 2018
	\$	\$
Non-derivative financial liabilities:		
Trade payables	153,956	333,689
	153,956	333,689

***Fair value***

The fair value of the Company's financial assets and liabilities approximates the carrying amount as at January 31, 2019 and July 31, 2018 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.

**Maxtech Ventures Inc.**  
Notes to the interim consolidated financial statements  
For the six months ended January 31, 2019 and 2018  
(Expressed in Canadian dollars)

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**10. 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.

**11. 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