SHARE EXCHANGE AGREEMENT

THIS AGREEMENT is dated for reference as of the 26th day of January, 2015.

BETWEEN:

CHLORMET TECHNOLOGIES CORP., a corporation incorporated under the laws of the Province of British Columbia and having an office at 459 – 409 Granville Street, Vancouver, BC, V6C 1T2

("Chlormet")

AND:

AAA HEIDELBERG INC., a corporation incorporated under the laws of the Province of Ontario and having an office at 371 Neptune Crescent, London, Ontario, N6M 1A2

("AAA")

AND:

THE UNDERSIGNED SHAREHOLDERS OF AAA

("Selling Shareholders")

WHEREAS:

A. Pursuant to a Letter of Intent (the "**LOI**") dated the 26th day of March, 2014, Chlormet was granted a two stage option to acquire up to a 100% interest in AAA;

B. Effective the 26th day of March, 2014, Chlormet exercised the first stage of its option under the LOI and acquired 16.5% of the issued and outstanding shares of AAA by paying to AAA the sum of $120,000;

C. The Selling Shareholders are the registered and beneficial owners of all of the issued and outstanding shares in the capital stock of AAA excluding the shares owned by Chlormet;

D. Chlormet has agreed to acquire the remaining 83.5% of the issued and outstanding shares of AAA as contemplated in the LOI (the "**Transaction**");

E. This Agreement and the transactions contemplated herein are intended to provide the Selling Shareholders who are Canadian Residents the opportunity to dispose of their AAA Shares (as defined below) in return for Common Shares in the capital stock of Chlormet (the **"Chlormet Shares")** on a tax-deferred basis for Canadian income tax purposes pursuant to the provisions of Section 85.1 of the Income Tax Act;

F. The boards of directors of Chlormet and AAA have approved and adopted this Agreement; and

G. In order to record the terms and conditions of the agreement among them, the parties wish to enter into this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, covenants, terms, conditions, representations and warranties hereinafter set forth, the parties hereto agree each with the other as follows:

1. **Interpretation**

1.1 In this Agreement or in any amendments or Schedules hereto, the following terms will have the following meanings:

(a) **"AAA Business"** means the business in which AAA is engaged as of the date of this Agreement.

(b) **"AAA Creditors"** means all of the creditors of AAA as at the Closing Date as set out in Schedule C;

(c) **"AAA Financial Statements"** means the unaudited financial statements of AAA for the twelve month period ended August 31, 2014, attached hereto as Schedule B;

(d) **"AAA Shares"** means the common shares of AAA;

(e) **"Affiliate"** of any person means any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any person, means the possession by another person, directly or indirectly, of the power to direct or cause the direction of the management and policies of that first mentioned person, whether through the ownership of voting securities, by contract or otherwise.

(f) **"Agreement"** means this Share Exchange Agreement and any amendment, supplement or addendum to the Agreement;

(g) **"Applicable Securities Legislation"** means all applicable securities legislation in all jurisdictions relevant to the issuance of the Chlormet Shares;

(h) **"B.C. Securities Act"** means the *Securities Act* (British Columbia) R.S.B.C. (1996), c. 418, as amended from time to time;

(i) "**Budget**" means a detailed estimate of all costs to be incurred by AAA and the timing to complete such work with respect to a Milestone and a schedule of cash advances to be made by Chlormet;

(j) **"Canadian Resident"** means a person that is a resident of Canada for the purposes of the *Income Tax Act*;

(k) **"Chlormet Business"** means the business in which Chlormet and Chlormet Sub are engaged as of the date of this Agreement.

(l) **"Chlormet Financial Statements"** means the audited financial statements of Chlormet for the year ended December 31, 2013 and also the un-audited financial statements for the three month period ended September 30, 2014; both of which are attached as Schedule D;

(m) **"Chlormet Shares"** means the common shares of Chlormet;

(n) "**Chlormet Sub**" means PacCan Industries LLC;

(o) **"Closing Date"** means the fifth business day following the issuance of the Health Canada License, or such other date as may be mutually agreed upon by the parties to this Agreement;

(p) **"Commissions"** means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;

(q) **"CSE"** means the Canadian Securities Exchange;

(r) "**Health Canada Licence**" means the licence expected to be issued to AAA by Health Canada under section 25 of the *Marihuana for Medical Purposes Regulations (*Canada), permitting AAA to undertake certain activities in connection with medical marijuana, including the production, sale, possession, transport and destruction thereof;

(s) **"IFRS"** means International Financial Reporting Standards;

(t) **"Income Tax Act"** means the *Income Tax Act* (Canada) R.S.C. (1985), 5th supp., c. 1, as amended from time to time;

(u) **"Indemnified Party"** has the meaning ascribed to that term in Subsection 10.7;

(v) **"Indemnifying Party"** has the meaning ascribed to that term in Subsection 10.7;

(w) "**License Date**" means the date Health Canada issues the Health Canada License;

(x) "**Loan**" means the $160,000 loan made to AAA by Chlormet pursuant to a loan agreement dated November 3, 2014;

(y) **"Material Adverse Effect"** when used in connection with an entity means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of such entity or subsidiaries taken as a whole;

(z) **"NI 45-106"** means National Instrument 45-106 - Prospectus and Registration Exemptions, as adopted by the British Columbia Securities Commission;

(aa) **"Public Record"** has the meaning ascribed thereto at Section 4.1(h) of this Agreement; and

(bb) **"Transaction"** has the meaning ascribed to such term in Recital D.

All dollar amounts referred to in this Agreement are in **Canadian funds**, unless expressly stated otherwise.

1.2 The following Schedules are attached hereto and form part of this Agreement:

Schedule	Description
A.	Selling Shareholders
B.	AAA Financial Statements
C.	AAA Creditors and Encumbrances on AAA's Assets
D.	Chlormet Financial Statements
E.	Material Agreements of AAA
F.	AAA Litigation
G.	Chlormet Litigation
H.	AAA Intellectual Property
I.	Chlormet Options and Warrants
J.	Material Agreements of Chlormet

2. Milestone Payments and Share Exchange

AAA agrees to sell to Chlormet the remaining approximate 83.5% interest in AAA that Chlormet does not currently own for a total of 18,350,000 shares to be paid by Chlormet, at its discretion, according to milestones as set out below. For further clarity each 1,000,000 shares of Chlormet will purchase an approximate 4.55% interest in AAA.

2.1 On the date of execution of this Agreement (the "**First Milestone**"), a total of 4,350,000 Chlormet Shares will be issued to the Selling Shareholders, with each Selling Shareholder receiving the number set out opposite each Selling Shareholder's name in Schedule A.

Upon the issuance of the 4,350,000 Chlormet shares the Selling Shareholders covenant and agree to sell, transfer and assign to Chlormet an additional 19.79% interest in AAA. This, combined with the approximate 16.5% initial interest already owned by Chlormet, will result in Chlormet owning free and clear a total of approximately 36.29% of AAA.

2.2 On the date AAA receives security clearance from Health Canada (the "**Second Milestone**"), a total of 2,000,000 Chlormet Shares will be issued to the Selling Shareholders, with each Selling Shareholder receiving the number set out opposite each Selling Shareholder's name in Schedule A.

Upon the issuance of the 2,000,000 Chlormet shares the Selling Shareholders covenant and agree to sell, transfer and assign to Chlormet an additional 9.1% interest in AAA. This, combined with

the 36.29% interest already owned by Chlormet on the date of the Second Milestone, will result in Chlormet owning free and clear a total of approximately 45.39% of AAA.

2.3 On the date of receipt of a "ready to build letter" from Health Canada (the "**Third Milestone**"), a total of 2,000,000 Chlormet Shares will be issued to the Selling Shareholders, with each Selling Shareholder receiving the number set out opposite each Selling Shareholder's name in Schedule A.

Upon the issuance of the 2,000,000 Chlormet shares the Selling Shareholders covenant and agree to sell, transfer and assign to Chlormet an additional 9.1% interest in AAA. This, combined with the 45.39% interest already owned by Chlormet, will result in Chlormet owning free and clear a total of approximately 54.49% of AAA.

2.4 On the Closing Date (also, a "**Milestone**"), the Selling Shareholders hereby covenant and agree to sell, transfer and assign to Chlormet, and Chlormet covenants and agrees to purchase from the Selling Shareholders, all of the remaining AAA Shares held by each Selling Shareholder not owned by Chlormet on the Closing Date.

The purchase price for the remaining AAA Shares held by the Selling Shareholders will consist of an aggregate of 10,000,000 Chlormet Shares to be issued to the Selling Shareholders on the Closing Date. The Chlormet Shares are to be issued to the Selling Shareholders, with each Selling Shareholder receiving the number set out opposite each Selling Shareholder's name in Schedule A.

2.5 The Selling Shareholders will repay the Loan on behalf of AAA within 30 days of the Closing Date (the "**Repayment Date**")

by return of Chlormet Shares to Chlormet for cancellation in accordance with the following formula:

$$A = B / C$$

where

A = the number of Chlormet Shares to be returned for cancellation

B = $160,000

C = the volume-weighted average trading price of the Chlormet Shares on the CSE for the ten trading days prior to the Repayment Date

2.6 Following the exchange of the AAA Shares for the Chlormet Shares in accordance with this Agreement on the Closing Date, the name of each Selling Shareholder will be removed from the securities register of AAA Shares.

2.7 The name of each Selling Shareholder or their nominees will be added to the securities register of Chlormet Shares on each Milestone.

2.8 Chlormet will be recorded as the registered holder of such AAA Shares so exchanged on each Milestone.

2.9 The sale of the AAA Shares and the issuance of the Chlormet Shares to the Selling Shareholders will be made in reliance on an exemption from the registration and prospectus filing requirements contained in Section 2.16 of NI 45-106. AAA and Chlormet reserve the right to request from Selling Shareholders any additional certificates or representations required to establish an exemption from Applicable Securities Legislation prior to the issuance or transfer of any AAA Shares or Chlormet Shares.

2.10 It is intended that the transactions contemplated in this Agreement will generally constitute a transaction in respect of which the Selling Shareholders may elect to be treated on a tax deferral basis pursuant to Section 85.1 of the *Income Tax Act* by treating the transaction as a rollover in his or her income tax return for the year in which the exchange occurred by not including in income any portion of the gain or loss which would otherwise have arisen on such Selling Shareholder's exchanged shares.

2.11 The Selling Shareholder will bear the full responsibility of treating the transaction as a deferral in his or her income tax return.

2.12 If required pursuant to National Instrument 46-201, Chlormet Shares issued to "Principals" (as defined in National Instrument 46-201) of Chlormet at the First Milestone, the Second Milestone and the Third Milestone will be escrowed in accordance with National Instrument 46-201. All Chlormet Shares issued to Selling Shareholders on the Closing Date will be subject to escrow in accordance with National Instrument 46-201. As a result the certificates representing such escrowed Chlormet Shares may be affixed with certain legends describing such restrictions.

3. Representations, and Warranties of AAA

3.1 AAA represents and warrants to Chlormet as of the date of this Agreement and at the Closing Date as follows, and acknowledges that Chlormet is relying upon such covenants, representations and warranties in connection with the Transaction:

(a) AAA has been duly incorporated and organized, is a validly existing company with limited liability and is in good standing under the *Business Corporations Act* (Ontario)**;** it has the corporate power to own or lease its property and to carry on the AAA Business; it is duly qualified as a company to do business and is in good standing with respect thereto in each jurisdiction in which the nature of the AAA Business or the property owned or leased by it makes such qualification necessary; and it has all necessary licenses, permits, authorizations and consents to operate the AAA Business. AAA has no active or material subsidiary;

(b) AAA is not a reporting issuer in any jurisdiction and the AAA Shares are not listed or posted for trading on any stock exchange or quotation system.

(c) The authorized share capital of AAA consists of an unlimited number of Common Shares without nominal or par value, of which 1,000,000 Common Shares are issued and outstanding as at the date of this Agreement as fully paid and non-assessable.

(d) Other than as disclosed in this Agreement or as otherwise disclosed to Chlormet, no person, firm or corporation has any agreement or option, including convertible securities, warrants or convertible obligations of any nature, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the

purchase, subscription, allotment or issuance of any of the unissued shares in the capital of AAA or of any securities of AAA.

(e) AAA does not have any agreements of any nature to acquire any subsidiary, or to acquire or lease any other business operations, and will not, prior to the Closing Date, acquire, or agree to acquire, any subsidiary or business without the prior written consent of Chlormet, such consent not to be unreasonably withheld.

(i) AAA will not issue any additional AAA Shares from and after the date of this Agreement to the Closing Date or create any options, warrants or rights for any person to subscribe for or acquire any unissued shares in the capital of AAA, without the prior written consent of Chlormet.

(j) To the best of its knowledge, AAA is not a party to or bound by any guarantee, warranty, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation other than as set out in Schedules B, C, E and F to this Agreement.

(k) The books and records of AAA fairly and correctly set out and disclose, in all material respects, the financial position of AAA as at the date of this Agreement, and all material financial transactions of AAA relating to the AAA Business have been accurately recorded in such books and records.

(1) The AAA Financial Statements fairly present the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of AAA as at the date thereof and there will not be, prior to the Closing Date or after the consummation of the Transaction, any material increase in such liabilities other than increases arising as a result of carrying on the AAA Business in the ordinary course.

(m) To the best of the knowledge of AAA, the entry into this Agreement and the consummation of the Transaction will not result in the violation of any of the terms and provisions of the constating documents or bylaws of AAA or of any indenture, instrument or agreement, written or oral, to which AAA or the Selling Shareholders may be a party.

(n) The entry into this Agreement and the consummation of the Transaction will not, to the best of the knowledge of AAA, result in the violation by AAA of any law or regulation of the Province of Ontario or other jurisdiction in which AAA carries on business, or at the Closing Date will carry on, or of any municipal bylaw or ordinance to which AAA or the AAA Business maybe subject.

(o) Except as disclosed in Schedule E, AAA is not a party to any written or oral employment, service or pension agreements.

(p) Except as disclosed in Schedules C and E, AAA does not have any outstanding bonds, debentures, mortgages, notes or other indebtedness and AAA is not under any agreement to create or issue any bonds, debentures, mortgages, notes or other indebtedness, except liabilities incurred in the ordinary course of business.

(q) Except as disclosed in Schedule E, AAA is not the owner, lessee or under any agreement to own or lease any real property.

(r) Except as disclosed in Schedule C, AAA owns, possesses and has good and marketable title to its undertaking, property and assets, and without restricting the generality of the foregoing, all those assets described in the balance sheet included in the AAA Financial Statements are free and clear of any and all mortgages, liens, pledges, charges, security interests, encumbrances, actions, claims or demands of any nature whatsoever or howsoever arising.

(s) except where the failure to do so would not constitute a Material Adverse Effect, AAA has its property insured against loss or damage by all insurable hazards or risks on a replacement cost basis and such insurance coverage will be continued in full force and effect to and including the Closing Date; to the best of the knowledge of AAA, AAA is not in default with respect to any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim under any such insurance policy in due and timely fashion.

(t) Except as disclosed in Schedule E, AAA does not have any outstanding material agreements, contracts or commitments, whether written or oral, of any nature or kind whatsoever, including, but not limited to, employment agreements, agreements, contracts and commitments in the ordinary course of business and service contracts on office equipment and leases.

(u) Except as provided in Schedule F and to the best of AAA's knowledge, there are no actions, suits or proceedings (whether or not purportedly on behalf of AAA), pending or threatened against or affecting AAA or affecting the AAA Business, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, and AAA is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

(v) Except as disclosed in the AAA Financial Statements, AAA is not in material default or breach of any contracts, agreements, written or oral, indentures or other instruments to which they are a party and there are no facts, which after notice or lapse of time or both, that would constitute such a default or breach, and all such contracts, agreements, indentures or other instruments are now in good standing and AAA is entitled to all benefits thereunder.

(w) AAA has the right to use all of the registered trademarks, trade names and patents, both domestic and foreign, in relation to the AAA Business as set out in Schedule H.

(x) To the best of the knowledge of AAA, the conduct of the AAA Business does not infringe upon the patents, trademarks, trade names or copyrights, domestic or foreign, of any other person, firm or corporation.

(y) To the best of the knowledge of AAA, AAA is conducting and will conduct the AAA Business in compliance with all applicable laws, rules and regulations of each jurisdiction in which the AAA Business is or will be carried on, AAA is not in material breach of any such laws, rules or regulations and is, or will be on the Closing Date, fully licensed, registered or qualified in each jurisdiction in which AAA owns or leases property or carries on or proposes to carry on the AAA Business to enable the AAA Business to be carried on as now conducted and its property and assets to be owned, leased and operated, and all such licenses, registrations and qualifications are or will be

on the Closing Date valid and subsisting and in good standing and that none of the same contains or will contain any provision, condition or limitation which has or may have a materially adverse effect on the operation of the AAA Business.

(z) All facilities and equipment owned or used by AAA in connection with the AAA Business are in good operating condition and are in a state of good repair and maintenance.

(aa) Except as disclosed in the AAA Financial Statements attached hereto as Schedule B and salaries incurred in the ordinary course of business since the date thereof, AAA has no loans or indebtedness outstanding which have been made to or from directors, former directors, officers, shareholders and employees of AAA or to any person or corporate body not dealing at arm's length with any of the foregoing, and will not, prior to closing, pay any such indebtedness unless in accordance with budgets agreed to in writing by Chlormet.

(bb) AAA has made full disclosure to Chlormet of all aspects of the AAA Business and has made all of its books and records available to the representatives of Chlormet in order to assist Chlormet in the performance of its due diligence searches and no material facts in relation to the AAA Business have been concealed by AAA.

(cc) All of AAA's credit facilities are in good standing, other than as disclosed in the AAA Financial Statements as attached hereto as Schedule B, and AAA has not received any notices of default or acceleration requests from any bank or other creditor respecting AAA's credit facilities.

(dd) The articles, bylaws and other constating documents of AAA in effect with the appropriate corporate authorities as at the date of this Agreement will remain in full force and effect without any changes thereto as at the Closing Date.

(ee) The directors and officers of AAA are as follows:

Name	Position
Chris Hornung	Director, President
Michael Hornung	Director, Treasurer
Eric Hornung	Secretary
Adam Hornung	Director
Jason Springett	Director

4. <u>Covenants of AAA and the Selling Shareholders</u>

AAA and the Selling Shareholders covenants to Chlormet that they will do, or cause to be done, at its own expense, the following:

(a) AAA will provide access to, and will permit Chlormet, through its representatives, to make such investigation of the operations, properties, assets and records of AAA and of its financial and legal condition as Chlormet deems necessary or advisable to familiarize itself with AAA, and such operations, properties, assets, records and other matters.

(b) Except as contemplated by this Agreement or with the prior written consent of Chlormet, AAA will:

(i) promptly inform Chlormet of any facts that come to its attention which would cause any of its representations and warranties in this Agreement to be untrue in any respect;

(ii) promptly inform Chlormet in writing of any material adverse change in the condition of AAA; and

(iii) maintain the books, records and accounts of AAA in the ordinary course and record all transactions on a basis consistent with past practice.

(c) AAA will not, without the prior consent of Chlormet, of which will not be unreasonably withheld: (a) negotiate with any third party for the sale of any or all of AAA's equity interest, assets, securities or real or leases property, or (b) negotiate, draft or execute any agreement with any third party.

(d) At or before the Closing Date, AAA will use commercially reasonable efforts to take all necessary steps and corporate proceedings to be taken in order to facilitate the transactions contemplated herein, including the issuance of the AAA Shares to Chlormet.

5. Covenants, Representations and Warranties of the Selling Shareholders

5.1 Each Selling Shareholder, acting severally but not jointly and only in respect of the AAA Shares held by such Selling Shareholder, represents and warrants to Chlormet as of the date of this Agreement and at the date of each Milestone as follows, and acknowledges that Chlormet is relying upon such covenants, representations and warranties in connection with the Transaction:

(a) Each Selling Shareholder represents that the Chlormet Shares to be issued to the Selling Shareholders in accordance with the transaction are being issued to each Selling Shareholder as principal for their own account and not for the benefit of any other person.

(b) Other than as disclosed to Chlormet, on the date of each Milestone, the AAA Shares owned by the Selling Shareholders will be owned by each of the Selling Shareholders as the beneficial and recorded owner with good and marketable title thereto, free and clear of all mortgages, liens, charges, security interests, adverse claims, pledges, encumbrances and demands whatsoever.

(c) Other than as disclosed in this Agreement, no person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase from the Selling Shareholders of any of the AAA Shares held by them.

(d) Other than as disclosed in this Agreement, no person, firm or corporation has any agreement or option, including convertible securities, warrants or convertible obligations of any nature, or any right or privilege (whether by law, pre-emptive or contractual)

capable of becoming an agreement or option for the purchase from the Selling Shareholder of the AAA Shares held by such Selling Shareholder.

6. Representations and Warranties of Chlormet

6.1 Chlormet covenants with and represents and warrants to AAA and the Selling Shareholders as of the date of this Agreement and, as may be applicable, at the Closing Date as follows, and acknowledges that the Selling Shareholders and AAA are relying upon such covenants, representations and warranties in entering into this Agreement:

(a) Chlormet has been duly incorporated and organized and is validly subsisting under the laws of British Columbia; it is a reporting issuer in the Provinces of British Columbia, Ontario, and Alberta and is in good standing with respect to all filings required to be made under the laws of British Columbia and the securities regulations of British Columbia, Ontario, and Alberta; it has the corporate power to own or lease its properties and to carry on its business as now being conducted by it; it is duly qualified as a corporation to do business and is in good standing with respect thereto in each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and it has all necessary licenses, permits, authorizations and consents to operate the its business. The directors and officers of Chlormet are currently as follows:

Name	Position
Mr. Yari Nieken	Interim president and CEO and director
Mr. Ian Foreman	Director
Mr. Chris Hornung	Director

(b) Chlormet Sub has been duly incorporated and organized and is validly subsisting under the laws of the State of Washington; it has the corporate power to own or lease its properties and to carry on its business as now being conducted by it; it is duly qualified as a corporation to do business and is in good standing with respect thereto in each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and it has all necessary licenses, permits, authorizations and consents to operate the its business. The directors and officers of Chlormet Sub are currently as follows:

Name	Position
Mr. Yari Nieken	Manager
Mr. Ian Foreman	Manager
Mr. Bob Richardson	Registered Agent

(c) Chlormet is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, and its common shares are posted and listed for trading on the CSE. To the best of its knowledge, Chlormet is not in material default under the B.C. Securities Act or the rules, by-laws or policies of any stock exchange on which any securities of Chlormet are listed. No orders suspending the sale or ceasing the trading of any securities issued by Chlormet have been issued by any regulatory authority, and no proceedings for such purpose are pending or, to the knowledge of Chlormet, threatened.

(d) The authorized capital of Chlormet consists of an unlimited number of Common Shares without par value per share and of which 31,153,574 shares of common stock are issued

and outstanding as of the date of the signing of this Agreement as fully paid and non-assessable, and no other shares of any other class of Chlormet are issued and outstanding. As of the date of each Milestone, the Chlormet Shares to be issued to the Selling Shareholders will be validly issued as fully paid and non-assessable.

(e) The articles of incorporation and bylaws and any other constating documents of Chlormet and Chlormet Sub in effect with the appropriate corporate authorities as at the date of this Agreement will not have been materially changed as at the Closing Date, except for changes made in furtherance of the transactions contemplated under this Agreement.

(f) Chlormet is the sole owner of all of the issued and outstanding securities of Chlormet Sub;

(g) Chlormet Sub is the only subsidiary of Chlormet.

(h) Computershare Investor Services is Chlormet's duly appointed registrar and transfer agent.

(i) To the best of Chlormet's knowledge, there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of the common shares of Chlormet or Chlormet Sub.

(j) As of their respective dates, all information and materials filed by Chlormet with the Commissions, and which are available through the SEDAR website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) (collectively, the "**Public Record**") did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, to the best of Chlormet's knowledge, complied in all material respects with all applicable legal and stock exchange requirements.

(k) Subsequent to the respective dates as of which information is given in the Public Record, there has been no material adverse change, or any fact known to Chlormet and not disclosed to AAA in writing that could reasonably be expected to result in a material adverse change in the business or financial condition of Chlormet or Chlormet Sub, other than costs incurred by Chlormet to maintain its status as a reporting issuer listed on the CSE, costs incurred in respect of the transactions contemplated by this Agreement, including costs incurred in the ordinary course of business consistent with past practice, and there is no litigation or governmental proceeding to which Chlormet or Chlormet Sub is a party or to which any property of Chlormet is subject or that is pending or, to the best of the knowledge of Chlormet, contemplated against Chlormet or Chlormet Sub that might result in any material adverse change in the business or financial condition of Chlormet or Chlormet Sub.

(l) No person, firm or corporation has any agreement or option, including convertible securities, warrants or convertible obligations of any nature, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any of the unissued shares in the capital of Chlormet or Chlormet Sub except as disclosed in "Schedule I".

(m) Except as disclosed in the Public Record, Chlormet and Chlormet Sub do not have any agreements of any nature to acquire any subsidiary, or to acquire or lease any other business operations, and will not, prior to the Closing Date, acquire, or agree to acquire, any subsidiary or business without the prior written consent of AAA, such consent not to be reasonably withheld.

(n) The Chlormet Financial Statements attached hereto as Schedule D present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of Chlormet as at the date thereof and there will not be, prior to the Closing Date or after the consummation of the Transaction, any material increase in such liabilities other than increases arising as a result of the consummation of the Transaction.

(o) Except as disclosed in the Chlormet Financial Statements, Chlormet and Chlormet Sub are not in material default or breach of any contracts, agreements, written or oral, indentures or other instruments to which they are a party and there are no facts, which after notice or lapse of time or both, that would constitute such a default or breach, and all such contracts, agreements, indentures or other instruments are now in good standing and Chlormet and Chlormet Sub are entitled to all benefits thereunder.

(p) Chlormet has the right to use all of the registered trademarks, trade names and patents, both domestic and foreign, in relation to the Chlormet Business.

(q) To the best of the knowledge of Chlormet, the conduct of the Chlormet Business does not infringe upon the patents, trademarks, trade names or copyrights, domestic or foreign, of any other person, firm or corporation.

(r) To the best of the knowledge of Chlormet, Chlormet and Chlormet Sub are conducting and will conduct the Chlormet Business in compliance with all applicable laws, rules and regulations of each jurisdiction in which the Chlormet Business is or will be carried on, Chlormet and Chlormet Sub are not in material breach of any such laws, rules or regulations and is, or will be on the Closing Date, fully licensed, registered or qualified in each jurisdiction in which Chlormet or Chlormet Sub own or lease property or carry on or propose to carry on the Chlormet Business to enable the Chlormet Business to be carried on as now conducted and its property and assets to be owned, leased and operated, and all such licenses, registrations and qualifications are or will be on the Closing Date valid and subsisting and in good standing and that none of the same contains or will contain any provision, condition or limitation which has or may have a materially adverse effect on the operation of the Chlormet Business.

(s) As at the date of the signing of this Agreement, all facilities and equipment owned or used by Chlormet and Chlormet Sub in connection with the Chlormet Business are in good operating condition and are in a state of good repair and maintenance.

(t) Except as disclosed in the Chlormet Financial Statements and salaries incurred in the ordinary course of business since the date thereof, Chlormet and Chlormet Sub haveno loans or indebtedness outstanding which have been made to or from directors, former directors, officers, shareholders and employees of Chlormet or Chlormet Sub or to any person or corporate body not dealing at arm's length with any of the foregoing, and will not, prior to closing, pay any such indebtedness unless in accordance with budgets agreed to in writing by AAA.

(u) The books and records of Chlormet and Chlormet Sub fairly and correctly set out and disclose in all material respects, in accordance with IFRS, the financial position of Chlormet and Chlormet Sub as at the date of this Agreement, and all material financial transactions of Chlormet and Chlormet Sub relating to the business have been accurately recorded in such books and records.

(v) Chlormet has made full disclosure to AAA of all material aspects of Chlormet's and Chlormet Sub's business and has made all of its books and records available to the representatives of AAA in order to assist AAA in the performance of its due diligence searches and no material facts in relation to Chlormet's and Chlormet Sub's business have been concealed by Chlormet or its representatives.

(w) Except as disclosed in Schedule J, neither Chlormet nor and Chlormet Sub is a party to or bound by any agreement or guarantee, warranty, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, firm or corporation.

(x) Except as disclosed in Schedule J, Chlormet and Chlormet Sub are not a party to any written or oral employment, service or pension agreement.

(y) Except as disclosed in Schedule J, Chlormet and Chlormet Sub do not have any bonds, debentures, mortgages, notes or other indebtedness and Chlormet and Chlormet Sub are not under any agreement to create or issue any bonds, debentures, mortgages, notes or other indebtedness, except liabilities incurred in the ordinary course of business.

(z) Except as disclosed in Schedule J, neither Chlormet nor Chlormet Sub is the owner, lessee or under any agreement to own or lease any real property.

(aa) Except as disclosed in Schedule J, Chlormet and Chlormet Sub own, possess and have good and marketable title to its undertaking, property and assets, and without restricting the generality of the foregoing, all those assets described in the balance sheet included in the Chlormet Financial Statements are free and clear of any and all mortgages, liens, pledges, charges, security interests, encumbrances, actions, claims or demands of any nature whatsoever or howsoever arising.

(bb) except where the failure to do so would not constitute a Material Adverse Effect, Chlormet and Chlormet Sub have their property insured against loss or damage by all insurable hazards or risks on a replacement cost basis and such insurance coverage will be continued in full force and effect to and including the Closing Date; to the best of the knowledge of Chlormet, Chlormet and Chlormet Sub arenot in default with respect to any of the provisions contained in any such insurance policy and has not failed to give any notice or present any claim under any such insurance policy in due and timely fashion.

(cc) Except as disclosed in Schedule J, Chlormet and Chlormet Sub do not have any outstanding material agreements, contracts or commitments, whether written or oral, of any nature or kind whatsoever, including, but not limited to, employment agreements, agreements, contracts and commitments in the ordinary course of business and service contracts on office equipment and leases.

(dd) All of Chlormet's and Chlormet Sub's credit facilities are in good standing, other than as disclosed in the Chlormet Financial Statements, and Chlormet and Chlormet Sub have not received any notices of default or acceleration requests from any bank or other creditor respecting Chlormet's or Chlormet Sub's credit facilities.

(ee) Except as disclosed in Schedule G, there are no actions, suits or proceedings pending or threatened against or affecting Chlormet or Chlormet Sub or affecting Chlormet's or Chlormet Sub's business, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign and Chlormet is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

(ff) The entry into this Agreement and the consummation of the Transaction will not result in the violation of any of the terms and provisions of the constating documents or bylaws of Chlormet or Chlormet Sub or of any indenture, instrument or agreement, written or oral, to which Chlormet or Chlormet Sub may be a party.

(gg) The entry into this Agreement and the consummation of the Transaction will not, to the knowledge of Chlormet, result in the violation of any law or regulation of Canada or the Provinces of British Columbia, Ontario, or Alberta, or of any local government bylaw or ordinance to which Chlormet's or Chlormet Sub's business maybe subject.

(hh) This Agreement has been duly authorized, validly executed and delivered by Chlormet.

(ii) No agreement has been made with Chlormet or Chlormet Sub in respect of the purchase and sale contemplated by this Agreement that could give rise to any valid claim by any person against AAA or the Selling Shareholders for a finder's fee, brokerage commission or similar payment.

7. Covenants of Chlormet

Chlormet covenants to AAA and the Selling Shareholders that it will do, or cause to be done, at its own expense, the following:

(a) Chlormet will provide access to, and will permit AAA, through its representatives, to make such investigation of the operations, properties, assets and records of Chlormet and Chlormet Sub and of their financial and legal condition as AAA deems necessary or advisable to familiarize itself with Chlormet and Chlormet Sub, and such operations, properties, assets, records and other matters.

(b) Except as contemplated by this Agreement or with the prior written consent of AAA, Chlormet will:

(i) promptly inform AAA of any facts that come to its attention which would cause any of its representations and warranties in this Agreement to be untrue in any respect;

(ii) promptly inform AAA in writing of any material adverse change in the condition of Chlormet or Chlormet Sub; and

(iii) maintain the books, records and accounts of Chlormet and Chlormet Sub in the ordinary course and record all transactions on a basis consistent with past practice.

(d) Chlormet will use reasonable commercial efforts to secure approval of its shareholders for the transactions contemplated herein, to the extent required to secure regulatory approval or as may be required by law (the "**Shareholder Approval Requirement**").

(e) AAA will nominate a director whom Chlormet will promptly appoint to the Chlormet Board of Directors following the execution of this Agreement, subject to the approval of the Board of Chlormet, which shall not be unreasonably withheld, and the right of the CSE to object to such appointment.

(f) At or before the date of each Milestone, Chlormet will use commercially reasonable efforts to take all necessary steps and corporate proceedings to be taken in order to facilitate the transactions contemplated herein, including the issuance of the Chlormet Shares to the Selling Shareholders.

(g) Chlormet hereby irrevocably and unconditionally agrees to fund all costs and expenses incurred by AAA in connection with its satisfaction of each of the Milestones. Such funding will be on the basis of Budgets to be approved by the board of directors of Chlormet. Time is of the essence of payment of such advances.

8. Closing Conditions

8.1 **Conditions Precedent to Closing for Chlormet.** The obligation of Chlormet to consummate the Transaction is subject to the satisfaction or waiver of the conditions set forth below on or before the Closing Date or such earlier date as hereinafter specified. The Closing of the Transaction contemplated by this Agreement will be deemed to mean the satisfaction or waiver of all conditions to Closing. These conditions to closing are for the benefit of Chlormet and may be waived by Chlormet in its sole discretion.

(a) **Representations and Warranties.** The representations and warranties of AAA and the Selling Shareholders contained in this Agreement or in any Schedule to this Agreement or certificate or other document delivered to Chlormet pursuant to this Agreement will be true, correct and complete in all material respects as of the date of this Agreement and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date, regardless of the date as of which the information in this Agreement or any Schedule or certificate is given, and Chlormet will have received on the Closing Date certificates dated as of the Closing Date, in forms satisfactory to Chlormet acting reasonably and signed by a senior officer of AAA to the effect that its representations and warranties referred to above are true, correct and complete on and as of the Closing Date with the same force and effect as though made on and as of such date, provided that the acceptance of such certificate and the closing of the Transaction provided for in this Agreement will not be a waiver of the respective representations and warranties contained in this Agreement or in any Schedule to this Agreement or in any certificate or document given pursuant to this Agreement which covenants, representations and warranties will continue in full force and effect for the benefit of Chlormet.

(b) **Performance.** All of the covenants and obligations that AAA and the Selling Shareholders are required to perform or to comply with pursuant to this Agreement at or prior to the Closing will have been performed and complied with in all material respects.

(c) **Transaction Documents.** This Agreement and all other documents necessary or reasonably required to consummate the Transaction and the transactions contemplated under this Agreement, all in form and substance reasonably satisfactory to Chlormet, will have been executed and delivered to Chlormet by AAA and the Selling Shareholders.

(d) **Approvals.** AAA will have delivered to Chlormet minutes of meetings, written consents or other evidence reasonably satisfactory to Chlormet that the board of directors of AAA have approved this Agreement and the Transaction.

(e) **President's Certificate.** AAA will have delivered to Chlormet a certificate from the President of AAA attaching:

(i) copies of AAA's articles, bylaws and all other constating documents, as amended through the Closing Date; and

(ii) copies of resolutions duly adopted by the board of directors of AAA approving the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.

(f) **Third Party Consents.** AAA will have delivered to Chlormet duly executed copies of all third party consents and approvals required by this Agreement to be obtained by AAA, in form and substance reasonably satisfactory to Chlormet.

(g) **Regulatory Approvals and Consents.** AAA will have obtained any required regulatory approvals and consents required to carry out this Agreement and the Transaction, in form and substance reasonably satisfactory to Chlormet.

(h) **No Material Adverse Effect.** At the Closing Date, there will have been no Material Adverse Effect to the affairs, assets, liabilities, or financial condition of AAA or the AAA Business (financial or otherwise) from that shown on or reflected in the AAA Financial Statements.

(i) **No Damage.** No substantial damage by fire or other hazard to the AAA Business will have occurred prior to or on the Closing Date.

(j) **No Action.** No suit, action, or proceeding will be pending or threatened which would:

(i) prevent the consummation of the Transaction contemplated by this Agreement; or

(ii) cause the Transaction to be rescinded following consummation.

(k) **Outstanding Securities.** AAA will have no more than 1,000,000 Common Shares and no shares of any other classes issued and outstanding on the Closing Date.

(l) **Public Disclosure.** AAA will have delivered substantive information about its assets and personnel reasonably satisfactory to Chlormet for completion of any required public disclosure of the Transaction details.

(m) **Financial Statements.** AAA will have delivered the AAA Financial Statements.

(n) **Share Certificates of Selling Shareholders.** The Selling Shareholders will deliver to Chlormet certificates representing their AAA Shares duly executed for transfer, together with all other documentation required to transfer title to their AAA Shares to Chlormet and the Selling Shareholders will each deliver to Chlormet an executed stock power of attorney or other document evidencing the transfer of the AAA Shares from the Selling Shareholders to Chlormet.

(o) **Licence.** The Health Canada License will have been issued.

8.2 In the event any of the foregoing conditions contained in Subsection 8.1 are not fulfilled or performed at or before the Closing Date to the reasonable satisfaction of Chlormet, Chlormet may terminate this Agreement by written notice to AAA and the Selling Shareholders and in such event Chlormet will be released from all further obligations hereunder. Any of the foregoing conditions contained in Subsection 8.1 may be waived in writing in whole or in part by Chlormet without prejudice to each entity's respective rights of termination in the event of the non-fulfillment of any other conditions.

8.3 **Conditions Precedent to Closing by AAA and the Selling Shareholders.** The obligation of AAA and the Selling Shareholders to consummate the Transaction is subject to the satisfaction or waiver of the conditions set forth below on or before the Closing Date or such earlier date as hereinafter specified. The Closing of the Transaction will be deemed to mean the satisfaction or waiver of all conditions to Closing. These conditions precedent are for the benefit of AAA and the Selling Shareholders and may be waived by unanimous consent of AAA and the Selling Shareholders in their discretion.

(a) **Representations and Warranties.** The representations and warranties of Chlormet contained in this Agreement or in any Schedule to this Agreement or certificate or other document delivered to AAA and the Selling Shareholders pursuant to this Agreement will be true, correct and complete in all material respects as of the date of this Agreement and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date, regardless of the date as of which the information in this Agreement or any such Schedule or certificate is given, and AAA and the Selling Shareholders will have received on the Closing Date a certificate dated as of the Closing Date from Chlormet, in a form reasonably satisfactory to AAA, signed by a senior officer of Chlormet, to the effect that such representations and warranties referred to above are true, correct and complete on and as of the Closing Date with the same force and effect as though made on and as of such date, provided that the acceptance of such certificate and the closing of the Transaction provided for in this Agreement will not be a waiver of the representations and warranties contained in this Agreement or in any Schedule to this Agreement or in any certificate or document given pursuant to this Agreement which covenants, representations and warranties will continue in full force and effect for the benefit of AAA and the Selling Shareholders.

(b) **Performance.** All of the covenants and obligations that Chlormet is required to perform or to comply with pursuant to this Agreement at or prior to the Closing will have been

performed and complied with in all material respects. Chlormet will have delivered each of the documents respectively required to be delivered by it pursuant to this Agreement.

(c) **Transaction Documents.** This Agreement and all other documents necessary or reasonably required to consummate the Transaction, all in form and substance reasonably satisfactory to AAA, will have been executed and delivered to AAA and the Selling Shareholders by Chlormet.

(d) **Approvals.** Chlormet will have delivered to AAA written consents or other evidence reasonably satisfactory to AAA that its board of directors has approved this Agreement and the Transaction.

(e) **President's Certificate.** Chlormet will have delivered to AAA a certificate from its President attaching:

(i) copies of its articles of incorporation, bylaws and other constating documents, as amended through the Closing Date; and

(ii) copies of resolutions duly adopted by the board of directors of Chlormet approving the execution and delivery of this Agreement and the consummation of the transactions contemplated herein.

(f) **Third Party Consents**. Chlormet will have delivered to AAA duly executed copies of all third party consents and approvals required by this Agreement to be obtained by Chlormet, in form and substance reasonably satisfactory to AAA.

(g) **Regulatory Approvals and Consents.** Chlormet will have obtained any required regulatory approvals and consents required to carry out this Agreement and the Transaction, in form and substance reasonably satisfactory to AAA.

(h) **No Material Adverse Effect.** At the Closing Date, there will have been no Material Adverse Effect to the affairs, assets, liabilities, financial condition or business (financial or otherwise) of Chlormet from that shown on, or reflected in, the Chlormet Financial Statements.

(i) **No Action.** No suit, action, or proceeding will be pending or threatened before any governmental or regulatory authority wherein an unfavourable judgment, order, decree, stipulation, injunction or charge would:

(i) prevent the consummation of the Transaction contemplated by this Agreement; or

(ii) cause the Transaction to be rescinded following consummation.

(j) **Approvals and Consents.** Chlormet will have obtained all necessary regulatory and stock exchange approvals and consents to carry out the Transaction, in form and substance reasonably satisfactory to AAA.

(k) **Public Market.** On the Closing Date, the Chlormet Shares will be listed and posted for trading on the CSE.

(l) **Covenants**. Chlormet will have complied with all covenants and agreements herein agreed to be performed or caused to be performed by it at or prior to the Closing Date such that it will have satisfied the Shareholder Approval Requirement.

8.4 In the event that any of the conditions contained in Subsection 8.3 will not be fulfilled or performed by Chlormet at or before the Closing Date to the reasonable satisfaction of AAA and the Selling Shareholders, then AAA or the Selling Shareholders may terminate this Agreement by written notice to Chlormet and in such event AAA and the Selling Shareholders will be released from all further obligations hereunder. Any of the foregoing conditions contained in Subsection 8.3 may be waived in writing in whole or in part by AAA and the Selling Shareholders without prejudice to the respective rights of termination of AAA or the Selling Shareholders in the event of the non-fulfillment of any other conditions.

9. Closing

9.1 **Time and Place.** The closing will take place at 10:00 am on the Closing Date at the offices of Tupper Jonsson & Yeadon at Suite 1710 – 1177 West Hastings St., Vancouver, British Columbia, Canada, or at such other time and place as the parties may mutually agree.

10. Covenants

10.1 **Notification of Financial Liabilities.** Each of the parties will immediately notify each in accordance with Subsection 14.6, if it receives any advice or notification from its independent certified public accounts that it has used any improper accounting practice that would have the effect of not reflecting or incorrectly reflecting in its books, records, and accounts, any properties, assets, liabilities, revenues, or expenses. Notwithstanding any statement to the contrary in this Agreement, this covenant will survive closing and continue in full force and effect.

10.2 **Access and Investigation.** Between the date of this Agreement and the Closing Date, AAA and Chlormet will cause each of their respective representatives to:

(a) afford the other and its representatives full and free access to its personnel, properties, assets, contracts, books and records and other documents and data;

(b) furnish the other and its representatives with copies of all such contracts, books and records, and other existing documents and data as required by this Agreement and as the other may otherwise reasonably request; and

(c) furnish the other and its representatives with such additional financial, operating, and other data and information as the other may reasonably request.

All such access, investigation and communication by a party and its representatives will be conducted during normal business hours and in a manner designed not to interfere unduly with the normal business operations of the other party. Each party will instruct its auditors to co-operate with the other party and its representatives in connection with such investigations.

10.3 **Notification of Breach.** Between the date of this Agreement and the Closing Date, each of the parties to this Agreement will promptly notify the other parties in writing if it becomes aware of any fact or condition that causes or constitutes a material breach of any of its representations and warranties as of the date of this Agreement, if it becomes aware of the occurrence after the date of this Agreement of any fact or condition that would cause or constitute a material breach of any

such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. Should any such fact or condition require any change in the Schedules relating to such party, such party will promptly deliver to the other parties a supplement to the Schedules specifying such change. During the same period, each party will promptly notify the other parties of the occurrence of any material breach of any of its covenants in this Agreement or of the occurrence of any event that may make the satisfaction of such conditions impossible or unlikely.

10.4 **Conduct of AAA and Chlormet Business Prior to Closing.** Except as expressly contemplated by this Agreement or for purposes in furtherance of this Agreement, from the date of this Agreement to the Closing Date, and except to the extent that Chlormet otherwise consents in writing, AAA will operate its business substantially as presently operated and in compliance with all applicable laws, and use its best efforts to preserve intact its good reputation and present business organization and to preserve its relationships with persons having business dealings with it. Likewise, from the date of this Agreement to the Closing Date, and except to the extent that AAA otherwise consents in writing, Chlormet will operate its business substantially as presently operated and only in the ordinary course and in compliance with all applicable laws, and use its best efforts to preserve intact its good reputation and present business organization and to preserve its relationships with persons having business dealings with it.

10.5 **Public Announcements.** Until the Closing Date, Chlormet and AAA each agree that they will not release or issue any reports or statements or make any public announcements relating to this Agreement or the Transaction without the prior consent of the other party, except as may be required upon written advice of counsel to comply with applicable laws, regulatory requirements or CSE policies after consulting with Chlormet or AAA, as applicable, and seeking their reasonable consent to such announcement. AAA acknowledges that Chlormet must comply with Applicable Securities Legislation requiring full disclosure of material facts and agreements in which it is involved, and will co-operate to assist Chlormet in meeting its obligations.

11. Confidentiality

11.1 All financial information regarding the AAA Business that AAA has provided to Chlormet, will be kept in strict confidence by Chlormet and will not be given to any other person or party or used (except in connection with due diligence carried out under this Agreement in accordance with Subsection 10.2 and except as required to file a news release regarding the transaction to the public after the Closing), dealt with, exploited or commercialized by Chlormet or disclosed to any third party (other than Chlormet's professional accounting and legal advisors) without the prior consent of AAA. If the Transaction contemplated by this Agreement does not proceed for any reason, then upon receipt of a written request from AAA, Chlormet will immediately return to AAA (or as directed by AAA) all information received regarding the AAA Business.

11.2 All information regarding the business of Chlormet including but without limitation, financial information that Chlormet provides to AAA during its due diligence investigation of Chlormet will be kept in strict confidence by AAA and will not be used (except in connection with due diligence carried out under this Agreement in accordance with Subsection 10.2), dealt with, exploited or commercialized by AAA or disclosed to any third party (other than AAA's professional accounting and legal advisors) without Chlormet's prior written consent. If the Transaction contemplated by this Agreement does not proceed for any reason, then upon receipt of a written request from Chlormet, AAA will immediately return to Chlormet (or as directed by Chlormet) all information received regarding Chlormet's business.

11.3 Upon request, each party will provide an affidavit to the other that all documents, including all copies thereof, were returned to the other party or as directed by the other party in accordance with this Section 11.

11.4 Chlormet and AAA acknowledge and agree, subject to disclosure obligations under Applicable Securities Legislation, CSE policies or other laws or regulations, that neither party will make any public pronouncements concerning the terms of this Agreement without the express written consent of the other party and such consent will not to be unreasonably withheld, conditioned or delayed.

11.5 AAA acknowledges and agrees that, while in possession of material information about Chlormet that has not been publicly disclosed, it will not trade and will take all reasonable steps to prevent any of its employees or agents from trading in the securities of Chlormet prior to Closing.

11.6 Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 8 will survive termination of this Agreement.

12. Termination

12.1 **Termination.** This Agreement may be terminated at any time prior to the Closing Date by:

(a) mutual agreement of Chlormet and AAA, without the consent of the Selling Shareholders;

(b) Chlormet, if there has been a material breach by AAA or any of the Selling Shareholders of any material representation, warranty, covenant, or agreement set forth in this Agreement on the part of AAA or the Selling Shareholders that is not cured by the breaching party, to the reasonable satisfaction of Chlormet, within twenty (20) business days after notice of such breach is given by Chlormet unless such breach cannot reasonably be cured within twenty (20) business days and the breaching party is pursuing such cure with diligence;

(c) AAA, if there has been a material breach by Chlormet of any material representation, warranty, covenant or agreement set forth in this Agreement on the part of Chlormet that is not cured by Chlormet, to the reasonable satisfaction of AAA, within twenty (20) business days after notice of such breach is given by AAA or the Selling Shareholder(s) unless such breach cannot reasonably be cured within twenty (20) business days and the breaching party is pursuing such cure with diligence;

(d) Chlormet or AAA, if any permanent injunction or other order of a governmental entity of competent authority preventing the consummation of the Transaction contemplated by this Agreement has become final and non-appealable; or

(e) Chlormet, if the Transaction has not been consummated prior to July 31, 2016, or such other date as may be agreed to in writing by Chlormet and AAA.

12.2 **Effect of Termination.** In the event of the termination of this Agreement as provided for in Subsection 12.1, this Agreement will be of no further force or effect, except for those provisions in this Agreement which expressly survive termination, and provided that no termination of this Agreement will relieve any party of liability for any breaches of this Agreement that are based on a wrongful refusal or failure to perform any obligations.

13. Indemnification

13.1 **Certain Definitions.** For the purposes of this Section 13, the terms "Loss" and "Losses" mean any and all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs, and expenses, including without limitation, interest, penalties, fines and reasonable attorneys, accountants and other professional fees and expenses, but excluding any indirect, consequential or punitive damages suffered by Chlormet or AAA including damages for lost profits or lost business opportunities.

13.2 **Agreement of AAA to Indemnify.** AAA will indemnify, defend, and hold harmless, to the full extent of the law, Chlormet and its directors, officers, employees, agents, advisers and shareholders from, against, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by Chlormet and its directors, officers, employees, agents, advisers and shareholders by reason of, resulting from, based upon or arising out of:

(a) a material breach by AAA of any representation or warranty of AAA contained in or made pursuant to this Agreement, any AAA document or any certificate or other instrument delivered pursuant to this Agreement; or

(b) a material breach or partial breach by AAA of any covenant or agreement of AAA made in or pursuant to this Agreement, any document or any certificate or other instrument delivered pursuant to this Agreement.

13.3 **Agreement of Selling Shareholders to Indemnify.** The Selling Shareholders will each, severally, and not jointly and severally, indemnify, defend, and hold harmless, to the full extent of the law, Chlormet and its directors, officers, employees, agents, advisers and shareholders from, against, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by Chlormet and its directors, officers, employees, agents, advisers and shareholders by reason of, resulting from, based upon or arising out of:

(a) any breach by such Selling Shareholder of this Agreement; or

(b) any misstatement, misrepresentation or breach of the representations and warranties made by such Selling Shareholder contained in or made pursuant to the representations or warranties or certificates executed by the Selling Shareholder as part of the share exchange procedure detailed in Sections 2, 3, 4, 5 and 6 of this Agreement.

13.4 **Agreement of Chlormet to Indemnify.** Chlormet will indemnify, defend, and hold harmless, to the full extent of the law, AAA and the Selling Shareholders from, against, for, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by AAA and the Selling Shareholders by reason of, resulting from, based upon or arising out of:

(a) a material breach by Chlormet of any representation or warranty of Chlormet contained in or made pursuant to this Agreement, any Chlormet document or any certificate or other instrument delivered pursuant to this Agreement; or

(b) a material breach or partial breach by Chlormet of any covenant or agreement of Chlormet made in or pursuant to this Agreement, any Chlormet document or any certificate or other instrument delivered pursuant to this Agreement.

14.5 **Limitation on Indemnity.** Any party entitled to indemnification under this Section will only be entitled to indemnification in respect of any Losses after the aggregate amount of such Losses exceeds $50,000, at which point the indemnified party will be entitled to recover the entire amount of such Losses from the first dollar (including the first $50,000).

13.6 **Indemnification Procedures.** If any action will be brought against any party in respect of which indemnity may be sought pursuant to this Agreement (the **"Indemnified Party"),** such Indemnified Party will promptly notify the party from whom indemnity is being sought (the **"Indemnifying Party")** in writing, and the Indemnifying Party will have the right to assume the defence thereof with counsel of its own choosing. Any Indemnified Party will have the right to employ separate counsel in any such action and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of such Indemnified Party except to the extent that the employment thereof has been specifically authorized by the Indemnifying Party in writing, the Indemnifying Party has failed after a reasonable period of time to assume such defence and to employ counsel or in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the Indemnifying Party and the position of such Indemnified Party. The Indemnifying Party will not be liable to any Indemnified Party under this Section 10 for any settlement by an Indemnified Party effected without the Indemnifying Party's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed; or to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Indemnified Party's indemnification pursuant to this Section 10.

14. Miscellaneous Provisions

14.1 **Effectiveness of Representations and Survival.** Each party is entitled to rely on the representations, warranties and agreements of each of the other parties and all such representations, warranties and agreements will be effective regardless of any investigation that any party has undertaken or failed to undertake. Unless otherwise stated in this Agreement, and except for instances of fraud, the representations, warranties and agreements will survive the Closing Date and continue in full force and effect until one (1) year after the Closing Date.

14.2 **Further Assurances.** Each of the parties hereto will co-operate with the others and execute and deliver to the other parties hereto such other instruments and documents and take such other actions as may be reasonably requested from time to time by any other party hereto as necessary to carry out, evidence, and confirm the intended purposes of this Agreement.

14.3 **Amendment.** This Agreement may not be amended except by an instrument in writing signed by each of the parties.

14.4 **Expenses.** Chlormet and AAA will bear their respective costs incurred in connection with the preparation, execution and performance of this Agreement and the Transaction contemplated hereby, including all fees and expenses of their respective agents, representatives and accountants, provided that if the Closing does not occur on or prior to July 31, 2016 solely due to the actions or inactions of Chlormet, including but not limited to failure by Chlormet to obtain any required regulatory, stock exchange or board approvals, then Chlormet will be responsible for the costs incurred by AAA in furtherance of and closing of the Transaction after July 31, 2016.

14.5 **Entire Agreement.** This Agreement, the Schedules and the other documents in connection with this transaction contain the entire agreement between the parties with respect to the subject matter

hereof and supersede all prior arrangements and understandings, both written and oral, expressed or implied, with respect thereto. Any preceding correspondence or offers are expressly superseded and terminated by this Agreement.

14.6 **Notices.** All notices and other communications required or permitted under this Agreement must be in writing and will be deemed given if sent by personal delivery, faxed with electronic confirmation of delivery, internationally-recognized express courier or registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as will be specified by like notice):

If to AAA:

27 Regan Road,
Brampton ON L7A 1B2

Attention: Chris Hornung
Telephone: 905.840.6900
Email: chris@adamspkg.com

With a copy (which will not constitute notice) to:

McCullough O'Connor Irwin LLP
Suite 2600, 1066 West Hastings Street
Vancouver, BC, V6E 3X1

Attention: Farzad Forooghian
Telephone: 604.646.3311
Facsimile: 604.687.7099
Email: fforooghian@moisolicitors.com

If to any of the Selling Shareholders to the addresses set forth for such Selling Shareholders in Schedule "A".

If to Chlormet:

459 – 409 Granville Street
Vancouver, BC, V6C 1T2

Attention: Yari Nieken
Facsimile: 604-678-2532

With a copy (which will not constitute notice) to:

Tupper Jonsson & Yeadon
1710 – 1177 West Hastings Street
Vancouver, BC, V6E 2L3

Attention: Lee S. Tupper
Telephone: 604-640-6358
Facsimile: 604-681-0139

All such notices and other communications will be deemed to have been received:

(a) in the case of personal delivery, on the date of such delivery;

(b) in the case of a fax, when the party sending such fax has received electronic confirmation of its delivery;

(c) in the case of delivery by internationally-recognized express courier, on the business day following dispatch; and

(d) in the case of mailing, on the fifth business day following mailing.

14.7 **Headings.** The headings contained in this Agreement are for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

14.8 **Benefits.** This Agreement is and will only be construed as for the benefit of or enforceable by those Persons party to this Agreement.

14.9 **Severability.** Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions of this Agreement or of such provisions or part thereof in any other jurisdiction.

14.10 **Assignment.** This Agreement may not be assigned (except by operation of law) by any party without the prior consent of the other parties.

14.11 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia applicable to contracts and to be performed therein.

14.12 **Construction.** The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

14.13 **Gender.** All references to any party will be read with such changes in number and gender as the context or reference requires.

14.14 **Business Days.** If the last or appointed day for the taking of any action required or the expiration of any rights granted herein will be a Saturday, Sunday or a legal holiday in the province of British Columbia, then such action may be taken or right may be exercised on the next succeeding day which is not a Saturday, Sunday or such a legal holiday.

14.15 **Schedules and Exhibits.** The schedules and exhibits are attached hereto and form part of this Agreement and are incorporated herein.

14.16 **Independent Legal Advice.** Each of the parties acknowledge that:

(a) Tupper Jonsson & Yeadon has acted as counsel only to Chlormet, that all other parties to this Agreement acknowledge and confirm that they have been advised to seek, and have sought or have otherwise waived, independent tax and legal advice with respect to this Agreement and the documents delivered pursuant thereto and that Tupper Jonsson

& Yeadon is not protecting the rights and interests of any other party to this Agreement; and

(b) McCullough O'Connor Irwin LLP has acted as counsel only to AAA, that all other parties to this Agreement acknowledge and confirm that they have been advised to seek, and have sought or waived, independent tax and legal advice with respect to this Agreement and the documents delivered pursuant thereto and that McCullough O'Connor Irwin LLP are not protecting the rights and interests of any other party to the Agreement.

(c) To the extent that any Selling Shareholder declines to receive independent legal counsel in respect of this Agreement, such Selling Shareholder hereby waives the right, should a dispute later develop, to rely on its lack of independent legal counsel to avoid its obligations, to seek indulgences from the other parties hereto, or to otherwise attack, in whole or in part, the integrity of this Agreement and the documents related thereto.

14.17 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

14.18 **Facsimile Execution.** Delivery of an executed signature page to this Agreement by any party to this Agreement by facsimile transmission and portable document format (PDF) shall be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

CHLORMET TECHNOLOGIES CORP.

_____
Authorized Signatory
Name:
Title:

AAA HEIDELBERG INC.

_____
Authorized Signatory
Name:
Title:

SHAREHOLDERS OF AAA

_____
Authorized Signatory
Name:
Title:

14.18 **Facsimile Execution.** Delivery of an executed signature page to this Agreement by any party to this Agreement by facsimile transmission and portable document format (PDF) shall be as effective as delivery of a manually executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

CHLORMET TECHNOLOGIES CORP.

"Chris Hornung"

Authorized Signatory
Name:
Title:

AAA HEIDELBERG INC.

Authorized Signatory
Name: CHRIS HORNUNG
Title: PRESIDENT.

SHAREHOLDERS OF AAA

Authorized Signatory
Name: CHRIS HORNUNG
Title: 1/26/15.

JBQ Enterprises Inc.
B.Quon
Betty Janet Quon
Secretary

JBQ Enterprises Inc
Jason
Jeffrey Quon
President

Jason Springett
Shareholder

ERIC HORNUNG
SHAREHOLDER

Mike Hornung
Shareholder

ADAM HORNUNG
SHAREHOLDER.

SCHEDULE A

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE November ●, 2014, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

Selling Shareholders

Name and Address of AAA Shareholder		**Number of AAA Shares held as of the date of this Agreement**	**Number of Chlormet Shares to be received on First Milestone**	**Number of Chlormet Shares to be received on Second Milestone**	**Number of Chlormet Shares to be received on Third Milestone**	**Number of Chlormet Shares to be received on Fourth Milestone**
Chris Hornung 1209 Robson Cr. Milton ON, L9T 6N5		119285	378571	285714	285714	1428571
Mike Hornung 50 Green Lanes, Toronto ON,		238575	757145	571430	571430	2857145
Eric Hornung 3 Queen St., Georgetown ON		119285	378571	285714	285714	1428571
Adam Hornung 2354 Conquest Dr. Mississauga, ON		119285	378571	285714	285714	1428571
Jason Springett		119285	378571	285714	285714	1428571
JBQ Enterprises		119285	378571	285714	285714	1428571
Belmont Capital		0	1,700,000	0	0	0
Total		835000	4,~~000~~350,000	2,000,000	2,000,000	10,000,000
Percentage ownership of AAA by Chlormet		16.5%	(+~~18.56~~19.79%) ~~35.06~~36.29%	(+9.~~28~~1%) ~~44.34~~45.39%	(+9.~~28~~1%) ~~53.62~~54.49%	(+~~46.38~~45.51%) 100.00%

SCHEDULE B

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

AAA Consolidated Financial Statements

AAA Heidelberg
Balance Sheet As at Jan 23, 2015

ASSET

Current Assets		
Current Account	113,914.71	
Foreign Currency Bank	0.00	
Total Cash		113,914.71
Visa Receivable	0.00	
MasterCard Receivable	0.00	
American Express Receivable	0.00	
Other Credit Card Receivable	0.00	
Total Credit Card Receivables		0.00
Investments		0.00
Accounts Receivable	0.00	
Allowance for Doubtful Accounts	0.00	
Payroll Advances	0.00	
Total Receivable		0.00
Prepaid Expenses		18,492.81
Total Current Assets		132,407.52
Capital Assets		
Office Furniture & Equipment	28,054.88	
Accum. Amort. -Furn. & Equip.	0.00	
Net - Furniture & Equipment		28,054.88
Vehicle	0.00	
Accum. Amort. -Vehicle	0.00	
Net - Vehicle		0.00
Building	785,363.51	
Accum. Amort. -Building	0.00	
Net - Building		785,363.51
Computer Software	270.34	
Accum. Amort. - Comp. Software		0.00
		270.34
Water Cooling System		103,931.60
Grow Lights		9,284.00
Vault		20,000.00
Land		0.00
Total Capital Assets		946,904.33
Other Non-Current Assets		
Goodwill		0.00

Incorporation Cost		0.00
Total Other Non-Current Assets		0.00
TOTAL ASSET		1,079,311.85
LIABILITY		
Current Liabilities		
Accounts Payable		76,378.87
Accrued Liabilities		140,000.00
Import Duty Clearing		0.00
Bank Loan - Current Portion		0.00
Bank Advances		0.00
Visa Payable	0.00	
MasterCard Payable	0.00	
American Express Payable	0.00	
Other Credit Card Payable	0.00	
Total Credit Card Payables		0.00
Corporate Taxes payable		0.00
HST Charged on Sales	0.00	
HST Charged on Sales - Rate 2	0.00	
HST Paid on Purchases	1,770.12	
HST Payroll Deductions	0.00	
HST Due/Refund	7,431.92	
HST Owing (Refund)		9,202.04
Prepaid Sales/Deposits		0.00
Total Current Liabilities		225,580.91
Long Term Liabilities		
Belmont Capital Loan		400,000.00
Adams Packaging		232,120.61
CMT		280,000.00
JBQ Enterprises		190,000.00
Shaxon		10,000.00
Jason Springette		23,650.00
Total Long Term Liabilities		1,135,770.61
TOTAL LIABILITY		1,361,351.52
EQUITY		
Share Capital		
Common Shares		0.00
Preferred Shares		0.00
Total Share Capital		0.00

Retained Earnings	
Retained Earnings - Previous Year	-99,001.95
Current Earnings	-183,037.72
Total Retained Earnings	-282,039.67
TOTAL EQUITY	-282,039.67
LIABILITIES AND EQUITY	1,079,311.85

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SCHEDULE C

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

AAA Creditors and Encumbrances on AAA's Assets

SCHEDULE C

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE NOVEMBER •, 2014, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

AAA Creditors and Encumbrances on AAA's Assets

Belmont Capital – first ranking secured loan $400,000

Chlormet - $280,000

Kenex Manufacturing - $250,000

JBQ Enterprises - $200,000

Jason Springett - $52,000

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SCHEDULE D

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

Chlormet Financial Statements

CHLORMET TECHNOLOGIES, INC.

(formerly Newton Gold Corp.)

Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2014

(Expressed in Canadian Dollars)

(Unaudited)

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
(Unaudited)

Notice to Readers

Under National Instrument 51-102, Part 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Chlormet Technologies, Inc. (formerly Newton Gold Corp.) for the nine months ended September 30, 2014 have been prepared in accordance with International Accounting Standard 34 for Interim Financial Reporting under International Financial Reporting Standards. These condensed interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The Company's independent auditors have not performed an audit or review of these condensed interim financial statements.

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at		September 30 2014		December 31 2013
Assets				
Current				
Cash	**$**	**395,406**	$	5,372
Amounts receivable		**8,720**		4,260
Due from related parties (Note 7)		**22,016**		-
Prepaid expenses and deposits		**59,386**		966
		485,528		10,598
Non-current				
Exploration and evaluation assets (note 4)		**255,454**		252,848
Investment (note 5)		**120,000**		-
		375,454		252,848
	$	**860,982**	$	263,446
Liabilities				
Current				
Accounts payable and accrued liabilities (note 7)	**$**	**171,024**	$	176,360
Due to related parties (note 7)		**55,135**		293,713
Loans payable		**-**		41,462
		226,159		511,535
Shareholders' Equity				
Share capital (note 6)		**11,972,428**		11,173,347
Reserves		**1,202,097**		103,625
Accumulated deficit		**(12,539,702)**		(11,525,061)
		634,823		(248,089)
	$	**860,982**	$	263,446

Nature and continuance of operations (note 1)
Commitments (notes 4, 5, and 7)
Contingent liability (note 8)
Subsequent events (note 11)

These condensed interim financial statements were authorized for issue by the Board of Directors on November 26, 2014. They are signed on the Company's behalf by:

"Yari Nieken" _____ Director

"Ian Foreman" _____Director

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended		For the nine months ended	
	September 30 2014	September 30 2013	**September 30 2014**	September 30 2013
Administrative expenses				
Accounting and auditing (note 7)	**$ 3,040**	$ 4,390	**$ 17,300**	$ 18,056
Administration fees (note 7)	**16**	131	**261**	1,815
Consulting and management (note 7)	**175,541**	78,500	**330,303**	183,250
Director fees (note 7)	**-**	1,333	**-**	2,933
Insurance	**1,063**	-	**1,063**	1,725
Investor communications	**11,258**	1,860	**13,165**	3,233
Legal	**43,313**	1,754	**102,863**	10,483
Office and sundry (note 7)	**6,531**	6,325	**17,805**	16,171
Regulatory and transfer agent fees	**4,430**	3,226	**31,395**	16,281
Share-based compensation (notes 6(d) and 7)	**67,267**	-	**485,853**	5,109
Travel and business development	**14,972**	106	**22,568**	4,384
Loss before other items	**(327,431)**	(97,625)	**(1,022,576)**	(263,440)
Other revenues (expenses)				
Other revenues	**33**	-	**310**	-
Write-off of exploration and evaluation assets (note 4(c))	**-**	(44,225)	**-**	(44,225)
Net and comprehensive loss for the period	**$ (327,398)**	$ (141,850)	**$ (1,022,266)**	$ (307,665)
Basic and diluted loss per share	**$ (0.01)**	$ (0.02)	**$ (0.05)**	$ (0.04)
Weighted average number of shares outstanding	**25,551,998**	7,602,574	**19,089,823**	7,602,574

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

				Reserves				
	Number of Shares	Share Capital	Share Subscriptions Receivable	Share-Based Payment Reserve	Warrant Reserve	Total	Deficit	Total Equity
Balance at December 31, 2013	7,602,574	$ 11,173,347	$ -	$ 103,625	$ -	$ 103,625	$ (11,525,061)	$ (248,089)
Private placement	13,256,000	662,800	-	-	-	-	-	662,800
Share issuance costs - cash	-	(15,600)	-	-	-	-	-	(15,600)
Share issuance costs - agent warrants	-	(57,782)	-	-	57,782	57,782	-	-
Share issuance costs - incentive warrants	-	(578,204)	-	-	578,204	578,204	-	-
Agent warrants exercised	85,000	6,375	-	-	-		-	6,375
Fair value of agent warrants exercised	-	15,742	-	-	(15,742)	(15,742)	-	-
Warrants exercised	10,210,000	765,750	-	-	-		-	765,750
Fair value of stock options cancelled/expired	-	-	-	(7,625)	-	(7,625)	7,625	-
Share-based compensation	-	-	-	485,853	-	485,853	-	485,853
Loss for the period	-	-	-	-	-	-	(1,022,266)	(1,022,266)
Balance at September 30, 2014	**31,153,574**	**$ 11,972,428**	**$ -**	**$ 581,853**	**$ 620,244**	**$ 1,202,097**	**$ (12,539,702)**	**$ 634,823**
Balance at December 31, 2012	7,602,574	$ 11,173,347	$ (9,000)	$ 305,848	$ 192,701	$ 498,549	$ (9,940,098)	$ 1,722,798
Share subscription received	-	-	9,000	-	-	-	-	9,000
Fair value of agent options expired	-	-	-	(25,600)	-	(25,600)	25,600	-
Fair value of stock options expired	-	-	-	(69,352)	-	(69,352)	69,352	-
Fair value of warrants expired	-	-	-	-	(130,114)	(130,114)	130,114	-
Share-based compensation	-	-	-	5,109	-	5,109	-	5,109
Loss for the period	-	-	-	-	-	-	(307,665)	(307,665)
Balance at September 30, 2013	7,602,574	$ 11,173,347	$ -	$ 216,005	$ 62,587	$ 278,592	$ (10,022,697)	$ 1,429,242

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

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended		For the nine months ended	
	September 30 2014	September 30 2013	**September 30 2014**	September 30 2013
Cash provided by (used for)				
Operating activities				
Net loss for the period	**$ (327,398)**	$ (141,850)	**$ (1,022,266)**	$ (307,665)
Add items not affecting cash				
Accrued interest	**-**	2,131	**-**	2,696
Foreign exchange gain	**(34)**	-	**(34)**	-
Write-off of exploration and evaluation assets	**-**	44,225	**-**	44,225
Share-based compensation	**67,267**	-	**485,853**	5,109
	(260,165)	(95,494)	**(536,447)**	(255,635)
Net change in non-cash working capital	**(71,163)**	(1,021)	**(68,216)**	(499)
	(331,328)	(96,515)	**(604,663)**	(256,134)
Financing activities				
Due (to) from related parties	**(58,080)**	96,530	**(260,594)**	154,977
Issuance of common shares, net of share issuance costs	**772,125**	-	**1,419,325**	-
Loan payable	**-**	-	**(41,462)**	20,000
Share subscription received	**-**	-	**-**	9,000
	714,045	96,530	**1,117,269**	183,977
Investing activity				
Investment in AAA Heidelberg Inc.	**-**	-	**(120,000)**	-
Expenditures on exploration and evaluation assets	**-**	-	**(2,606)**	(4,225)
	-	-	**(122,606)**	(4,225)
Effect of foreign exchange translation on cash	**34**	-	**34**	-
Net increase in cash	**382,751**	15	**390,034**	(76,382)
Cash, beginning of period	**12,655**	410	**5,372**	76,807
Cash, end of period	**$ 395,406**	$ 425	**$ 395,406**	$ 425

Supplemental cash flow disclosure (note 9)

1. NATURE AND CONTINUANCE OF OPERATIONS

Chlormet Technologies, Inc. (formerly Newton Gold Corp.) ("Chlormet" or the "Company") was incorporated on June 24, 2004 pursuant to the Business Corporations Act (British Columbia). On February 9, 2011, the name of the Company was changed from New High Ridge Resources Inc. to Newton Gold Corp. and on November 7, 2013 to Chlormet Technologies, Inc. Until June 18, 2014, the Company was listed on the TSX Venture Exchange under the symbol "CMT". Effective June 19, 2014 the Company is listed on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "PUF".

Effective November 7, 2013, when the Company's name was changed from Newton Gold Corp. to Chlormet Technologies, Inc., the Company's issued and outstanding shares were consolidated on a five (5) old for one (1) new basis. All share capital figures reflect the share consolidation.

The Company is an exploration stage company with respect to its exploration and evaluation assets. Based on the information available to date, the Company has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development, and upon future profitable production or disposition thereof.

On March 26, 2014, the Company acquired a 16.5% interest in AAA Heidelberg Inc., a private company located in Ontario, for $120,000. The Company has signed a Letter of Intent ("LOI") with the principals of AAA Heidelberg Inc. whereby the Company has been granted the exclusive option to acquire the balance of the 83.5% interest subject to certain conditions including the grant of a Marihuana for Medical Purposes Regulations ("MMPR") license and by issuing up to 16,000,000 common shares of the Company subject to Canadian Securities Exchange escrow policies. The Company has exclusivity until December 16, 2014.

On June 18, 2014, the Company signed a Letter of Intent with Babcock Bench Farms LLC ("Babcock") with regards to the development and operation of a 21,000 square foot Marijuana Production and Processing Facility in the State of Washington under Babcock's state approved Tier 3 Marijuana Production and Process License under Washington State Initiative 502. The Company has until December 15, 2014 to complete its due diligence and finalize the terms of the Definitive Agreement.

The Company has working capital of $259,369 (December 31, 2013 - $500,937), incurred a net loss of $1,022,266 (September 30, 2013 - $307,665) during the nine months ended September 30, 2014, and had an accumulated deficit of $12,539,702 (December 31, 2013 - $11,525,061) as at September 30, 2014.

These condensed interim 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. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. Further discussion of liquidity risk has been disclosed in Note 10.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The Company does not generate cash flow from operations to fund its exploration activities, and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the statement of financial position classifications used. These condensed interim financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The Company's corporate office is located at Suite 459, 409 Granville Street, Vancouver, British Columbia V6C 1T2.

2. BASIS OF PREPARATION

a) Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss, which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar.

c) Significant accounting judgments and estimates

The preparation of these condensed interim financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The preparation of these condensed interim financial statements also requires management to exercise judgment in the process of applying the accounting policies.

2. BASIS OF PREPARATION (continued)

c) Significant accounting judgments and estimates (continued)

i) Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

(a) Impairment of exploration and evaluation assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. No impairment of exploration and evaluation assets have been recorded for the nine months ended September 30, 2014 (September 30, 2013 - $44,225).

(b) Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's statement of comprehensive loss. For the nine months ended September 30, 2014, the Company recognized $485,853 (September 30, 2013 - $5,109) as share-based compensation expense.

ii) Critical judgments used in applying accounting policies

In the preparation of these condensed interim financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the condensed interim financial statements.

(a) Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its exploration and evaluation assets. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. As at September 30, 2014 and December 31, 2013, management had determined that no reclassification of exploration and evaluation assets was required.

2. BASIS OF PREPARATION (continued)

c) Significant accounting judgments and estimates (continued)

ii) Critical judgments used in applying accounting policies (continued)

(b) Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

i) Financial assets

The Company classifies its financial assets into categories at initial recognition, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(a) Fair value through profit or loss

This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value, with changes in fair value recognized in profit or loss. The Company has not classified any financial assets as fair value through profit and loss.

(b) 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 amortized 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. Cash is classified as loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

i) Financial assets (continued)

(c) Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company has not classified any financial assets as held-to-maturity investments.

(d) Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income or loss ("OCI"). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from OCI and recognized in profit or loss. The Company has not classified any financial assets as available-for-sale.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

ii) Financial liabilities

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

(a) Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing 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 comprehensive loss. The Company has not classified any financial liabilities as fair value through profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

ii) Financial liabilities (continued)

(b) Other financial liabilities

This category includes accounts payable and accrued liabilities, amounts due to related parties, and loans payable which are recognized at amortized cost.

b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position is comprised of cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash and subject to insignificant interest or credit risk.

c) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties; accordingly, it follows the practice of capitalizing all costs, once it has the legal right to explore, relating to the acquisition of, exploration for, and development of mineral claims, and crediting all proceeds received against the cost of the related claims. Such costs include, but are not exclusive to geological, geophysical studies, exploratory drilling, and sampling.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves.

The aggregate costs related to abandoned mineral claims are charged to net income (loss) at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to an exploration and evaluation asset is subsequently reversed if new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes net income (loss) costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount and the Company recognizes this as a gain on sale of mineral rights.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they will be charged to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

e) Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency gains and losses are reported on a net basis and included in profit or loss.

f) Joint venture accounting

Certain of the Company's exploration and evaluation asset activities are conducted with others; accordingly, the accounts reflect only the Company's proportionate interest in such activities.

g) Share capital

i) Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Share capital (continued)

ii) Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated on the residual value method; proceeds are allocated to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the reserve for warrants.

iii) Flow-through shares

The Company will from time to time issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax benefit of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) share capital, equal to the market value of the shares; ii) a flow-through share premium liability, equal to the estimated premium, if any, investors pay for the flow-through feature; and iii) reserve for warrants, equal to the remaining proceeds received.

When qualifying expenses are incurred, the Company recognizes a deferred tax liability and deferred tax expense for the value of the tax benefit renounced to the shareholders. The Company also derecognizes the liability on the flow-through share premium, as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Income Tax Act). The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as unspent commitment/other liability (liability on flow-through share premium).

h) Share-based payment transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant 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.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method 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 are expected to vest.

Where share options are granted to non-employees, fair value is measured at grant date at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Share-based payment transactions (continued)

All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

i) Equity reserves

Where share options or warrants expire or are cancelled, the fair value previously recognized is transferred from equity reserve to accumulated deficit.

j) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Rehabilitation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

l) Loss per share

The Company presents basic and diluted loss per share 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. 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 dilutive potential common shares.

m) Segment reporting

The Company operates in a single reportable segment being the acquisition, exploration, and development of exploration and evaluation assets.

n) New accounting standards and interpretations not yet adopted

The following accounting pronouncement has been released but has not yet been adopted by the Company:

i) IFRS 9 Financial Instruments

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 *Financial Instruments* (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is tentatively effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the 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. The standard also adds guidance on the classification and measurement of financial liabilities.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) New accounting standards and interpretations not yet adopted (continued)

i) IFRS 9 Financial Instruments (continued)

Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

4. EXPLORATION AND EVALUATION ASSETS

The Company had accumulated the following acquisition and exploration expenditures:

	Chuchi	Newton Hill	Sibley Road	Total
Balance at December 31, 2012	$ 61,261	$ 5,000	$ 40,000	$ 106,261
Write-off of exploration and evaluation assets	-	-	(40,000)	(40,000)
Balance at December 31, 2013 and September 30, 2014	**$ 61,261**	**$ 5,000**	**$ -**	**$ 66,261**
Balance at December 31, 2012	$ 146,587	$ 1,580,486	$ -	$ 1,727,073
Advanced royalty payments	40,000	-	-	40,000
Consulting	-	-	4,225	4,225
Write-off of exploration and evaluation assets	-	(1,580,486)	(4,225)	(1,584,711)
Balance at December 31, 2013	$ 186,587	$ -	$ -	$ 186,587
Consulting	2,606	-	-	2,606
Balance at September 30, 2014	**$ 189,193**	**$ -**	**$ -**	**$ 189,193**
At December 31, 2013	$ 247,848	$ 5,000	$ -	$ 252,848
At September 30, 2014	**$ 250,454**	**$ 5,000**	**$ -**	**$ 255,454**

a) Chuchi Property, British Columbia

The Company owns a 100% interest in certain mineral claims located in the Omineca Mining Division of British Columbia, referred to as the Chuchi Property.

In December 2008 the Company wrote down the recorded cost of the property to $Nil. As at September 30, 2014, mineral property interests represent accumulated costs incurred on the property since January 1, 2009.

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Chuchi Property, British Columbia (continued)

On March 17, 2014, the Company announced that it received the decision in the arbitration hearings between the Company and the vendors of the Chuchi property, located in northern British Columbia. The arbitration stemmed from the Company's allowing a number of claims to lapse in 2007 and subsequently acquiring certain claims covering a portion of the area of the lapsed claims at a later date from a third party. The arbitrator in the case has ruled in favour of the Company's claim that the 3% net smelter royalty that was attached to the original claims (that were dropped) does not apply to the disputed ground. As such, the vendors of the property own a 3% NSR on only the five core claims to the property, which cover only 1,695.94 hectares of the total 5,365.24 hectares that constitute the Chuchi property. In addition, the vendors' claim for damages for breach of contract by reason of the forfeiture of mineral claims acquired under the agreement was dismissed, and the vendors must immediately remove the notice to third parties that they had previously filed with the Mining Recorder's Office on the records of the mineral claims. The Company must pay the vendors a total of $40,351 (representing the 2012 and 2013 advance royalty payments plus prejudgment interest) which was paid on June 27, 2014, and the Company is also required to continue to pay to the vendors an advance royalty payment in the amount of $20,000 per year on or before October 25 in each subsequent year that the Company holds any interest in the five core mineral claims.

b) Newton Property, British Columbia

On August 12, 2009, the Company entered into an agreement with Amarc Resources Ltd. (“Amarc”) by which Amarc was granted an option to acquire an 80% interest in the Newton property. Under the terms of the agreement, Amarc paid $60,000 to the underlying Newton property owners and agreed to expend a total of $4,940,000 on the property in exploration expenditures over seven years.

Amarc earned an 80% interest in the Newton property and outlying area of interest under the option agreement by funding $5,000,000 in exploration activities. On May 16, 2011 the Company and Amarc entered into a Joint Venture Agreement to further explore the Newton property.

The Company held a 20% participating interest in certain mineral claims located in the Clinton Mining Division of British Columbia, referred to as the Newton Property. Certain claims within the property were subject to a 2% NSR. The NSR could have been purchased at any time by the Company for $2,000,000. Under the agreement with Amarc Resources Ltd. (“Amarc”) outlined below, Amarc could cause the Company to exercise its option to purchase the NSR and the Company would be required to pay its proportionate share of the purchase price, namely $400,000 to retain its 20% residual interest in the royalty. If the Company’s interest in the Joint Venture is reduced to 10%, or less, then the Company’s interest will be converted to a 5% net profit interest.

Effective May 22, 2012, the Company exercised its right to convert its 20% participating interest to a 5% net profit interest in the Newton Joint Venture. As such, the Company has no ongoing financial obligations regarding this property.

As at September 30, 2014, the Company had advanced $1,585,486 (December 31, 2013 – $1,585,486) to Amarc Resources Ltd., of which $1,580,486 (December 31, 2013 - $1,580,486) was utilized for exploration expenditures and was written down during the year ended December 31, 2013.

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Newton Property, British Columbia (continued)

As at September 30, 2014, acquisition costs of $5,000 (December 31, 2013 - $5,000) remain capitalized as exploration and evaluation assets.

c) Sibley Road Property, Nova Scotia

On October 11, 2012, the Company signed the Letter of Intent to acquire an option to purchase up to a 100% interest in the Sibley Road property located in Halifax County, Nova Scotia.

The Company agreed to a two stage option. To exercise the First Option and earn a 50% interest in the property, Chlormet would pay the vendor $150,000 and incur a total of $12,000,000 in expenditures within four years as follows:

- pay $40,000 (paid) on signing of the Letter of Intent;
- pay $110,000 within 24 hours of receiving the conditional acceptance of the agreement by the TSX Venture Exchange;
- incur $2,000,000 in expenditures by the first anniversary date of the agreement for Phase I exploration work;
- incur a further $3,000,000 in expenditures by the second anniversary date of the agreement for Phase II exploration work;
- incur a further $3,000,000 in expenditures by the third anniversary date of the agreement for Phase III exploration work; and
- incur a further $4,000,000 in expenditures by the fourth anniversary date of the agreement for Phase IV exploration work.

After exercising the First Option, the Company would have 90 days to deliver notice of its intention to exercise the Second Option. In order to exercise the Second Option and earn an undivided 100% interest in the property, the Company would, within two business days of delivering the Second Option Notice, issue common shares to the Optionor with a value of $12,000,000 at a price per common share equal to the volume weighted average closing price over the 20 trading days preceding the delivery of the Second Option Notice.

On August 26, 2013, the Company announced that it had dropped the option for the Sibley Road property. During the year ended December 31, 2013, the Company wrote off the accumulated costs for this property of $44,225.

d) Pugu Hills Property, Tanzania

On June 6, 2013, the Company signed the Letter of Intent to acquire an option to purchase up to 100% of the Pugu Hills property located in Tanzania.

4. EXPLORATION AND EVALUATION ASSETS (continued)

d) Pugu Hills Property, Tanzania (continued)

Under the Letter of Intent, the Company had the right to acquire a 100% undivided interest in the property in two stages with Stage 1 to earn an initial 65% interest and Stage 2 to earn the remaining 35%. To exercise Stage 1 of the Option and earn a 65% interest in the property, Chlormet was required to pay the vendor $250,000 and issue 3.5 million shares over an eighteen month period. To exercise Stage 2 of the Option to acquire the remaining 35% interest in the property Chlormet was required to pay the vendor an additional $125,000 within 90 days of the successful demonstration that the carbo-chlorination pilot plant successfully produces 99.9% pure aluminum chloride and issue an additional 3.5 million shares.

Upon the completion of 100% of the option for a 100% undivided interest in the property, there was a 3% NSR on the property that would not have a buyout or fixed price. The option agreement was subject to Exchange approval.

On January 20, 2014, the Company announced it would not be finalizing the agreement regarding the Pugu Hills, Tanzania property. At that time, the Company had advanced $Nil (December 31, 2013 - $Nil) towards this acquisition.

5. INVESTMENTS

a) AAA Heidelberg Inc., Ontario

On March 26, 2014, the Company acquired a 16.5% interest in AAA Heidelberg Inc., a private company located in Ontario, for $120,000. The Company has signed a Letter of Intent with the principals of AAA Heidelberg Inc. whereby the Company has been granted the exclusive option to acquire the balance of the 83.5% interest subject to certain conditions including the grant of a Marihuana for Medical Purposes Regulations (“MMPR”) license and by issuing up to 16,000,000 common shares of the Company subject to Canadian Securities Exchange escrow policies. The Company has exclusivity until December 16, 2014.

b) Babcock Bench Farms LLC, Washington

On June 18, 2014, the Company signed a Letter of Intent with Babcock Bench Farms LLC (“Babcock”) with regards to the development and operation of a 21,000 square foot Marijuana Production and Processing Facility in the State of Washington under Babcock’s state approved Tier 3 Marijuana Production and Process License under Washington State Initiative 502. The Company has until December 15, 2014 to complete its due diligence and finalize the terms of the Definitive Agreement.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

a) Common shares

Authorized:

Unlimited number of common shares without par value

Issued:

	Number	Issue Price	Amount
Balance at December 31, 2012 and 2013	7,602,574	$ -	$ 11,173,347
Private placement	13,256,000	0.050	662,800
Share issuance costs - cash	-	-	(15,600)
Share issuance costs - agent warrants	-	-	(57,782)
Share issuance costs - incentive warrants	-	-	(578,204)
Agent warrants exercised	85,000	0.075	6,375
Fair value of agent warrants exercised	-	-	15,742
Warrants exercised	10,210,000	0.075	765,750
Balance at September 30, 2014	**31,153,574**	**$ -**	**$ 11,972,428**

On March 10, 2014, the Company issued 13,256,000 units at $0.05 per unit for gross proceeds of $662,800. Each unit consists of one common share and one share purchase warrant of the Company. Each warrant is exercisable to purchase one common share of the Company until September 10, 2015 at $0.075 per share. The full issue price was allocated to the common shares. Finders' fees were paid in the amount of $15,600 along with the issuance of 312,000 agent warrants. Each agent warrant is exercisable to purchase one common share of the Company until September 10, 2015 at $0.075 per share. These agent warrants have a fair value, calculated using the Black-Scholes option pricing model, of $57,782 or $0.19 per option, assuming an expected life of one and a half years, a risk-free interest rate of 1.04%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 251%.

b) Warrants outstanding

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2012	4,478,720	$ 1.250
Warrants expired	(3,226,720)	1.170
Balance at December 31, 2013	1,252,000	1.600
Warrants exercised	(10,210,000)	0.075
Warrants expired	(252,000)	2.000
Warrants issued	13,256,000	0.075
Balance at September 30, 2014	**4,046,000**	**$ 0.430**

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

b) Warrants outstanding (continued)

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
January 28, 2015 [(1)]	0.33	1,000,000	$ 1.500
September 10, 2015	0.96	3,046,000	$ 0.075
		4,046,000	**$ 0.430**

(1) On December 14, 2012 the TSX Venture Exchange consented to the extension date of 1,000,000 warrants that originally expired on January 28, 2013 to January 28, 2015.

c) Agent warrants outstanding

	Number of Agent Warrants	Weighted Average Exercise Price
Balance at December 31, 2012	136,070	$ 0.800
Agent warrants expired	(136,070)	0.800
Balance at December 31, 2013	-	-
Agent warrants issued	312,000	0.075
Agent warrants exercised	(85,000)	0.075
Balance at September 30, 2014	**227,000**	**$ 0.075**

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
September 10, 2015	0.96	227,000	$ 0.075

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Incentive warrants outstanding

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2012 and 2013	-	$ -
Incentive warrants issued	5,082,500	0.200
Balance at September 30, 2014	**5,082,500**	**$ 0.200**

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
September 1, 2015	0.92	**5,082,500**	**$ 0.200**

On August 8, 2014, the Company announced the issuance of incentive warrants to subscribers of the private placement that were issued on March 10, 2014 of 13,256,000 units at a price of $0.05 per unit. The Company issued subscribers under the private placement ½ of an incentive warrant for each warrant exercised before August 29, 2014. 10,165,000 warrants were exercised for gross proceeds of $762,375 and the Company issued 5,082,500 incentive warrants. Each incentive warrant is exercisable to purchase one common share of the Company until September 1, 2015 at $0.20 per share. These incentive warrants have a fair value, calculated using the Black-Scholes option pricing model, of $578,204, or $0.11 per warrant, assuming an expected life of one year, a risk-free interest rate of 1.12%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 178%.

e) Stock options outstanding

On October 6, 2014, the Company's 2014 Stock Option Plan was approved. Under this plan, the Company may grant options to directors, officers, employees, and consultants, provided that the maximum number of options that are outstanding at any time shall not exceed 20% of the issued and outstanding common shares of the Company. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less applicable discount. The options may be granted for a maximum of ten years and vesting is determined by the Board of Directors.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

e) Stock options outstanding (continued)

	Number of Options	Weighted Average Exercise Price
Balance at December 31, 2012	330,000	$ 0.900
Options cancelled	(170,000)	$ 0.970
Options granted	130,000	$ 0.500
Balance at December 31, 2013	290,000	$ 0.710
Options cancelled/expired	(130,000)	$ 0.500
Options granted	2,900,000	$ 0.190
Balance at September 30, 2014	**3,060,000**	**$ 0.230**

Grant Date	Expiry Date	Remaining Life (Years)	Number of Options Outstanding and Exercisable	Exercise Price
January 4, 2011	January 4, 2016	2.25	160,000	$ 0.875
March 12, 2014	March 11, 2019	4.46	1,500,000	0.160
June 25, 2014	June 24, 2019	4.75	800,000	0.270
August 29, 2014	August 28, 2015	4.92	300,000	0.185
September 4, 2014	September 3, 2015	4.92	300,000	0.175
			3,060,000	**$ 0.230**

On January 8, 2013, 50,000 stock options were granted to a director of the Company to acquire 50,000 shares of the Company at an exercise price of $0.50 per share for a period of one year. These options have a fair value, calculated using the Black-Scholes option pricing model, of $1,244 or $0.025 per option, assuming an expected life of one year, a risk-free interest rate of 1.17%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 161%.

On January 16, 2013, 80,000 stock options were granted to the President of the Company to acquire 80,000 shares of the Company at an exercise price of $0.50 per share for a period of three years. These options have a fair value, calculated using the Black-Scholes option pricing model, of $6,381 or $0.08 per option, assuming an expected life of three years, a risk-free interest rate of 1.24%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 124%.

On March 12, 2014, the Company granted 1,500,000 stock options to certain directors, officers, and consultants of the Company to acquire 1,500,000 shares of the Company at an exercise price of $0.16 per share, with an expiry date of March 11, 2019. These options have a fair value, calculated using the Black-Scholes option pricing model, of $220,250 or $0.15 per option, assuming an expected life of five years, a risk-free interest rate of 1.64%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 154%.

(Expressed in Canadian Dollars)

e) Stock options outstanding (continued)

On June 25, 2014, the Company granted 800,000 stock options to certain officers and consultants of the Company to acquire 800,000 shares of the Company at an exercise price of $0.27 per share, with an expiry date of June 24, 2019. These options have a fair value, calculated using the Black-Scholes option pricing model, of $198,336 or $0.25 per option, assuming an expected life of five years, a risk-free interest rate of 1.57%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 154%.

On August 29, 2014, the Company granted 300,000 stock options to certain consultants of the Company to acquire 300,000 shares of the Company at an exercise price of $0.185 per share, with an expiry date of August 28, 2015. These options have a fair value, calculated using the Black-Scholes option pricing model, of $34,217 or $0.11 per option, assuming an expected life of one year, a risk-free interest rate of 1.10%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 174%.

On September 4, 2014, the Company granted 300,000 stock options to certain consultants of the Company to acquire 300,000 shares of the Company at an exercise price of $0.175 per share, with an expiry date of September 3, 2015. These options have a fair value, calculated using the Black-Scholes option pricing model, of $33,051 or $0.11 per option, assuming an expected life of one year, a risk-free interest rate of 1.12%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 178%.

f) Agent options outstanding

	Number of Agent Options	Weighted Average Exercise Price
Balance at December 31, 2012	51,200	$ 1.250
Agent options expired	(51,200)	1.250
Balance at December 31, 2013 and September 30, 2014	**-**	**$ -**

7. RELATED PARTY TRANSACTIONS

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the nine months ended September 30, 2014 and 2013:

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (continued)

	Accounting	Administration Fees	Consulting	Director Fees	Rent	Fair Value of Incentive Warrants	Share-Based Compensation	September 30, 2014 Total
Chris Hornung	$ -	$ -	$ -	$ -	$ -	$ 5,688	$ 36,708	$ 42,396
Foremost Geological Consulting	-	-	10,000	-	-	-	-	10,000
Foremost Management Services Inc.	-	261	67,500	-	8,571	-	73,417	149,749
Paradigm Shift Consulting	-	-	64,625	-	-	-	36,708	101,333
T. St. Denis, Inc.	13,300	-	-	-	-	-	22,025	35,325
Tracey St. Denis	-	-	-	-	-	5,688	-	5,688
Timeline Filing Services Ltd.	-	-	7,112	-	-	-	12,396	19,508
	$ 13,300	**$ 261**	**$ 149,237**	**$ -**	**$ 8,571**	**$ 11,376**	**$ 181,254**	**$ 363,999**

	Accounting	Administration Fees	Consulting	Rent	Share-Based Compensation	September 30, 2013 Total
Foremost Geological Consulting	$ -	$ -	$ 45,000	$ -	$ -	$ 45,000
Foremost Management Services Inc.	-	1,815	-	-	-	1,815
Graphene Corp.	-	-	37,500	-	-	37,500
Ian Flint	-	-	20,750	-	3,865	24,615
McLeary Capital Management, Inc.	-	-	58,500	-	-	58,500
Paradigm Shift Consulting	-	-	16,000	-	-	16,000
T. St. Denis, Inc.	14,370	-		-	-	14,370
Timeline Filing Services Ltd.	-	-	5,500	-	-	5,500
Yari Nieken	-	-	-	1,600	1,244	2,844
	$ 14,370	$ 1,815	$ 183,250	$ 1,600	$ -	$ 5,109	$ 206,144

Chris Hornung is a director of the Company. Mr. Hornung was granted 250,000 stock options on March 12, 2014 with an exercise price of $0.16, an expiry date of March 11, 2019, and a fair value of $36,708. Mr. Hornung was also issued 50,000 incentive warrants (note 6(d)) on the exercise of 100,000 warrants in August, 2014. Each incentive warrant has an exercise price of $0.20, an expiry date of September 1, 2015, and a fair value of $5,688.

On January 28, 2011 the Company entered into an indefinite term contract with Foremost Geological Consulting (the "consultant"), a business owned by a director of the Company, Ian Foreman. The agreement provides for the consultant to continue to act as primary technical consultant and a director of the Company. Effective January 1, 2013, a monthly consulting fee of $5,000 is payable to the consultant. The contract may be cancelled by either party on 30 days written notice and, if cancelled by the Company, by payment of an amount equivalent to two years annual salary. On termination of the contract the consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until January 5, 2016 or for such time as the consultant still holds unexercised stock options in the Company. On exercise of the consultant's options, the relationship between the consultant and the Company will cease. On March 1, 2014, this agreement was terminated and the termination clause was waived. At September 30, 2014, $10,000 (December 31, 2013 - $(87,570)) due (to) from Foremost Geological Consulting was included in the amount due from related parties. The amount of $10,000 was repaid subsequent to September 30, 2014.

7. RELATED PARTY TRANSACTIONS (continued)

Effective January 1, 2013, the Company entered into an agreement with Foremost Management Services Inc., a company owned jointly by a director and a former director of the Company, Ian Foreman and Mark McLeary respectively. The agreement provides for Foremost Management Services Inc. to earn an administration fee calculated as 10% of all incurred monthly expenses in exchange for managing the affairs of the Company. Effective October 1, 2013, the agreement was amended to include a sublease agreement for $500 per month representing rent for one office. On March 1, 2014, the Company amended the sublease agreement to $1,000 per month, inclusive of the goods and services tax, effective October 1, 2013.

On March 1, 2014, the Company entered into a Management Consulting Services Agreement with Foremost Management Services Ltd. The agreement provides for Foremost Management Services Inc. to provide management consulting services to the Company for a one year period and then on a month to month basis thereafter. The contract may be cancelled by either party after the first year on 30 days written notice and, if cancelled by the Company, by payment of an amount equivalent to one year's annual fees. In the event the management consultant breaches the terms of the agreement, no notice is required by the Company. Upon termination of the contract, the management consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the management consultant no longer holds unexercised stock options in the Company. The options will not be cancelled or have an expiry date upon termination. On exercise of the management consultant's options, the relationship between the consultant and the Company will cease. A monthly consulting fee of $7,500 is payable along with the issuance of 500,000 stock options in the Company. These options were granted on March 12, 2014 at an exercise price of $0.16 per share, with an expiry date of March 11, 2019, and a fair value of $73,417. At September 30, 2014, $40,278 (December 31, 2013 - $2,958) due to Foremost Management Services Inc. was included in the amount due to related parties.

On April 1, 2014, the Company entered into a Management Consulting Services Agreement with Paradigm Shift Consulting (the "consultant"), a private business owned by Yari Nieken. The consultant acts as the Interim President and Chief Executive Officer and a director of the Company. A monthly consulting fee of $6,500 is payable to the consultant plus $200 per day when required to travel from Vancouver, British Columbia. The contract is on a month-to-month basis until such time that the agreement is replaced within the subsequent six months or as soon as "interim" is removed from the title. The agreement may be cancelled by either party on 30 days written notice. On termination of the contract the consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the consultant still holds unexercised stock options in the Company. On exercise of the consultant's options, the relationship between the consultant and the Company will cease. Mr. Nieken was granted 250,000 stock options on March 12, 2014 with an exercise price of $0.16, an expiry date of March 11, 2019, and a fair value of $36,708. At September 30, 2014, $11,696 (December 31, 2013 - $Nil) due from Paradigm Shift Consulting was included in the amount due from related parties. At September 30, 2014, $330 (December 31, 2013 - $721) due to Mr. Nieken was included in the amount due to related parties.

7. RELATED PARTY TRANSACTIONS (continued)

T. St. Denis, Inc. is a private accounting firm owned by the current Chief Financial Officer, Tracey A. St. Denis. T. St. Denis, Inc. provides accounting services to the Company. Ms. St. Denis was granted 150,000 stock options on March 12, 2014 with an exercise price of $0.16, an expiry date of March 11, 2019, and a fair value of $22,025. Ms. St. Denis was also issued 50,000 incentive warrants (note 6(d)) on the exercise of 100,000 warrants in July, 2014. Each incentive warrant has an exercise price of $0.20, an expiry date of September 1, 2015, and a fair value of $5,688.At September 30, 2014, $Nil (December 31, 2013 - $20,459) due to T. St. Denis, Inc. was included in the amount due to related parties and $4,000 was included in accounts payable and accrued liabilities relating to the accounting accrual for the period ended September 30, 2014.

Timeline Filing Services Ltd. is a private company owned by the Corporate Secretary, Laara Shaffer. Ms. Shaffer was granted 50,000 stock options on June 25, 2014 with an exercise price of $0.27, an expiry date of June 24, 2019, and a fair value of $12,396. At September 30, 2014, $Nil (December 31, 2013 - $2,625) due to Timeline Filing Services Ltd. was included in the amount due to related parties.

Ian Foreman is a director of the Company. At September 30, 2014, $1,478 (December 31, 2013 - $1,478) due to Mr. Foreman's business, Foremost Management Services, was included in the amount due to related parties. At September 30, 2014, $4,950 (December 31, 2013 - $1,113) due to Mr. Foreman for reimbursement of expenses was included in the amount due to related parties.

At September 30, 2014, $8,100 (December 31, 2013 - $Nil) due to Foremost Capital Corp., a private company owned by the Interim President and Chief Executive Officer, Yari Nieken, was included in the amount due to related parties.

At September 30, 2014, $320 (December 31, 2013 - $(15,287)) due (to) from Golden Sun Mining Corp., a public company with common directors, was included in the amount due from related parties.

8. CONTINGENT LIABILITY

On May 18, 2011, the Company received an order granted by a court in Lima, Peru indicating that the Company is responsible for a debt of US$209,403 incurred by a former subsidiary of the Company. The Company did not receive notice of the Peruvian legal proceedings and is seeking advice concerning an application to set aside the order. The Company retained Peruvian legal counsel who advised that the Company is not responsible for this obligation. The most recent contact from Peru indicates that the order has been dropped but the Company has not received formal notice of such release. No amounts have been recorded in the Company's books and records regarding this issue.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing and investing activities along with other cash flow information during the nine months ended September 30, 2014 and 2013 were as follows:

(Expressed in Canadian Dollars)

9. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

		September 30 2014		September 30 2013
Fair value of agent warrants expired	**$**	**-**	$	36,528
Fair value of agent warrants issued for share costs	**$**	**57,782**	$	-
Fair value of incentive warrants issued for share costs	**$**	**578,151**	$	-
Fair value of stock options cancelled/expired	**$**	**7,625**	$	69,352
Fair value of agent options expired	**$**	**-**	$	25,600
Fair value of agent warrants exercised	**$**	**15,742**	$	-
Fair value of warrants expired	**$**	**-**	$	130,114
Income taxes paid	**$**	**-**	$	-
Interest paid	**$**	**1,529**	$	624
Interest received	**$**	**54**	$	-
Share subscription received	**$**	**-**	$	9,000

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial instruments

The carrying values of cash, accounts payable and accrued liabilities, amounts due to related parties, and loans payable approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Financial risk management

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

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The Company's financial assets are not subject to material financial risks.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Financial risk management (continued)

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with property exploration and development. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at September 30, 2014 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. At September 30, 2014, the Company has no interest bearing loans payable with a set interest rate. The Company is not exposed to interest rate price risk as it does not have any cash and cash equivalents at September 30, 2014 which bear interest.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to an amount in prepaid expenses and deposits denominated in US dollars.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Financial risk management (continued)

iii) Market risk (continued)

(b) Foreign currency risk (continued)

At September 30, 2014, financial instruments were converted at a rate of $1.00 Canadian to US$1.1208.

	September 30 2014 USD	December 31 2013 USD
Prepaid expenses and deposits	**$ 3,975**	$ -

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk. The Company's sensitivity analysis suggests that a 5% change in the absolute rate of exchange for US dollars would not significantly affect its cash position at this time. When the Company closes its proposed transactions in Washington State, a 5% change in the absolute rate of exchange for US dollars would significantly affect its cash position.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, warrants, reserves, and deficit. The availability of new capital will depend on many factors including a positive mineral exploration environment, positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital.

11. SUBSEQUENT EVENTS

On November 4, 2014, the Company announced that it has entered into an escrow agreement for the purchase of an I-502 compliant 9.7 acre parcel of land in Whatcom County, Washington. The property fulfills all of the Company's criteria for its planned expansion to become involved in the legal marijuana industry in Washington State. The purchase price for the property is US$1,200,000 and the Company has made a refundable payment into escrow upon acceptance of its offer. The Company has up to sixty days to complete its due diligence. Subject to closing, the Company has secured a third party mortgage to finance the purchase with a US lender.

11. SUBSEQUENT EVENTS (continued)

On November 19, 2014, the Company announced that it received confirmation from Kiska Metals Corporation ("Kiska"), a public company listed on the TSX Venture Exchange, of their intent to enter into a Definitive Agreement for an option of the Company's Chuchi property located in northern British Columbia. To earn a 100% interest in the Chuchi property, Kiska will be required to deliver to the Company 1,000,000 common shares (or the equivalent cash value at Kiska's election) as follows:

- 200,000 common shares on signing the Option Agreement;
- 200,000 common shares on the first anniversary of the Option Agreement;
- 250,000 common shares on the fourth anniversary of the Option Agreement; and
- 350,000 common shares on the seventh anniversary of the Option Agreement.

Until such time as the earn-in is completed, the Company will remain as the underlying owner of the property; however, Kiska will incur all ongoing costs of the exploration and annual maintenance of the property, including payment of the advance royalty payment of $20,000 per year paid on or before October 25 of each year.

To share in any potential up-side success in the property, the Option Agreement will provide that the Company is to receive a percentage of any payments received by Kiska pursuant to any option or earn-in agreements entered into by Kiska in respect of the property (but not including any Kiska operator fees) during the time the option is exercised and on or before the third anniversary date of the exercise of the option as follows:

- 30% of the payments received by Kiska in year 1 of any future agreement;
- 20% of the payments received by Kiska in year 2 of any future agreement; and
- 10% of the payments received by Kiska in year 3 of any future agreement.

On November 20, 2014, the Company announced that its Washington State subsidiary, PacCan Industries LLC "("PacCan"), has signed a Letter of Intent ("LOI") with a private Washington State licensee to lease up to 10,000 square feet of I-502 compliant space from PacCan at US$15 per square foot per month. Occupancy is anticipated for March 1, 2015 but could be earlier subject to PacCan closing escrow on the acquisition of the property announced on November 4, 2014 and completing certain building and property improvements.

CHLORMET TECHNOLOGIES, INC.

(formerly Newton Gold Corp.)

Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2014

(Expressed in Canadian Dollars)

(Unaudited)

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
(Unaudited)

Notice to Readers

Under National Instrument 51-102, Part 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Chlormet Technologies, Inc. (formerly Newton Gold Corp.) for the nine months ended September 30, 2014 have been prepared in accordance with International Accounting Standard 34 for Interim Financial Reporting under International Financial Reporting Standards. These condensed interim financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The Company's independent auditors have not performed an audit or review of these condensed interim financial statements.

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at		September 30 2014		December 31 2013
Assets				
Current				
Cash	**$**	**395,406**	$	5,372
Amounts receivable		**8,720**		4,260
Due from related parties (Note 7)		**22,016**		-
Prepaid expenses and deposits		**59,386**		966
		485,528		10,598
Non-current				
Exploration and evaluation assets (note 4)		**255,454**		252,848
Investment (note 5)		**120,000**		-
		375,454		252,848
	$	**860,982**	$	263,446
Liabilities				
Current				
Accounts payable and accrued liabilities (note 7)	**$**	**171,024**	$	176,360
Due to related parties (note 7)		**55,135**		293,713
Loans payable		**-**		41,462
		226,159		511,535
Shareholders' Equity				
Share capital (note 6)		**11,972,428**		11,173,347
Reserves		**1,202,097**		103,625
Accumulated deficit		**(12,539,702)**		(11,525,061)
		634,823		(248,089)
	$	**860,982**	$	263,446

Nature and continuance of operations (note 1)
Commitments (notes 4, 5, and 7)
Contingent liability (note 8)
Subsequent events (note 11)

These condensed interim financial statements were authorized for issue by the Board of Directors on November 26, 2014. They are signed on the Company's behalf by:

"Yari Nieken" _____ Director

"Ian Foreman" _____Director

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended		For the nine months ended	
	September 30 2014	September 30 2013	**September 30 2014**	September 30 2013
Administrative expenses				
Accounting and auditing (note 7)	**$ 3,040**	$ 4,390	**$ 17,300**	$ 18,056
Administration fees (note 7)	**16**	131	**261**	1,815
Consulting and management (note 7)	**175,541**	78,500	**330,303**	183,250
Director fees (note 7)	**-**	1,333	**-**	2,933
Insurance	**1,063**	-	**1,063**	1,725
Investor communications	**11,258**	1,860	**13,165**	3,233
Legal	**43,313**	1,754	**102,863**	10,483
Office and sundry (note 7)	**6,531**	6,325	**17,805**	16,171
Regulatory and transfer agent fees	**4,430**	3,226	**31,395**	16,281
Share-based compensation (notes 6(d) and 7)	**67,267**	-	**485,853**	5,109
Travel and business development	**14,972**	106	**22,568**	4,384
Loss before other items	**(327,431)**	(97,625)	**(1,022,576)**	(263,440)
Other revenues (expenses)				
Other revenues	**33**	-	**310**	-
Write-off of exploration and evaluation assets (note 4(c))	**-**	(44,225)	**-**	(44,225)
Net and comprehensive loss for the period	**$ (327,398)**	$ (141,850)	**$ (1,022,266)**	$ (307,665)
Basic and diluted loss per share	**$ (0.01)**	$ (0.02)	**$ (0.05)**	$ (0.04)
Weighted average number of shares outstanding	**25,551,998**	7,602,574	**19,089,823**	7,602,574

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

				Reserves				
	Number of Shares	Share Capital	Share Subscriptions Receivable	Share-Based Payment Reserve	Warrant Reserve	Total	Deficit	Total Equity
Balance at December 31, 2013	7,602,574	$ 11,173,347	$ -	$ 103,625	$ -	$ 103,625	$ (11,525,061)	$ (248,089)
Private placement	13,256,000	662,800	-	-	-	-	-	662,800
Share issuance costs - cash	-	(15,600)	-	-	-	-	-	(15,600)
Share issuance costs - agent warrants	-	(57,782)	-	-	57,782	57,782	-	-
Share issuance costs - incentive warrants	-	(578,204)	-	-	578,204	578,204	-	-
Agent warrants exercised	85,000	6,375	-	-	-		-	6,375
Fair value of agent warrants exercised	-	15,742	-	-	(15,742)	(15,742)	-	-
Warrants exercised	10,210,000	765,750	-	-	-		-	765,750
Fair value of stock options cancelled/expired	-	-	-	(7,625)	-	(7,625)	7,625	-
Share-based compensation	-	-	-	485,853	-	485,853	-	485,853
Loss for the period	-	-	-	-	-	-	(1,022,266)	(1,022,266)
Balance at September 30, 2014	**31,153,574**	**$ 11,972,428**	**$ -**	**$ 581,853**	**$ 620,244**	**$ 1,202,097**	**$ (12,539,702)**	**$ 634,823**
Balance at December 31, 2012	7,602,574	$ 11,173,347	$ (9,000)	$ 305,848	$ 192,701	$ 498,549	$ (9,940,098)	$ 1,722,798
Share subscription received	-	-	9,000	-	-	-	-	9,000
Fair value of agent options expired	-	-	-	(25,600)	-	(25,600)	25,600	-
Fair value of stock options expired	-	-	-	(69,352)	-	(69,352)	69,352	-
Fair value of warrants expired	-	-	-	-	(130,114)	(130,114)	130,114	-
Share-based compensation	-	-	-	5,109	-	5,109	-	5,109
Loss for the period	-	-	-	-	-	-	(307,665)	(307,665)
Balance at September 30, 2013	7,602,574	$ 11,173,347	$ -	$ 216,005	$ 62,587	$ 278,592	$ (10,022,697)	$ 1,429,242

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

CHLORMET TECHNOLOGIES, INC.
(formerly Newton Gold Corp.)

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended		For the nine months ended	
	September 30 2014	September 30 2013	**September 30 2014**	September 30 2013
Cash provided by (used for)				
Operating activities				
Net loss for the period	**$ (327,398)**	$ (141,850)	**$ (1,022,266)**	$ (307,665)
Add items not affecting cash				
Accrued interest	**-**	2,131	**-**	2,696
Foreign exchange gain	**(34)**	-	**(34)**	-
Write-off of exploration and evaluation assets	**-**	44,225	**-**	44,225
Share-based compensation	**67,267**	-	**485,853**	5,109
	(260,165)	(95,494)	**(536,447)**	(255,635)
Net change in non-cash working capital	**(71,163)**	(1,021)	**(68,216)**	(499)
	(331,328)	(96,515)	**(604,663)**	(256,134)
Financing activities				
Due (to) from related parties	**(58,080)**	96,530	**(260,594)**	154,977
Issuance of common shares, net of share issuance costs	**772,125**	-	**1,419,325**	-
Loan payable	**-**	-	**(41,462)**	20,000
Share subscription received	**-**	-	**-**	9,000
	714,045	96,530	**1,117,269**	183,977
Investing activity				
Investment in AAA Heidelberg Inc.	**-**	-	**(120,000)**	-
Expenditures on exploration and evaluation assets	**-**	-	**(2,606)**	(4,225)
	-	-	**(122,606)**	(4,225)
Effect of foreign exchange translation on cash	**34**	-	**34**	-
Net increase in cash	**382,751**	15	**390,034**	(76,382)
Cash, beginning of period	**12,655**	410	**5,372**	76,807
Cash, end of period	**$ 395,406**	$ 425	**$ 395,406**	$ 425

Supplemental cash flow disclosure (note 9)

1. NATURE AND CONTINUANCE OF OPERATIONS

Chlormet Technologies, Inc. (formerly Newton Gold Corp.) ("Chlormet" or the "Company") was incorporated on June 24, 2004 pursuant to the Business Corporations Act (British Columbia). On February 9, 2011, the name of the Company was changed from New High Ridge Resources Inc. to Newton Gold Corp. and on November 7, 2013 to Chlormet Technologies, Inc. Until June 18, 2014, the Company was listed on the TSX Venture Exchange under the symbol "CMT". Effective June 19, 2014 the Company is listed on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "PUF".

Effective November 7, 2013, when the Company's name was changed from Newton Gold Corp. to Chlormet Technologies, Inc., the Company's issued and outstanding shares were consolidated on a five (5) old for one (1) new basis. All share capital figures reflect the share consolidation.

The Company is an exploration stage company with respect to its exploration and evaluation assets. Based on the information available to date, the Company has not yet determined whether its exploration and evaluation assets contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development, and upon future profitable production or disposition thereof.

On March 26, 2014, the Company acquired a 16.5% interest in AAA Heidelberg Inc., a private company located in Ontario, for $120,000. The Company has signed a Letter of Intent ("LOI") with the principals of AAA Heidelberg Inc. whereby the Company has been granted the exclusive option to acquire the balance of the 83.5% interest subject to certain conditions including the grant of a Marihuana for Medical Purposes Regulations ("MMPR") license and by issuing up to 16,000,000 common shares of the Company subject to Canadian Securities Exchange escrow policies. The Company has exclusivity until December 16, 2014.

On June 18, 2014, the Company signed a Letter of Intent with Babcock Bench Farms LLC ("Babcock") with regards to the development and operation of a 21,000 square foot Marijuana Production and Processing Facility in the State of Washington under Babcock's state approved Tier 3 Marijuana Production and Process License under Washington State Initiative 502. The Company has until December 15, 2014 to complete its due diligence and finalize the terms of the Definitive Agreement.

The Company has working capital of $259,369 (December 31, 2013 - $500,937), incurred a net loss of $1,022,266 (September 30, 2013 - $307,665) during the nine months ended September 30, 2014, and had an accumulated deficit of $12,539,702 (December 31, 2013 - $11,525,061) as at September 30, 2014.

These condensed interim 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. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. Further discussion of liquidity risk has been disclosed in Note 10.

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The Company does not generate cash flow from operations to fund its exploration activities, and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the statement of financial position classifications used. These condensed interim financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The Company's corporate office is located at Suite 459, 409 Granville Street, Vancouver, British Columbia V6C 1T2.

2. BASIS OF PREPARATION

a) Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS34") using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit and loss, which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Presentation and functional currency

The presentation and functional currency of the Company is the Canadian dollar.

c) Significant accounting judgments and estimates

The preparation of these condensed interim financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The preparation of these condensed interim financial statements also requires management to exercise judgment in the process of applying the accounting policies.

2. BASIS OF PREPARATION (continued)

c) Significant accounting judgments and estimates (continued)

i) Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

(a) Impairment of exploration and evaluation assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. No impairment of exploration and evaluation assets have been recorded for the nine months ended September 30, 2014 (September 30, 2013 - $44,225).

(b) Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's statement of comprehensive loss. For the nine months ended September 30, 2014, the Company recognized $485,853 (September 30, 2013 - $5,109) as share-based compensation expense.

ii) Critical judgments used in applying accounting policies

In the preparation of these condensed interim financial statements, management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the condensed interim financial statements.

(a) Exploration and evaluation assets

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for its exploration and evaluation assets. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. As at September 30, 2014 and December 31, 2013, management had determined that no reclassification of exploration and evaluation assets was required.

2. BASIS OF PREPARATION (continued)

c) Significant accounting judgments and estimates (continued)

ii) Critical judgments used in applying accounting policies (continued)

(b) Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company does not have any derivative financial instruments.

i) Financial assets

The Company classifies its financial assets into categories at initial recognition, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

(a) Fair value through profit or loss

This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value, with changes in fair value recognized in profit or loss. The Company has not classified any financial assets as fair value through profit and loss.

(b) 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 amortized 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. Cash is classified as loans and receivables.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

i) Financial assets (continued)

(c) Held-to-maturity investments

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company has not classified any financial assets as held-to-maturity investments.

(d) Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income or loss ("OCI"). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from OCI and recognized in profit or loss. The Company has not classified any financial assets as available-for-sale.

Transaction costs associated with fair value through profit or loss financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

ii) Financial liabilities

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

(a) Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing 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 comprehensive loss. The Company has not classified any financial liabilities as fair value through profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

ii) Financial liabilities (continued)

(b) Other financial liabilities

This category includes accounts payable and accrued liabilities, amounts due to related parties, and loans payable which are recognized at amortized cost.

b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position is comprised of cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash and subject to insignificant interest or credit risk.

c) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties; accordingly, it follows the practice of capitalizing all costs, once it has the legal right to explore, relating to the acquisition of, exploration for, and development of mineral claims, and crediting all proceeds received against the cost of the related claims. Such costs include, but are not exclusive to geological, geophysical studies, exploratory drilling, and sampling.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves.

The aggregate costs related to abandoned mineral claims are charged to net income (loss) at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to an exploration and evaluation asset is subsequently reversed if new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes net income (loss) costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount and the Company recognizes this as a gain on sale of mineral rights.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they will be charged to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

e) Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency gains and losses are reported on a net basis and included in profit or loss.

f) Joint venture accounting

Certain of the Company's exploration and evaluation asset activities are conducted with others; accordingly, the accounts reflect only the Company's proportionate interest in such activities.

g) Share capital

i) Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Share capital (continued)

ii) Equity units

Proceeds received on the issuance of units, comprised of common shares and warrants, are allocated on the residual value method; proceeds are allocated to the common shares up to their fair value, as determined by the current quoted trading price on the announcement date, and the balance, if any, to the reserve for warrants.

iii) Flow-through shares

The Company will from time to time issue flow-through common shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax benefit of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) share capital, equal to the market value of the shares; ii) a flow-through share premium liability, equal to the estimated premium, if any, investors pay for the flow-through feature; and iii) reserve for warrants, equal to the remaining proceeds received.

When qualifying expenses are incurred, the Company recognizes a deferred tax liability and deferred tax expense for the value of the tax benefit renounced to the shareholders. The Company also derecognizes the liability on the flow-through share premium, as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Income Tax Act). The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as unspent commitment/other liability (liability on flow-through share premium).

h) Share-based payment transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant 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.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method 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 are expected to vest.

Where share options are granted to non-employees, fair value is measured at grant date at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Share-based payment transactions (continued)

All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

i) Equity reserves

Where share options or warrants expire or are cancelled, the fair value previously recognized is transferred from equity reserve to accumulated deficit.

j) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Rehabilitation provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

l) Loss per share

The Company presents basic and diluted loss per share 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. 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 dilutive potential common shares.

m) Segment reporting

The Company operates in a single reportable segment being the acquisition, exploration, and development of exploration and evaluation assets.

n) New accounting standards and interpretations not yet adopted

The following accounting pronouncement has been released but has not yet been adopted by the Company:

i) IFRS 9 Financial Instruments

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 *Financial Instruments* (IFRS 9) as a first phase in its ongoing project to replace IAS 39. IFRS 9, which is to be applied retrospectively, is tentatively effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the 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. The standard also adds guidance on the classification and measurement of financial liabilities.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) New accounting standards and interpretations not yet adopted (continued)

i) IFRS 9 Financial Instruments (continued)

Management has not yet determined the potential impact the adoption of IFRS 9 will have on the Company's financial statements.

4. EXPLORATION AND EVALUATION ASSETS

The Company had accumulated the following acquisition and exploration expenditures:

	Chuchi	Newton Hill	Sibley Road	Total
Balance at December 31, 2012	$ 61,261	$ 5,000	$ 40,000	$ 106,261
Write-off of exploration and evaluation assets	-	-	(40,000)	(40,000)
Balance at December 31, 2013 and September 30, 2014	**$ 61,261**	**$ 5,000**	**$ -**	**$ 66,261**
Balance at December 31, 2012	$ 146,587	$ 1,580,486	$ -	$ 1,727,073
Advanced royalty payments	40,000	-	-	40,000
Consulting	-	-	4,225	4,225
Write-off of exploration and evaluation assets	-	(1,580,486)	(4,225)	(1,584,711)
Balance at December 31, 2013	$ 186,587	$ -	$ -	$ 186,587
Consulting	2,606	-	-	2,606
Balance at September 30, 2014	**$ 189,193**	**$ -**	**$ -**	**$ 189,193**
At December 31, 2013	$ 247,848	$ 5,000	$ -	$ 252,848
At September 30, 2014	**$ 250,454**	**$ 5,000**	**$ -**	**$ 255,454**

a) Chuchi Property, British Columbia

The Company owns a 100% interest in certain mineral claims located in the Omineca Mining Division of British Columbia, referred to as the Chuchi Property.

In December 2008 the Company wrote down the recorded cost of the property to $Nil. As at September 30, 2014, mineral property interests represent accumulated costs incurred on the property since January 1, 2009.

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Chuchi Property, British Columbia (continued)

On March 17, 2014, the Company announced that it received the decision in the arbitration hearings between the Company and the vendors of the Chuchi property, located in northern British Columbia. The arbitration stemmed from the Company's allowing a number of claims to lapse in 2007 and subsequently acquiring certain claims covering a portion of the area of the lapsed claims at a later date from a third party. The arbitrator in the case has ruled in favour of the Company's claim that the 3% net smelter royalty that was attached to the original claims (that were dropped) does not apply to the disputed ground. As such, the vendors of the property own a 3% NSR on only the five core claims to the property, which cover only 1,695.94 hectares of the total 5,365.24 hectares that constitute the Chuchi property. In addition, the vendors' claim for damages for breach of contract by reason of the forfeiture of mineral claims acquired under the agreement was dismissed, and the vendors must immediately remove the notice to third parties that they had previously filed with the Mining Recorder's Office on the records of the mineral claims. The Company must pay the vendors a total of $40,351 (representing the 2012 and 2013 advance royalty payments plus prejudgment interest) which was paid on June 27, 2014, and the Company is also required to continue to pay to the vendors an advance royalty payment in the amount of $20,000 per year on or before October 25 in each subsequent year that the Company holds any interest in the five core mineral claims.

b) Newton Property, British Columbia

On August 12, 2009, the Company entered into an agreement with Amarc Resources Ltd. (“Amarc”) by which Amarc was granted an option to acquire an 80% interest in the Newton property. Under the terms of the agreement, Amarc paid $60,000 to the underlying Newton property owners and agreed to expend a total of $4,940,000 on the property in exploration expenditures over seven years.

Amarc earned an 80% interest in the Newton property and outlying area of interest under the option agreement by funding $5,000,000 in exploration activities. On May 16, 2011 the Company and Amarc entered into a Joint Venture Agreement to further explore the Newton property.

The Company held a 20% participating interest in certain mineral claims located in the Clinton Mining Division of British Columbia, referred to as the Newton Property. Certain claims within the property were subject to a 2% NSR. The NSR could have been purchased at any time by the Company for $2,000,000. Under the agreement with Amarc Resources Ltd. (“Amarc”) outlined below, Amarc could cause the Company to exercise its option to purchase the NSR and the Company would be required to pay its proportionate share of the purchase price, namely $400,000 to retain its 20% residual interest in the royalty. If the Company’s interest in the Joint Venture is reduced to 10%, or less, then the Company’s interest will be converted to a 5% net profit interest.

Effective May 22, 2012, the Company exercised its right to convert its 20% participating interest to a 5% net profit interest in the Newton Joint Venture. As such, the Company has no ongoing financial obligations regarding this property.

As at September 30, 2014, the Company had advanced $1,585,486 (December 31, 2013 – $1,585,486) to Amarc Resources Ltd., of which $1,580,486 (December 31, 2013 - $1,580,486) was utilized for exploration expenditures and was written down during the year ended December 31, 2013.

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Newton Property, British Columbia (continued)

As at September 30, 2014, acquisition costs of $5,000 (December 31, 2013 - $5,000) remain capitalized as exploration and evaluation assets.

c) Sibley Road Property, Nova Scotia

On October 11, 2012, the Company signed the Letter of Intent to acquire an option to purchase up to a 100% interest in the Sibley Road property located in Halifax County, Nova Scotia.

The Company agreed to a two stage option. To exercise the First Option and earn a 50% interest in the property, Chlormet would pay the vendor $150,000 and incur a total of $12,000,000 in expenditures within four years as follows:

- pay $40,000 (paid) on signing of the Letter of Intent;
- pay $110,000 within 24 hours of receiving the conditional acceptance of the agreement by the TSX Venture Exchange;
- incur $2,000,000 in expenditures by the first anniversary date of the agreement for Phase I exploration work;
- incur a further $3,000,000 in expenditures by the second anniversary date of the agreement for Phase II exploration work;
- incur a further $3,000,000 in expenditures by the third anniversary date of the agreement for Phase III exploration work; and
- incur a further $4,000,000 in expenditures by the fourth anniversary date of the agreement for Phase IV exploration work.

After exercising the First Option, the Company would have 90 days to deliver notice of its intention to exercise the Second Option. In order to exercise the Second Option and earn an undivided 100% interest in the property, the Company would, within two business days of delivering the Second Option Notice, issue common shares to the Optionor with a value of $12,000,000 at a price per common share equal to the volume weighted average closing price over the 20 trading days preceding the delivery of the Second Option Notice.

On August 26, 2013, the Company announced that it had dropped the option for the Sibley Road property. During the year ended December 31, 2013, the Company wrote off the accumulated costs for this property of $44,225.

d) Pugu Hills Property, Tanzania

On June 6, 2013, the Company signed the Letter of Intent to acquire an option to purchase up to 100% of the Pugu Hills property located in Tanzania.

4. EXPLORATION AND EVALUATION ASSETS (continued)

d) Pugu Hills Property, Tanzania (continued)

Under the Letter of Intent, the Company had the right to acquire a 100% undivided interest in the property in two stages with Stage 1 to earn an initial 65% interest and Stage 2 to earn the remaining 35%. To exercise Stage 1 of the Option and earn a 65% interest in the property, Chlormet was required to pay the vendor $250,000 and issue 3.5 million shares over an eighteen month period. To exercise Stage 2 of the Option to acquire the remaining 35% interest in the property Chlormet was required to pay the vendor an additional $125,000 within 90 days of the successful demonstration that the carbo-chlorination pilot plant successfully produces 99.9% pure aluminum chloride and issue an additional 3.5 million shares.

Upon the completion of 100% of the option for a 100% undivided interest in the property, there was a 3% NSR on the property that would not have a buyout or fixed price. The option agreement was subject to Exchange approval.

On January 20, 2014, the Company announced it would not be finalizing the agreement regarding the Pugu Hills, Tanzania property. At that time, the Company had advanced $Nil (December 31, 2013 - $Nil) towards this acquisition.

5. INVESTMENTS

a) AAA Heidelberg Inc., Ontario

On March 26, 2014, the Company acquired a 16.5% interest in AAA Heidelberg Inc., a private company located in Ontario, for $120,000. The Company has signed a Letter of Intent with the principals of AAA Heidelberg Inc. whereby the Company has been granted the exclusive option to acquire the balance of the 83.5% interest subject to certain conditions including the grant of a Marihuana for Medical Purposes Regulations (“MMPR”) license and by issuing up to 16,000,000 common shares of the Company subject to Canadian Securities Exchange escrow policies. The Company has exclusivity until December 16, 2014.

b) Babcock Bench Farms LLC, Washington

On June 18, 2014, the Company signed a Letter of Intent with Babcock Bench Farms LLC (“Babcock”) with regards to the development and operation of a 21,000 square foot Marijuana Production and Processing Facility in the State of Washington under Babcock’s state approved Tier 3 Marijuana Production and Process License under Washington State Initiative 502. The Company has until December 15, 2014 to complete its due diligence and finalize the terms of the Definitive Agreement.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

a) Common shares

Authorized:

Unlimited number of common shares without par value

Issued:

	Number	Issue Price	Amount
Balance at December 31, 2012 and 2013	7,602,574	$ -	$ 11,173,347
Private placement	13,256,000	0.050	662,800
Share issuance costs - cash	-	-	(15,600)
Share issuance costs - agent warrants	-	-	(57,782)
Share issuance costs - incentive warrants	-	-	(578,204)
Agent warrants exercised	85,000	0.075	6,375
Fair value of agent warrants exercised	-	-	15,742
Warrants exercised	10,210,000	0.075	765,750
Balance at September 30, 2014	**31,153,574**	**$ -**	**$ 11,972,428**

On March 10, 2014, the Company issued 13,256,000 units at $0.05 per unit for gross proceeds of $662,800. Each unit consists of one common share and one share purchase warrant of the Company. Each warrant is exercisable to purchase one common share of the Company until September 10, 2015 at $0.075 per share. The full issue price was allocated to the common shares. Finders' fees were paid in the amount of $15,600 along with the issuance of 312,000 agent warrants. Each agent warrant is exercisable to purchase one common share of the Company until September 10, 2015 at $0.075 per share. These agent warrants have a fair value, calculated using the Black-Scholes option pricing model, of $57,782 or $0.19 per option, assuming an expected life of one and a half years, a risk-free interest rate of 1.04%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 251%.

b) Warrants outstanding

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2012	4,478,720	$ 1.250
Warrants expired	(3,226,720)	1.170
Balance at December 31, 2013	1,252,000	1.600
Warrants exercised	(10,210,000)	0.075
Warrants expired	(252,000)	2.000
Warrants issued	13,256,000	0.075
Balance at September 30, 2014	**4,046,000**	**$ 0.430**

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

b) Warrants outstanding (continued)

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
January 28, 2015 [(1)]	0.33	1,000,000	$ 1.500
September 10, 2015	0.96	3,046,000	$ 0.075
		4,046,000	**$ 0.430**

(1) On December 14, 2012 the TSX Venture Exchange consented to the extension date of 1,000,000 warrants that originally expired on January 28, 2013 to January 28, 2015.

c) Agent warrants outstanding

	Number of Agent Warrants	Weighted Average Exercise Price
Balance at December 31, 2012	136,070	$ 0.800
Agent warrants expired	(136,070)	0.800
Balance at December 31, 2013	-	-
Agent warrants issued	312,000	0.075
Agent warrants exercised	(85,000)	0.075
Balance at September 30, 2014	**227,000**	**$ 0.075**

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
September 10, 2015	0.96	227,000	$ 0.075

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Incentive warrants outstanding

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2012 and 2013	-	$ -
Incentive warrants issued	5,082,500	0.200
Balance at September 30, 2014	**5,082,500**	**$ 0.200**

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
September 1, 2015	0.92	**5,082,500**	**$ 0.200**

On August 8, 2014, the Company announced the issuance of incentive warrants to subscribers of the private placement that were issued on March 10, 2014 of 13,256,000 units at a price of $0.05 per unit. The Company issued subscribers under the private placement ½ of an incentive warrant for each warrant exercised before August 29, 2014. 10,165,000 warrants were exercised for gross proceeds of $762,375 and the Company issued 5,082,500 incentive warrants. Each incentive warrant is exercisable to purchase one common share of the Company until September 1, 2015 at $0.20 per share. These incentive warrants have a fair value, calculated using the Black-Scholes option pricing model, of $578,204, or $0.11 per warrant, assuming an expected life of one year, a risk-free interest rate of 1.12%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 178%.

e) Stock options outstanding

On October 6, 2014, the Company's 2014 Stock Option Plan was approved. Under this plan, the Company may grant options to directors, officers, employees, and consultants, provided that the maximum number of options that are outstanding at any time shall not exceed 20% of the issued and outstanding common shares of the Company. The exercise price of each option is based on the market price of the Company's common stock at the date of grant less applicable discount. The options may be granted for a maximum of ten years and vesting is determined by the Board of Directors.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

e) Stock options outstanding (continued)

	Number of Options	Weighted Average Exercise Price
Balance at December 31, 2012	330,000	$ 0.900
Options cancelled	(170,000)	$ 0.970
Options granted	130,000	$ 0.500
Balance at December 31, 2013	290,000	$ 0.710
Options cancelled/expired	(130,000)	$ 0.500
Options granted	2,900,000	$ 0.190
Balance at September 30, 2014	**3,060,000**	**$ 0.230**

Grant Date	Expiry Date	Remaining Life (Years)	Number of Options Outstanding and Exercisable	Exercise Price
January 4, 2011	January 4, 2016	2.25	160,000	$ 0.875
March 12, 2014	March 11, 2019	4.46	1,500,000	0.160
June 25, 2014	June 24, 2019	4.75	800,000	0.270
August 29, 2014	August 28, 2015	4.92	300,000	0.185
September 4, 2014	September 3, 2015	4.92	300,000	0.175
			3,060,000	**$ 0.230**

On January 8, 2013, 50,000 stock options were granted to a director of the Company to acquire 50,000 shares of the Company at an exercise price of $0.50 per share for a period of one year. These options have a fair value, calculated using the Black-Scholes option pricing model, of $1,244 or $0.025 per option, assuming an expected life of one year, a risk-free interest rate of 1.17%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 161%.

On January 16, 2013, 80,000 stock options were granted to the President of the Company to acquire 80,000 shares of the Company at an exercise price of $0.50 per share for a period of three years. These options have a fair value, calculated using the Black-Scholes option pricing model, of $6,381 or $0.08 per option, assuming an expected life of three years, a risk-free interest rate of 1.24%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 124%.

On March 12, 2014, the Company granted 1,500,000 stock options to certain directors, officers, and consultants of the Company to acquire 1,500,000 shares of the Company at an exercise price of $0.16 per share, with an expiry date of March 11, 2019. These options have a fair value, calculated using the Black-Scholes option pricing model, of $220,250 or $0.15 per option, assuming an expected life of five years, a risk-free interest rate of 1.64%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 154%.

(Expressed in Canadian Dollars)

e) Stock options outstanding (continued)

On June 25, 2014, the Company granted 800,000 stock options to certain officers and consultants of the Company to acquire 800,000 shares of the Company at an exercise price of $0.27 per share, with an expiry date of June 24, 2019. These options have a fair value, calculated using the Black-Scholes option pricing model, of $198,336 or $0.25 per option, assuming an expected life of five years, a risk-free interest rate of 1.57%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 154%.

On August 29, 2014, the Company granted 300,000 stock options to certain consultants of the Company to acquire 300,000 shares of the Company at an exercise price of $0.185 per share, with an expiry date of August 28, 2015. These options have a fair value, calculated using the Black-Scholes option pricing model, of $34,217 or $0.11 per option, assuming an expected life of one year, a risk-free interest rate of 1.10%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 174%.

On September 4, 2014, the Company granted 300,000 stock options to certain consultants of the Company to acquire 300,000 shares of the Company at an exercise price of $0.175 per share, with an expiry date of September 3, 2015. These options have a fair value, calculated using the Black-Scholes option pricing model, of $33,051 or $0.11 per option, assuming an expected life of one year, a risk-free interest rate of 1.12%, an expected dividend rate of 0.00%, and an expected annual volatility coefficient of 178%.

f) Agent options outstanding

	Number of Agent Options	Weighted Average Exercise Price
Balance at December 31, 2012	51,200	$ 1.250
Agent options expired	(51,200)	1.250
Balance at December 31, 2013 and September 30, 2014	**-**	**$ -**

7. RELATED PARTY TRANSACTIONS

The Company has identified the directors and senior officers as key management personnel. The following table lists the compensation costs paid directly or to companies controlled by key management personnel for the nine months ended September 30, 2014 and 2013:

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS (continued)

	Accounting	Administration Fees	Consulting	Director Fees	Rent	Fair Value of Incentive Warrants	Share-Based Compensation	September 30, 2014 Total
Chris Hornung	$ -	$ -	$ -	$ -	$ -	$ 5,688	$ 36,708	$ 42,396
Foremost Geological Consulting	-	-	10,000	-	-	-	-	10,000
Foremost Management Services Inc.	-	261	67,500	-	8,571	-	73,417	149,749
Paradigm Shift Consulting	-	-	64,625	-	-	-	36,708	101,333
T. St. Denis, Inc.	13,300	-	-	-	-	-	22,025	35,325
Tracey St. Denis	-	-	-	-	-	5,688	-	5,688
Timeline Filing Services Ltd.	-	-	7,112	-	-	-	12,396	19,508
	$ 13,300	**$ 261**	**$ 149,237**	**$ -**	**$ 8,571**	**$ 11,376**	**$ 181,254**	**$ 363,999**

	Accounting	Administration Fees	Consulting	Rent	Share-Based Compensation	September 30, 2013 Total
Foremost Geological Consulting	$ -	$ -	$ 45,000	$ -	$ -	$ 45,000
Foremost Management Services Inc.	-	1,815	-	-	-	1,815
Graphene Corp.	-	-	37,500	-	-	37,500
Ian Flint	-	-	20,750	-	3,865	24,615
McLeary Capital Management, Inc.	-	-	58,500	-	-	58,500
Paradigm Shift Consulting	-	-	16,000	-	-	16,000
T. St. Denis, Inc.	14,370	-		-	-	14,370
Timeline Filing Services Ltd.	-	-	5,500	-	-	5,500
Yari Nieken	-	-	-	1,600	1,244	2,844
	$ 14,370	$ 1,815	$ 183,250	$ 1,600	$ -	$ 5,109	$ 206,144

Chris Hornung is a director of the Company. Mr. Hornung was granted 250,000 stock options on March 12, 2014 with an exercise price of $0.16, an expiry date of March 11, 2019, and a fair value of $36,708. Mr. Hornung was also issued 50,000 incentive warrants (note 6(d)) on the exercise of 100,000 warrants in August, 2014. Each incentive warrant has an exercise price of $0.20, an expiry date of September 1, 2015, and a fair value of $5,688.

On January 28, 2011 the Company entered into an indefinite term contract with Foremost Geological Consulting (the "consultant"), a business owned by a director of the Company, Ian Foreman. The agreement provides for the consultant to continue to act as primary technical consultant and a director of the Company. Effective January 1, 2013, a monthly consulting fee of $5,000 is payable to the consultant. The contract may be cancelled by either party on 30 days written notice and, if cancelled by the Company, by payment of an amount equivalent to two years annual salary. On termination of the contract the consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until January 5, 2016 or for such time as the consultant still holds unexercised stock options in the Company. On exercise of the consultant's options, the relationship between the consultant and the Company will cease. On March 1, 2014, this agreement was terminated and the termination clause was waived. At September 30, 2014, $10,000 (December 31, 2013 - $(87,570)) due (to) from Foremost Geological Consulting was included in the amount due from related parties. The amount of $10,000 was repaid subsequent to September 30, 2014.

7. RELATED PARTY TRANSACTIONS (continued)

Effective January 1, 2013, the Company entered into an agreement with Foremost Management Services Inc., a company owned jointly by a director and a former director of the Company, Ian Foreman and Mark McLeary respectively. The agreement provides for Foremost Management Services Inc. to earn an administration fee calculated as 10% of all incurred monthly expenses in exchange for managing the affairs of the Company. Effective October 1, 2013, the agreement was amended to include a sublease agreement for $500 per month representing rent for one office. On March 1, 2014, the Company amended the sublease agreement to $1,000 per month, inclusive of the goods and services tax, effective October 1, 2013.

On March 1, 2014, the Company entered into a Management Consulting Services Agreement with Foremost Management Services Ltd. The agreement provides for Foremost Management Services Inc. to provide management consulting services to the Company for a one year period and then on a month to month basis thereafter. The contract may be cancelled by either party after the first year on 30 days written notice and, if cancelled by the Company, by payment of an amount equivalent to one year's annual fees. In the event the management consultant breaches the terms of the agreement, no notice is required by the Company. Upon termination of the contract, the management consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the management consultant no longer holds unexercised stock options in the Company. The options will not be cancelled or have an expiry date upon termination. On exercise of the management consultant's options, the relationship between the consultant and the Company will cease. A monthly consulting fee of $7,500 is payable along with the issuance of 500,000 stock options in the Company. These options were granted on March 12, 2014 at an exercise price of $0.16 per share, with an expiry date of March 11, 2019, and a fair value of $73,417. At September 30, 2014, $40,278 (December 31, 2013 - $2,958) due to Foremost Management Services Inc. was included in the amount due to related parties.

On April 1, 2014, the Company entered into a Management Consulting Services Agreement with Paradigm Shift Consulting (the "consultant"), a private business owned by Yari Nieken. The consultant acts as the Interim President and Chief Executive Officer and a director of the Company. A monthly consulting fee of $6,500 is payable to the consultant plus $200 per day when required to travel from Vancouver, British Columbia. The contract is on a month-to-month basis until such time that the agreement is replaced within the subsequent six months or as soon as "interim" is removed from the title. The agreement may be cancelled by either party on 30 days written notice. On termination of the contract the consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the consultant still holds unexercised stock options in the Company. On exercise of the consultant's options, the relationship between the consultant and the Company will cease. Mr. Nieken was granted 250,000 stock options on March 12, 2014 with an exercise price of $0.16, an expiry date of March 11, 2019, and a fair value of $36,708. At September 30, 2014, $11,696 (December 31, 2013 - $Nil) due from Paradigm Shift Consulting was included in the amount due from related parties. At September 30, 2014, $330 (December 31, 2013 - $721) due to Mr. Nieken was included in the amount due to related parties.

7. RELATED PARTY TRANSACTIONS (continued)

T. St. Denis, Inc. is a private accounting firm owned by the current Chief Financial Officer, Tracey A. St. Denis. T. St. Denis, Inc. provides accounting services to the Company. Ms. St. Denis was granted 150,000 stock options on March 12, 2014 with an exercise price of $0.16, an expiry date of March 11, 2019, and a fair value of $22,025. Ms. St. Denis was also issued 50,000 incentive warrants (note 6(d)) on the exercise of 100,000 warrants in July, 2014. Each incentive warrant has an exercise price of $0.20, an expiry date of September 1, 2015, and a fair value of $5,688.At September 30, 2014, $Nil (December 31, 2013 - $20,459) due to T. St. Denis, Inc. was included in the amount due to related parties and $4,000 was included in accounts payable and accrued liabilities relating to the accounting accrual for the period ended September 30, 2014.

Timeline Filing Services Ltd. is a private company owned by the Corporate Secretary, Laara Shaffer. Ms. Shaffer was granted 50,000 stock options on June 25, 2014 with an exercise price of $0.27, an expiry date of June 24, 2019, and a fair value of $12,396. At September 30, 2014, $Nil (December 31, 2013 - $2,625) due to Timeline Filing Services Ltd. was included in the amount due to related parties.

Ian Foreman is a director of the Company. At September 30, 2014, $1,478 (December 31, 2013 - $1,478) due to Mr. Foreman's business, Foremost Management Services, was included in the amount due to related parties. At September 30, 2014, $4,950 (December 31, 2013 - $1,113) due to Mr. Foreman for reimbursement of expenses was included in the amount due to related parties.

At September 30, 2014, $8,100 (December 31, 2013 - $Nil) due to Foremost Capital Corp., a private company owned by the Interim President and Chief Executive Officer, Yari Nieken, was included in the amount due to related parties.

At September 30, 2014, $320 (December 31, 2013 - $(15,287)) due (to) from Golden Sun Mining Corp., a public company with common directors, was included in the amount due from related parties.

8. CONTINGENT LIABILITY

On May 18, 2011, the Company received an order granted by a court in Lima, Peru indicating that the Company is responsible for a debt of US$209,403 incurred by a former subsidiary of the Company. The Company did not receive notice of the Peruvian legal proceedings and is seeking advice concerning an application to set aside the order. The Company retained Peruvian legal counsel who advised that the Company is not responsible for this obligation. The most recent contact from Peru indicates that the order has been dropped but the Company has not received formal notice of such release. No amounts have been recorded in the Company's books and records regarding this issue.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing and investing activities along with other cash flow information during the nine months ended September 30, 2014 and 2013 were as follows:

(Expressed in Canadian Dollars)

9. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

		September 30 2014		September 30 2013
Fair value of agent warrants expired	**$**	**-**	$	36,528
Fair value of agent warrants issued for share costs	**$**	**57,782**	$	-
Fair value of incentive warrants issued for share costs	**$**	**578,151**	$	-
Fair value of stock options cancelled/expired	**$**	**7,625**	$	69,352
Fair value of agent options expired	**$**	**-**	$	25,600
Fair value of agent warrants exercised	**$**	**15,742**	$	-
Fair value of warrants expired	**$**	**-**	$	130,114
Income taxes paid	**$**	**-**	$	-
Interest paid	**$**	**1,529**	$	624
Interest received	**$**	**54**	$	-
Share subscription received	**$**	**-**	$	9,000

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial instruments

The carrying values of cash, accounts payable and accrued liabilities, amounts due to related parties, and loans payable approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Financial risk management

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

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The Company's financial assets are not subject to material financial risks.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Financial risk management (continued)

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with property exploration and development. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing. Cash on hand at September 30, 2014 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity. At September 30, 2014, the Company has no interest bearing loans payable with a set interest rate. The Company is not exposed to interest rate price risk as it does not have any cash and cash equivalents at September 30, 2014 which bear interest.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency.

The Company is exposed to foreign currency risk with respect to an amount in prepaid expenses and deposits denominated in US dollars.

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Financial risk management (continued)

iii) Market risk (continued)

(b) Foreign currency risk (continued)

At September 30, 2014, financial instruments were converted at a rate of $1.00 Canadian to US$1.1208.

	September 30 2014 USD	December 31 2013 USD
Prepaid expenses and deposits	**$ 3,975**	$ -

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk. The Company's sensitivity analysis suggests that a 5% change in the absolute rate of exchange for US dollars would not significantly affect its cash position at this time. When the Company closes its proposed transactions in Washington State, a 5% change in the absolute rate of exchange for US dollars would significantly affect its cash position.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, warrants, reserves, and deficit. The availability of new capital will depend on many factors including a positive mineral exploration environment, positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital.

11. SUBSEQUENT EVENTS

On November 4, 2014, the Company announced that it has entered into an escrow agreement for the purchase of an I-502 compliant 9.7 acre parcel of land in Whatcom County, Washington. The property fulfills all of the Company's criteria for its planned expansion to become involved in the legal marijuana industry in Washington State. The purchase price for the property is US$1,200,000 and the Company has made a refundable payment into escrow upon acceptance of its offer. The Company has up to sixty days to complete its due diligence. Subject to closing, the Company has secured a third party mortgage to finance the purchase with a US lender.

11. SUBSEQUENT EVENTS (continued)

On November 19, 2014, the Company announced that it received confirmation from Kiska Metals Corporation ("Kiska"), a public company listed on the TSX Venture Exchange, of their intent to enter into a Definitive Agreement for an option of the Company's Chuchi property located in northern British Columbia. To earn a 100% interest in the Chuchi property, Kiska will be required to deliver to the Company 1,000,000 common shares (or the equivalent cash value at Kiska's election) as follows:

- 200,000 common shares on signing the Option Agreement;
- 200,000 common shares on the first anniversary of the Option Agreement;
- 250,000 common shares on the fourth anniversary of the Option Agreement; and
- 350,000 common shares on the seventh anniversary of the Option Agreement.

Until such time as the earn-in is completed, the Company will remain as the underlying owner of the property; however, Kiska will incur all ongoing costs of the exploration and annual maintenance of the property, including payment of the advance royalty payment of $20,000 per year paid on or before October 25 of each year.

To share in any potential up-side success in the property, the Option Agreement will provide that the Company is to receive a percentage of any payments received by Kiska pursuant to any option or earn-in agreements entered into by Kiska in respect of the property (but not including any Kiska operator fees) during the time the option is exercised and on or before the third anniversary date of the exercise of the option as follows:

- 30% of the payments received by Kiska in year 1 of any future agreement;
- 20% of the payments received by Kiska in year 2 of any future agreement; and
- 10% of the payments received by Kiska in year 3 of any future agreement.

On November 20, 2014, the Company announced that its Washington State subsidiary, PacCan Industries LLC "("PacCan"), has signed a Letter of Intent ("LOI") with a private Washington State licensee to lease up to 10,000 square feet of I-502 compliant space from PacCan at US$15 per square foot per month. Occupancy is anticipated for March 1, 2015 but could be earlier subject to PacCan closing escrow on the acquisition of the property announced on November 4, 2014 and completing certain building and property improvements.

SCHEDULE E

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

Material Agreements of AAA

EMPLOYMENT AGREEMENT

This Agreement is dated the 1st day of June, 2014.

BETWEEN:

AAA Heidelberg Inc.
Located at 371 Neptune Crescent, London, ON N6M 1A2
(the "Company")

AND:

Betty Janet Quon
7338 Aldergrove Court, Mississauga, ON L5N 6P1
(the "Employee")

RECITALS:

A. The Company is engaged in the business of legally licensed commercial production of marijuana;

B. The Employee is experienced in providing senior management services;

C. The Company wishes to retain the Employee as Vice President Operations of AAA Heidelberg Inc. on the terms and conditions contained in this Agreement effective the date of this Agreement (the "Effective Date").

NOW THEREFORE IN CONSIDERATION of the mutual promises contained in this Agreement, the parties agree as follows:

1. Services to be Provided

1.1 The Employee will provide senior management services such as:

(a) managing the operations and projects of AAA Heidelberg Inc.;

(b) establishing operational priorities and driving for results;

(c) providing leadership for technical, process and operational matters;

(d) ensuring compliance with applicable regulations; and

(e) such other senior management services as may be reasonably requested of the Employee from time to time by the Company's Board of Directors.

1.2 The Employee will report directly to the Company's Board of Directors, and will keep the Company informed of all matters concerning the Services as requested by the Company from time to time. The Employee's duties, responsibilities and reporting arrangements may be changed by the Company in its sole discretion without causing termination of this Agreement.

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1.3 The Services performed by the Employee will be provided primarily for AAA Heidelberg Inc. and its facilities in southern Ontario.

1.4 The Employee will perform the Services to the level of competence and skill one would reasonably expect from other persons who have skills and experience similar to that of the Employee.

2. Remuneration and Expenses

2.1 The Company will pay the Employee the initial salary (the "Initial Salary") of $100,000 annually for the Services. The Initial Salary shall apply until three months following AAA Heidelberg's attainment of a license from Health Canada under the Marihuana for Medical Purposes Regulations ("MMPR").

2.2 Upon expiry of the Initial Salary, the Employee's compensation (the "Salary") shall increase to $120,000 annually. Thereafter, the Salary shall be reviewed annually and shall be subject to annual cost of living increases based on increases in the Consumer Price Index as published by Statistics Canada for the province of Ontario as a minimum annual increase. Additional annual increases may be granted at the Company's sole discretion.

2.3 As allowance for the cash flow considerations of the Company, the Employee may agree to be paid a lesser amount of Initial Salary with the balance accrued for payment by no later than June 1, 2015 or another date that may be agreed upon between the parties. Beginning February 1, 2015, the Employee shall be paid an amount each month, such sum or sums to be agreed upon between the parties with the balance accrued for payment. Should this Agreement be terminated prior to the agreed upon date for all accrued payments to be paid to Employee, and subject to Section 5 (Termination) herein, any accrued Initial Salary shall be immediately paid to Employee.

2.4 The Company shall furnish the Employee with equipment required to perform the Services. The equipment shall include a computer laptop, any required corporate software, and other associated expenses.

2.5 All other reasonable expenses arising out of employment shall be reimbursed assuming same have been authorized and with the provision of appropriate receipts.

3. Vacation

3.1 The Employee shall be entitled to paid vacation in the amount of 4 weeks in 2015. Thereafter, the Employee shall be entitled to up to 2 additional weeks of paid vacation, if approved.

4. Benefits

4.1 The Company shall at its expense provide the Employee with the Health Plan that is currently in place or as may be in place from time to time.

5. Termination

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5.1 This Agreement will commence on the Effective Date and may be terminated as follows:

(a) The Employee may at any time terminate this Agreement by giving not less than two weeks written notice to the Company;

(b) The Company may terminate this Agreement at any time, without notice or payment in lieu of notice, for sufficient cause;

(c) The Company may terminate this Agreement at any time without the requirement to show sufficient cause pursuant to (b) above, provided the Company pays to the Employee an amount equal to one month's Initial Salary, or Salary, as the case may be for each year or partial year of the term of this Agreement. This payment shall constitute the Employee's entire entitlement arising from said termination.

(d) The Employee agrees to return any property of AAA Heidelberg Inc. at the time of termination.

5.2 Upon termination of this Agreement for any reason, the Employee will, upon receipt of all sums due and owing, promptly deliver the following in accordance with the directions of the Company:

(a) A final accounting, reflecting the balance of expenses incurred on behalf of the Company as of the date of termination;

(b) All documents pertaining to the Company or this Agreement, including but not limited to all books of account, correspondence and contracts; and

(c) All equipment and any other property belonging to the Company.

6. Non-Competition

6.1 It is further acknowledged and agreed that following termination of the Employee's employment with AAA Heidelberg Inc. for any reason the Employee shall not hire or attempt to hire any current employees of AAA Heidelberg.

7. Confidentiality and Ownership of Property

7.1 The Employee acknowledges that by reason of this Agreement for Services, the Employee will have access to confidential and proprietary information ("Confidential Information") that are valuable and unique assets of the Company and will remain the exclusive property of the Company.

7.2 The Employee agrees to maintain securely and hold in strict confidence all Confidential Information in connection with the Services. The Employee agrees that, both during and after the termination of this Agreement, the Employee will not, directly or indirectly, divulge, communicate, use, copy or disclose any Confidential Information to any person, except as such

BQ D

disclosure or use is required to perform its duties hereunder or as may be consented to by prior written authorization of the Company.

8. General

8.1 This agreement contains the entire agreement between the parties, superseding in all respects any and all prior oral or written agreements or understandings pertaining to the employment of the Employee by the Employer and shall be amended or modified only by written instrument signed by both of the parties hereto.

8.2 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and each party submits to the courts of competent jurisdiction of the Province of Ontario.

8.3 Any notice given or required to be given pursuant to this Agreement shall be delivered via electronic means or in writing.

8.4 This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

IN WITNESS WHEREOF the Company has caused this agreement to be executed by its duly authorized officer and the Employee has set her hand as of the date first above written.

Betty Janet Quon
[Name of Employee]

B. Quon
[Signature of Employee]

CHRIS HORNUNG
[Name of Company Representative]

[Signature of Company Representative]

PRESIDENT,
[Title]

CONSULTING SERVICES AGREEMENT

This Agreement is dated June 1st, 2014.

BETWEEN:

AAA Heidelberg Inc.

Located at 371 Neptune Cr. London Ontario

(the "Company")

AND:

Kenex Manufacturing Inc.

27 Regan Road, Brampton Ontario L7A 1B2

(the "Consultant")

RECITALS:

A The Company is engaged in the business of acquiring and operating medical marijuana facilities in Canada and other marijuana related business in Canada:

B The Company wishes to retain the Consultant to provide certain services to the Company on the terms and conditions contained in this Agreement effective the date of this Agreement ('the Effective Date').

NOW THEREFORE IN CONSIDERATION of the mutual promises contained in this Agreement, the parties agree as follows:

1. Services to be Provided

1.1 The Consultant will provide advice to consultants, senior management and directors of the Company.

1.2 The Consultant will report directly to the Company's Board of Directors, and will keep the Company informed of all matters concerning the Services as requested by the Company from time to time.

1.3 The Services performed by the Consultant will be provided primarily from the Consultant's Office.

(a) The Consultant will perform the Services to the level of competence and skill one would expect from other persons who have skills and experience similar to that of the Consultant.

2. Remuneration and Expenses

2.1 The Company will pay Consultant a one-time fee of CAD $20,000.00

2.2 The Company will pay the Consultant the consulting fees (the "Consulting Fees") for the Services of CAD $10,000 per month.

2.3 The Consulting Fees do not include tax as applicable.

2.4 The Consultant will be responsible for all costs associated with the performance of the Services, except that the Consultant will be reimbursed by the Company for actual out of pocket expenses incurred by the Consultant in general office expenditures and if requested by the Company to travel away from the Greater Toronto Area for the performance of the Services. Travel expenses will consist of airfare, accommodation and meal expenses. All expenses will be reimbursed monthly upon presentation of an invoice with attached receipts.

3. Term and Termination

3.1 This Agreement will commence on the Effective Date for an undefined term.

3.2 Notwithstanding paragraph 3.1, this Agreement may be terminated at any time by:

(a) the Consultant giving at least 30 days notice in writing to the Company:

(b) the Company, in its discretion, by giving at least 30 days advance notice in writing and

© the Company, without notice, in the event the Consultant breaches the terms of this Agreement.

3.3 Upon termination of this Agreement for any reason, the Consultant will, upon receipt of all sums due and owing, promptly deliver the following in accordance with the directions of the Company:

(a) A final accounting, reflecting the balance of expenses incurred on behalf of the Company as of the date of termination;

(b) All documents pertaining to the Company or this Agreement, including but not limited to all books of account, correspondence and contracts; and

(c) All equipment and any other property belonging to the Company.

4. Conf1dentiality and Ownership of Property

4.1 "Confidential Information" means information, whether or not originated by the Consultant, that relates to the business or affairs of the Company, its affiliates, clients or suppliers and is confidential or proprietary to, about or created by the Company, its affiliates, clients, or suppliers. Confidential Information includes, but is not limited to, the following types of confidential information and other proprietary information of a similar nature (whether or not reduced to writing or designated or marked as confidential):

(a) work product resulting from or related to work or projects performed for or to be performed for the Company or its affiliates, including but not limited to, the methods, processes, procedures, analysis, techniques and audits used in connection therewith;

(b) computer software of any type or form and in any stage of accrual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design, concepts, design specifications (design notes, annotations, documentation, flowcharts, coding sheets, and the like), source code, object code and modules, programming, program patches and system designs;

(c) internal Company personnel and financial information, vendor names and other vendor information, purchasing, and internal cost information, internal services and operational manuals, and the manner and method of conducting the Company's business;

(d) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techiniques and methods of obtaining business, forecasts assumptions and volumes, current and prospective client lists, and future plans and potential strategies of the Company that have been or are being discussed;

(e) information belonging to third parties or which is claimed by third parties to be confidential or proprietary and which the Company has agreed to keep confidential; and

(f) all information that becomes known to the Consultant as a result of Consultant, acting reasonably, believes is confidential information or that the Company takes measures to protect.

Confidential Information does not include:

(a) the general skills and experience gained during the Consultant's provision of Consulting Services to the Company that the Consultant could reasonably have been expected to acquire in similar retainer or engagements with other companies;

(b) information publicly known without breach of the Agreement or similar agreements;

(c) information, the disclosure of which by the Consultant is required to be made by any law, regulation or government authority or legal process of discovery (to the extent of the requirement), provided that before disclosure is made, notice of the requirement is provided to the Company, and to the extent reasonably possible in the circumstances, the Company is afforded an opportunity to dispute the requirement; or

(d) information known to the Consultant at the date of this agreement.

4.2 The Consultant acknowledges that:

(a) by reason of this contract of Services, the Consultant will have access to Confidential Information that the Company has spent time, effort and money to develop and acquire; and

(b) the Confidential is a valuable and unique asset of the Company and that the Confidential Information is and will remain the exclusive property of the Company.

4.3 The Consultant agrees to retain securely and hold in strict confidence all Confidential information received, acquired or developed by the Consultant or disclosed to the Consultant as a result of or in connection with the Services. The Consultant agrees that, both during and after the termination of this Agreement, the Consultant will not, directly or indirectly, divulge, communicate, use, copy or disclose or permit others to use, copy or disclose, any Confidential Information to any person, except as such disclosure or use is required to perform its duties hereunder or as may be consented to by prior written authorization of the Board.

4.4 The Consultant represents and warrants that the Consultant has not used and will not use, while performing the Services, and materials or documents of any other company which the Consultant is under a duty not to disclose. The Consultant understands that, while performing the Services, the Consultant must not breach any obligation or confidence or duty the Consultant may have client or employer. The Consultant represents and warrants that he will not, to best of his knowledge and belief, use or cause to be incorporated in any of the Consultant's work product, any data software, information, designs, techniques or know-how which the Consultant or the Company does not have the right to use.

5 Independent Consultant Relationship

5.1 It is expressly agreed that the Consultant is acting as an independent contractor in performing the Services under this Agreement.

5.2 The Consultant need only devote such portion of his time as agreed to pursuant to this Agreement. The Consultant is not precluded from acting in any other capacity for any other person, firm or company provided that it does not conflict with the Consultant' duties to the Company as set in this Agreement.

5.3 The Company will not be required to pay any contribution to any Pension Plan, employment insurance, or federal and state withholding taxes, nor provide any other contributions or benefits that might be expected in an employer-employee relationship on behalf of the Consultant.

5.4 The Consultant is solely responsible for the Consultant's registration and payment of assessments for coverage of the Consultant's Personnel with insurance, if required. If requested by the Company, the Consultant will provide proof of coverage.

5.5 The Consultant represents and warrants that he has the right to provide the Services required under this Agreement without violation of obligations to others and that all advice, information, and documents given by him to the Company under this Agreement may be used fully and freely by the Company, unless so designated orally or in writing by the Consultant at the time of communication of such information (e.g. information shared with the Consultant in a confidential manner or on a non-attribution basis).

5.6 The Consultant agrees to indemnify the Company for all losses, claims, actions, damages, charges, taxes, penalties, assessments or demands (including reasonable legal fees and expenses) which may be made by a Revenue Agency, Employment Insurance Plan, the Workers Compensation Plan, or related plans or organizations requiring the Company to pay an amount under the applicable and regulations in relation to any Services provided to the Company pursuant to this Agreement. This paragraph will survive termination of this Agreement.

6 General

6.1 This Agreement cancels and supersedes any existing Agreement between the Company and the Consultant, and contains the entire Agreement and obligations between the parties with respect to its subject matter. No amendment to this Agreement will be valid or effective unless in writing and signed by both parties.

6.2 Any notice given or required under this Agreement must be in writing and signed by or on behalf of the party giving it. Such notice may be served personally and in either case be sent by priority post to the addressed parties noted on page one of this Agreement. Any notice served personally will be deemed served immediately, and if mailed by priority post will be deemed served 72 hours after the time of posting.

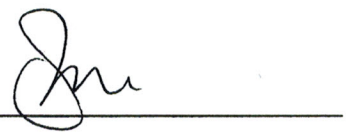
6.3 The Consultant must not sell, assign or transfer any rights or interests created under this Agreement or delegate any of his duties without prior written consent of the Company.

6.4 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and each party submits to the jurisdiction of courts of competent Jurisdiction in the Province of British Columbia.

6.5 This Agreement will be to the benefit of and be binding on the respective heirs, executors, administrators, and successors of each parties.

INTENDED TO BE LEGALLY BOUND, the parties have signed this Agreement as of June 1st, 2014.

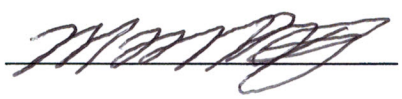
AAA Heidelberg Inc.

Per : 

Chris Hornung

President

Kenex Manufacturing

Per: 

Mike Hornung

SCHEDULE F

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

AAA Litigation

SCHEDULE G

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

Chlormet Litigation

CONTINGENT LIABILITY

On May 18, 2011, the Company received an order granted by a court in Lima, Peru indicating that the Company is responsible for a debt of US$209,403 incurred by a former subsidiary of the Company. The Company did not receive notice of the Peruvian legal proceedings and is seeking advice concerning an application to set aside the order. The Company retained Peruvian legal counsel who advised that the Company is not responsible for this obligation. The most recent contact from Peru indicates that the order has been dropped but the Company has not received formal notice of such release. No amounts have been recorded in the Company's books and records regarding this issue.

SCHEDULE H

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

AAA Intellectual Property

SCHEDULE I

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

Chlormet Options and Warrants

CHLORMET TECHNOLOGIES, INC.
STOCK OPTIONS OUTSTANDING

	31DEC13 REMAINING	GRANTED	CANCELLED/ EXPIRED	31MAR14 REMAINING	EXERCISED	30JUN14 REMAINING	
OPTIONS - GRANTED 04JAN2011; EXPIRE 04JAN2016 AT $0.875 - FV $96,000.00 OR $0.60/SHARE							
Mark McLeary	80,000			80,000		80,000	
Ian Foreman	80,000			80,000		80,000	
	160,000	-	-	160,000	-	160,000	160,000
OPTIONS - GRANTED 08JAN2013; EXPIRE 08JAN2014 AT $0.10 - FV $1,243.68 OR $0.004975/SHARE							
Yari Nieken	50,000		(50,000)	-		-	
	50,000	-	(50,000)	-	-	-	
OPTIONS - GRANTED 16JAN2013; EXPIRE 16JAN2016 AT $0.10 - FV $3,865.30 OR $0.0099/SHARE							
Ian Flint	80,000		(80,000)	-		-	
	80,000	-	(80,000)	-	-	-	
OPTIONS - GRANTED 12MAR2014; EXPIRE 11MAR2019 AT $0.16 - FV $190,048.53 OR $0.1267/SHARE							
Foremost Management Services Inc.		500,000		500,000		500,000	
Paradigm Shift Consulting (Yari Nieken)		250,000		250,000		250,000	
Chris Hornung		250,000		250,000		250,000	
T. St. Denis Inc.		150,000		150,000		150,000	
D. A. Huston & Associates		150,000		150,000		150,000	
Catalyst X Media		200,000		200,000		200,000	1,500,000
	-	1,500,000	-	1,500,000	-	1,500,000	
	290,000	1,500,000	(130,000)	**1,660,000**	-	**1,660,000**	
OPTIONS - GRANTED 25JUNE2014; EXPIRE 24JUNE2019 AT $0.27							
Michele Ross		500,000		500,000		500,000	
Kent Hodge		250,000		250,000		250,000	
Laara Shaffer		50,000		50,000		50,000	800,000
		800,000		800,000		800,000	
OPTIONS-GRANTED 29AUGUST2014; EXPIRE 28AUGUST2015 AT $0.185							
Green Leaf Management LLC		150,000		150,000		150,000	
Donald A. Mosher		150,000		150,000		150,000	300,000
Issued/Outstanding August 29, 2014	25,678,574						
20% Allowable	5,135,715		10.748				
Outstanding options	2,760,000		(20.000)				2,760,000
Available for Granting	2,375,715		(9.252)				
							0

CHLORMET TECHNOLOGIES, INC.
SHARE CAPITAL
QUARTER ENDED MARCH 31, 2014

DATE	PRICE	REASON	NUMBER	TOTAL	AMOUNT	SHARE COSTS	TOTAL	DAYS OUTSTANDING	31-Mar-14 DAYS IN PERIOD	WEIGHTED AVERAGE	TOTAL
31-Dec-13		Beginning balance	7,602,574	7,602,574	$ 11,173,347.52		$ 11,173,347.52	90	90	7,602,574	7,602,574
10-Mar-14	$ 0.05	Private Placement	13,256,000	20,858,574	$ 662,800.00	$ 73,382.26	$ 11,762,765.26	21	90	(30,410,294)	(22,807,720)
							$ 11,762,765.26				(22,807,720)
					$ 11,836,147.52	$ 73,382.26	$ 11,762,765.26				

CHLORMET TECHNOLOGIES, INC.
WARRANTS
QUARTER ENDED MARCH 31, 2014

	NUMBER	PRICE	EXPIRY DATE	NUMBER	PRICE	EXPIRY DATE	NUMBER	PRICE	EXPIRY DATE	TOTAL	AVG PRICE
Opening	1,000,000	$ 1.50	28-Jan-15	252,000	$ 2.00	17-Feb-14	-	-	-	1,252,000	$ 1.601
Expired 17Feb2014				(252,000)						(252,000)	$ 2.000
Issued 10Mar2014							13,256,000	$ 0.075	10-Sep-15	13,256,000	$ 0.075
	1,000,000	$ 1.50	28-Jan-15	-	-	-	13,256,000	$ 0.075	10-Sep-15	14,256,000	$ 0.175
										14,256,000	

CHLORMET TECHNOLOGIES, INC.
AGENT WARRANTS
QUARTER ENDED MARCH 31, 2014

	NUMBER	PRICE	EXPIRY DATE	TOTAL	AVG PRICE
Opening				-	$ -
Issued 10Mar2014	312,000	$ 0.075	10-Sep-15	312,000	$ 0.075
	312,000	$ 0.075	10-Sep-15	312,000	$ 0.075
				312,000	

CHLORMET TECHNOLOGIES INC.
OPTIONS
QUARTER ENDED MARCH 31, 2014

	NUMBER	PRICE	EXPIRY DATE	NUMBER	PRICE	EXPIRY DATE	NUMBER	PRICE	EXPIRY DATE	NUMBER	PRICE	EXPIRY DATE	TOTAL	AVG PRICE
Opening	160,000	$ 0.875	04-Jan-16	50,000	$ 0.50	08-Jan-14	80,000	$ 0.50	16-Jan-16				290,000	$ 0.71
Expired 08Jan2014				(50,000)									(50,000)	$ 0.50
Granted 12Mar2014										1,500,000	$ 0.16	11-Mar-19	1,500,000	$ 0.16
Cancelled 19Mar2014							(80,000)						(80,000)	$ 0.50
	160,000	$ 0.875	04-Jan-16	-	-	-	-	-	-	1,500,000	$ 0.16	08-Jan-14	1,660,000	$ 0.23
													1,660,000	

CHLORMET TECHNOLOGIES, INC.
WARRANTS OUTSTANDING

	31DEC13 REMAINING	EXERCISED/ EXPIRED	31MAR14 REMAINING	EXERCISED/ EXPIRED	30JUN14 REMAINING
WARRANTS - EXPIRE 28JAN2015 AT $1.50					
	1,000,000		1,000,000		1,000,000
	1,000,000	-	1,000,000	-	1,000,000
WARRANTS - ISSUED 17FEB2012; EXPIRE 17FEB2014 AT $1.50 YEAR 1, AND $2.00 YEAR 2					
Dwight Walke	15,000	(15,000)	-		-
Lindsay Bottomer	80,000	(80,000)	-		-
Hannah Cavalin	12,000	(12,000)	-		-
Mac Bell	20,000	(20,000)	-		-
Long Trinh	40,000	(40,000)	-		-
Chad Williams	25,000	(25,000)	-		-
Trevor Isfeld	20,000	(20,000)	-		-
Ken Gruchella	40,000	(40,000)	-		-
	252,000	(252,000)	-	-	-
WARRANTS - ISSUED 10MAR2014; EXPIRE 10SEP2015 AT $0.075					
Haywood ITF Kerry Chow	200,000		200,000		200,000
Haywood ITF Kerry Chow	100,000		100,000		100,000
Haywood ITF Jacqueline Chow	100,000		100,000		100,000
Haywood ITF Gordon and Vanessa Jang	300,000		300,000		300,000
Haywood ITF Roberto Chu	300,000		300,000		300,000
0718512 B.C. Ltd.	700,000		700,000		700,000
Belmont Capital Corp.	700,000		700,000		700,000
N. Sunderji	200,000		200,000		200,000
Bianca Nieken	20,000		20,000		20,000
Wolverton Securities Ltd.	500,000		500,000		500,000
Donald Mosher	100,000		100,000		100,000
Greg Von Staveren	100,000		100,000		100,000
Thu Hang Nguyen	300,000		300,000		300,000
Kenex Mfg Co Ltd.	400,000		400,000		400,000
Eric Hornung	100,000		100,000		100,000
Chris Hornung	100,000		100,000		100,000
Timothy Rye	100,000		100,000		100,000
Bernard Li	100,000		100,000		100,000
Jason Springett	70,000		70,000		70,000
Jason Springett	100,000		100,000		100,000
Laura C. Boone	100,000		100,000		100,000
Patrick Carruthers	1,310,000		1,310,000		1,310,000
Transcend Resource Group	600,000		600,000		600,000
Greg Hope	100,000		100,000		100,000
Simon Tam	100,000		100,000		100,000
Shawn Clarkin	100,000		100,000		100,000
Don Archibald	50,000		50,000		50,000
Logan Anderson	50,000		50,000		50,000
Bronze Resources Ltd.	500,000		500,000		500,000
John Busswood	200,000		200,000		200,000
Tatiana L. Turner	400,000		400,000		400,000
Maxence Gagne-Godbout	200,000		200,000		200,000
Scott Pretty	100,000		100,000		100,000
Derek A. Huston	200,000		200,000		200,000
Ian Foreman	850,000		850,000		850,000
Patricia Richardson	300,000		300,000		300,000
Tracey St. Denis	100,000		100,000		100,000
Lesley McLeary	200,000		200,000		200,000
Trevor Isfeld	500,000		500,000		500,000
Trevor Isfeld	200,000		200,000		200,000
Brian Polla	800,000		800,000		800,000
Robin Schmidt	400,000		400,000		400,000
Antoinette Lilley	20,000		20,000		20,000
Walter Steyaert	100,000		100,000		100,000
Doris Springett	100,000		100,000		100,000
Donny Pirrello	20,000		20,000		20,000
Leonard Mistretta	20,000		20,000		20,000
Douglas McLeod	50,000		50,000		50,000
Chris Jewell	70,000		70,000		70,000
Robert Springett	40,000		40,000		40,000
Terry Gallaway	60,000		60,000		60,000
Mark Smith	100,000		100,000		100,000
Paul Locking	100,000		100,000		100,000
Aaron Collver	100,000		100,000		100,000
Troy William Hill	40,000		40,000		40,000
Jason A. Carnahan	50,000		50,000		50,000
Patrick Small	150,000		150,000		150,000
Brad Wrighton	40,000		40,000		40,000
Heather Springett	36,000		36,000		36,000
Kelly Springett	30,000		30,000		30,000
Maria Godoy	40,000		40,000		40,000
Shawn Ellis	20,000		20,000		20,000
Gary Ellis	20,000		20,000		20,000
Scott Armstrong	100,000		100,000		100,000
	13,256,000	-	13,256,000	-	13,256,000
	14,508,000	(252,000)	**14,256,000**	-	**14,256,000**

CHLORMET TECHNOLOGIES, INC.
AGENT WARRANTS OUTSTANDING

	31DEC13 REMAINING	ISSUED	31MAR14 REMAINING	EXERCISED	30JUN14 REMAINING
AGENT WARRANTS - ISSUED 10MAR2014; EXPIRE 10SEP2015 AT $0.075 - FV $57,782.26 OR $0.1852/SHARE					
Foremost Capital Corp.		162,000	162,000		162,000
Haywood Securities Inc.		100,000	100,000		100,000
Wolverton Securities Ltd.		50,000	50,000		50,000
	-	312,000	312,000	-	312,000
	-	312,000	**312,000**	-	**312,000**

SCHEDULE J

TO THE SHARE EXCHANGE AGREEMENT DATED FOR REFERENCE January 26, 2015, AMONG CHLORMET, AAA AND THE SELLING SHAREHOLDERS

Material Agreements of Chlormet

MANAGEMENT CONSULTING SERVICES AGREEMENT

This Agreement is dated March 1st, 2014.

BETWEEN:

Chlormet Technologies Inc.
Located at 350 – 409 Granville St., Vancouver, B.C., V6K 1T2
(the "**Company**")

AND:

Foremost Management Services Ltd.
Located at 350 – 409 Granville St., Vancouver, B.C., V6K 1T2
(the "**Consultant**")

RECITALS:

A. The Company is engaged in the business of base and precious metal exploration and mining in North America;

B. The Consultant is experienced in providing senior management consulting services to corporations;

C. The Company wishes to retain the Consultant to provide certain services to the Company on the terms and conditions contained in this Agreement effective the date of this Agreement ('the Effective Date").

NOW THEREFORE IN CONSIDERATION of the mutual promises contained in this Agreement, the parties agree as follows:

1. Services to be Provided

1.1 The Consultant will provide personnel to act as senior management and directors of the Company who will provide such services as:

(a) are ordinarily provided by a senior management in a company of the size and state of development as the Company;

(b) manage all of the corporate filing, secretarial, book keeping, legal and all other administration aspects of the Company; and

(c) such other senior management services as may be reasonably requested of the Consultant from time to time by the Company's Board of Directors.

1.2 The Consultant will report directly to the Company's Board of Directors, and will keep the Company informed of all matters concerning the Services as requested by the Company from time to time.

1.3 The Services performed by the Consultant will be provided primarily at the Company's offices in Vancouver, British Columbia. Representatives of the Consultant may, from time to time, be required to travel from Vancouver on the Company's behalf.

1.4 The Consultant will perform the Services to the level of competence and skill one would reasonably expect from other persons who have skills and experience similar to that of the Consultant.

2. Remuneration and Expenses

2.1 The Company will pay the Consultant the consulting fees (the "**Consulting Fees**") for the Services of $7,500 per month and the issuance of 500,000 stock options in the Company set at the market value on the Effective Date.

2.2 The Consulting Fees do not include Government Sales Tax ("**GST**"), as applicable. The Consulting Fees plus GST, as applicable, will be payable at the beginning of each month upon receipt of the Consultant's invoice for same.

2.3 The Consultant will be responsible for all costs associated with the performance of the Services, except that the Consultant will be reimbursed by the Company for actual out of pocket expenses incurred by the Consultant in general office expenditures and if requested by the Company to travel away from Vancouver for the performance of the Services. Travel expenses will consist of airfare, accommodation and meal expenses. All expenses will be reimbursed monthly upon presentation of an invoice with attached receipts.

3. Term and Termination

3.1 This Agreement will commence on the Effective Date for a term of two years (until Feb. 28th, 2016) and will be on a 'month to month' basis thereafter.

3.2 Notwithstanding paragraph 3.1, this Agreement may be terminated at any time after the second year by:

(a) the Consultant giving at least 30 days notice in writing to the Company;

(b) the Company, in its discretion, by giving at least 30 days advance notice in writing, and

(c) the Company, without notice, in the event the Consultant breaches the terms of this Agreement.

3.3 At any time prior to the second anniversary of the Effective Date this contract may be bought out in entirety by the Company with a one-time payment to the Consultant of the amount remaining in this contract.

3.4 Upon termination, the Consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the Consultant still has stock options that remain unexercised. For clarification, this clause states that the options granted to the Consultant will not be cancelled upon termination. Upon the Consultant exercising all options the relationship between the Consultant and the Company will no longer continue.

3.5 Upon termination of this Agreement for any reason, the Consultant will, upon receipt of all sums due and owing, promptly deliver the following in accordance with the directions of the Company:

(a) A final accounting, reflecting the balance of expenses incurred on behalf of the Company as of the date of termination;

(b) All documents pertaining to the Company or this Agreement, including but not limited to all books of account, correspondence and contracts; and

(c) All equipment and any other property belonging to the Company.

4. Confidentiality and Ownership of Property

4.1 "**Confidential Information**" means information, whether or not originated by the Consultant, that relates to the business or affairs of the Company, its affiliates, clients or suppliers and is confidential or proprietary to, about or created by the Company, its affiliates, clients, or suppliers. Confidential Information includes, but is not limited to, the following types of confidential information and other proprietary information of a similar nature (whether or not reduced to writing or designated or marked as confidential):

(a) information related to the Company's mineral properties, or mineral properties owned by third parties which the Company has obtained under obligations not to disclose such information, and exploration results, estimated reserves and feasibility reports;

(b) work product resulting from or related to work or projects performed for or to be performed for the Company or its affiliates, including but not limited to, the methods, processes, procedures, analysis, techniques and audits used in connection therewith;

(c) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, flowcharts, coding sheets, and the like), source code, object code and load modules, programming, program patches and system designs;

(d) internal Company personnel and financial information, vendor names and other vendor information, purchasing and internal cost information, internal services and operational manuals, and the manner and method of conducting the Company's business;

(e) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques and methods of obtaining business, forecasts and forecast assumptions and volumes, current and prospective client lists, and future plans and potential strategies of the Company that have been or are being discussed;

(f) information belonging to third parties or which is claimed by third parties to be confidential or proprietary and which the Company has agreed to keep confidential; and

(g) all information that becomes known to the Consultant as a result of his Retainer that the Consultant, acting reasonably, believes is confidential information or that the Company takes measures to protect.

Confidential Information does not include:

(a) the general skills and experience gained during the Consultant's provision of Consulting Services to the Company that the Consultant could reasonably have been expected to acquire in similar retainer or engagements with other companies;

(b) information publicly known without breach of this Agreement or similar agreements;

(c) information, the disclosure of which by the Consultant is required to be made by any law, regulation or governmental authority or legal process of discovery (to the extent of the requirement), provided that before disclosure is made, notice of the requirement is provided to the Company, and to the extent reasonably possible in the circumstances, the Company is afforded an opportunity to dispute the requirement; or

(d) information known to the Consultant at the date of this Agreement.

4.2 The Consultant acknowledges that:

(a) by reason of this contract for Services, the Consultant will have access to Confidential Information that the Company has spent time, effort and money to develop and acquire; and

(b) the Confidential is a valuable and unique asset of the Company and that the Confidential Information is and will remain the exclusive property of the Company.

4.3 The Consultant agrees to maintain securely and hold in strict confidence all Confidential Information received, acquired or developed by the Consultant or disclosed to the Consultant as a result of or in connection with the Services. The Consultant agrees that, both during and after the termination of this Agreement, the Consultant will not, directly or indirectly, divulge, communicate, use, copy or disclose or permit others to use, copy or disclose, any Confidential Information to any person, except as such disclosure or use is required to perform its duties hereunder or as may be consented to by prior written authorization of the Board.

4.4 The Consultant represents and warrants that the Consultant has not used and will not use, while performing the Services, any materials or documents of another company which the Consultant is under a duty not to disclose. The Consultant understands that, while performing the Services, the Consultant must not breach any obligation or confidence or duty the Consultant may have to a former client or employer. The

Consultant represents and warrants that he will not, to the best of his knowledge and belief, use or cause to be incorporated in any of the Consultant's work product, any data software, information, designs, techniques or know-how which the Consultant or the Company does not have the right to use.

5. Independent Consultant Relationship

5.1 It is expressly agreed that the Consultant is acting as an independent contractor in performing the Services under this Agreement.

5.2 The Consultant need only devote such portion of his time as is agreed to pursuant to this Agreement. The Consultant is not precluded from acting in any other capacity for any other person, firm or Company provided that it does not conflict with the Consultant's duties to the Company as set out in this Agreement.

5.3 The Company will not be required to pay any contribution to Canada Pension Plan, employment insurance, or federal and provincial withholding taxes, nor provide any other contributions or benefits that might be expected in an employer-employee relationship on behalf of the Consultant.

5.4 The Consultant is solely responsible for the Consultant's registration and payment of assessments for coverage of the Consultant's Personnel with WorkSafeBC, if required. If requested by the Company, the Consultant will provide proof of coverage.

5.5 The Consultant represents and warrants that he has the right to provide the Services required under this Agreement without violation of obligations to others and that all advice, information, and documents given by him to the Company under this Agreement may be used fully and freely by the Company, unless otherwise so designated orally or in writing by the Consultant at the time of communication of such information (e.g. information shared with the Consultant in a confidential manner or on a non-attribution basis).

5.6 The Consultant agrees to indemnify the Company from all losses, claims, actions, damages, charges, taxes, penalties, assessments or demands (including reasonable legal fees and expenses) which may be made by the Canada Revenue Agency, Employment Insurance Plan, the Canada Pension Plan, the Workers Compensation Plan, or related plans or organizations requiring the Company to pay an amount under the applicable statutes and regulations in relation to any Services provided to the Company pursuant to this Agreement. This paragraph will survive termination of this Agreement.

6. General

6.1 This Agreement cancels and supersedes any existing Agreement or other arrangement between the Company and the Consultant, and contains the entire Agreement and obligation between the parties with respect to its subject matter. No amendment to this Agreement will be valid or effective unless in writing and signed by both parties.

6.2 Any notice given or required to be given under this Agreement must be in writing and signed by or on behalf of the party giving it. Such notice may be served personally and in either case may be sent by priority post to the addresses of the parties noted on page

one of this Agreement. Any notice served personally will be deemed served immediately, and if mailed by priority post will be deemed served 72 hours after the time of posting.

6.3 The Consultant must not sell, assign or transfer any rights or interests created under this Agreement or delegate any of his duties without the prior written consent of the Company.

6.4 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and each party submits to the jurisdiction of courts of competent jurisdiction in the Province of British Columbia.

6.5 This Agreement will be to the benefit of and be binding on the respective heirs, executors, administrators, and successors of each of the parties.

INTENDING TO BE LEGALLY BOUND, the parties have signed this Agreement as of the day and year first written above.

Chlormet Technologies Inc.

Per: _____
Authorized Signatory

Foremost Management Services Ltd.

_____
Ian Foreman, P.Geo,
Partner

MANAGEMENT CONSULTING SERVICES AGREEMENT

This Agreement is dated April 1st, 2014.

BETWEEN:

Chlormet Technologies Inc.
Located at 350 – 409 Granville St., Vancouver, B.C., V6K 1T2
(the "**Company**")

AND:

Paradigm Shift Consulting.
207 West Keith Road, North Vancouver, BC V7M1L7
(the "**Consultant**")

RECITALS:

A. The Company is engaged in the business of base and precious metal exploration and mining in North America;

B. The Consultant is experienced in providing senior management consulting services to corporations;

C. The Company wishes to retain the Consultant as interim President + CEO to the Company on the terms and conditions contained in this Agreement effective the date of this Agreement ('the Effective Date").

NOW THEREFORE IN CONSIDERATION of the mutual promises contained in this Agreement, the parties agree as follows:

1. Services to be Provided

1.1 The Consultant will provide personnel to act as senior management and directors of the Company who will provide such services as:

(a) are ordinarily provided by a senior management in a company of the size and state of development as the Company;

(b) manage all of the corporate filing, secretarial, book keeping, legal and all other administration aspects of the Company; and

(c) such other senior management services as may be reasonably requested of the Consultant from time to time by the Company's Board of Directors.

1.2 The Consultant will report directly to the Company's Board of Directors, and will keep the Company informed of all matters concerning the Services as requested by the Company from time to time.

1.3 The Services performed by the Consultant will be provided primarily at the Company's offices in Vancouver, British Columbia. Representatives of the Consultant may, from

time to time, be required to travel from Vancouver on the Company's behalf. This travel will be compensated for at a rate of $200 per day.

1.4 The Consultant will perform the Services to the level of competence and skill one would reasonably expect from other persons who have skills and experience similar to that of the Consultant.

2. Remuneration and Expenses

2.1 The Company will pay the Consultant the consulting fees (the "**Consulting Fees**") for the Services of $6500 per month.

2.2 The Consulting Fees do not include Government Sales Tax ("**GST**"), as applicable. The Consulting Fees plus GST, as applicable, will be payable at the beginning of each month upon receipt of the Consultant's invoice for same.

2.3 The Consultant will be responsible for all costs associated with the performance of the Services, except that the Consultant will be reimbursed by the Company for actual out of pocket expenses incurred by the Consultant in general office expenditures and if requested by the Company to travel away from Vancouver for the performance of the Services. Travel expenses will consist of airfare, accommodation and meal expenses. All expenses will be reimbursed monthly upon presentation of an invoice with attached receipts.

3. Term and Termination

3.1 This Agreement will commence on the Effective Date and will be on a 'month-to-month' basis until such a time that this agreement is replaced, which is understood to be within 6 months or as soon as "interim" title is removed.

3.2 Notwithstanding paragraph 3.1, this Agreement may be terminated at any time after expiry of the 6 month interim period by:

(a) the Consultant giving at least 30 days notice in writing to the Company;

(b) the Company, in its discretion, by giving at least 30 days advance notice in writing.

(c) the Company, without notice, in the event the Consultant breaches the terms of this Agreement.

3.3 At any time prior to the second anniversary of the Effective Date this contract may be bought out in entirety by the Company with a one-time payment to the Consultant of the amount remaining in this contract.

3.4 Upon termination, the Consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the Consultant still has stock options that remain unexercised. For clarification, this clause states that the options granted to the Consultant will not be cancelled upon termination. Upon the Consultant exercising all options the relationship between the Consultant and the Company will no longer continue.

3.5 Upon termination of this Agreement for any reason, the Consultant will, upon receipt of all sums due and owing, promptly deliver the following in accordance with the directions of the Company:

(a) A final accounting, reflecting the balance of expenses incurred on behalf of the Company as of the date of termination;

(b) All documents pertaining to the Company or this Agreement, including but not limited to all books of account, correspondence and contracts; and

(c) All equipment and any other property belonging to the Company.

4. Confidentiality and Ownership of Property

4.1 "**Confidential Information**" means information, whether or not originated by the Consultant, that relates to the business or affairs of the Company, its affiliates, clients or suppliers and is confidential or proprietary to, about or created by the Company, its affiliates, clients, or suppliers. Confidential Information includes, but is not limited to, the following types of confidential information and other proprietary information of a similar nature (whether or not reduced to writing or designated or marked as confidential):

(a) information related to the Company's mineral properties, or mineral properties owned by third parties which the Company has obtained under obligations not to disclose such information, and exploration results, estimated reserves and feasibility reports;

(b) work product resulting from or related to work or projects performed for or to be performed for the Company or its affiliates, including but not limited to, the methods, processes, procedures, analysis, techniques and audits used in connection therewith;

(c) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, flowcharts, coding sheets, and the like), source code, object code and load modules, programming, program patches and system designs;

(d) internal Company personnel and financial information, vendor names and other vendor information, purchasing and internal cost information, internal services and operational manuals, and the manner and method of conducting the Company's business;

(e) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques and methods of obtaining business, forecasts and forecast assumptions and volumes, current and prospective client lists, and future plans and potential strategies of the Company that have been or are being discussed;

(f) information belonging to third parties or which is claimed by third parties to be confidential or proprietary and which the Company has agreed to keep confidential; and

(g) all information that becomes known to the Consultant as a result of his Retainer that the Consultant, acting reasonably, believes is confidential information or that the Company takes measures to protect.

Confidential Information does not include:

(a) the general skills and experience gained during the Consultant's provision of Consulting Services to the Company that the Consultant could reasonably have been expected to acquire in similar retainer or engagements with other companies;

(b) information publicly known without breach of this Agreement or similar agreements;

(c) information, the disclosure of which by the Consultant is required to be made by any law, regulation or governmental authority or legal process of discovery (to the extent of the requirement), provided that before disclosure is made, notice of the requirement is provided to the Company, and to the extent reasonably possible in the circumstances, the Company is afforded an opportunity to dispute the requirement; or

(d) information known to the Consultant at the date of this Agreement.

4.2 The Consultant acknowledges that:

(a) by reason of this contract for Services, the Consultant will have access to Confidential Information that the Company has spent time, effort and money to develop and acquire; and

(b) the Confidential is a valuable and unique asset of the Company and that the Confidential Information is and will remain the exclusive property of the Company.

4.3 The Consultant agrees to maintain securely and hold in strict confidence all Confidential Information received, acquired or developed by the Consultant or disclosed to the Consultant as a result of or in connection with the Services. The Consultant agrees that, both during and after the termination of this Agreement, the Consultant will not, directly or indirectly, divulge, communicate, use, copy or disclose or permit others to use, copy or disclose, any Confidential Information to any person, except as such disclosure or use is required to perform its duties hereunder or as may be consented to by prior written authorization of the Board.

4.4 The Consultant represents and warrants that the Consultant has not used and will not use, while performing the Services, any materials or documents of another company which the Consultant is under a duty not to disclose. The Consultant understands that, while performing the Services, the Consultant must not breach any obligation or confidence or duty the Consultant may have to a former client or employer. The

Consultant represents and warrants that he will not, to the best of his knowledge and belief, use or cause to be incorporated in any of the Consultant's work product, any data software, information, designs, techniques or know-how which the Consultant or the Company does not have the right to use.

5. Independent Consultant Relationship

5.1 It is expressly agreed that the Consultant is acting as an independent contractor in performing the Services under this Agreement.

5.2 The Consultant need only devote such portion of his time as is agreed to pursuant to this Agreement. The Consultant is not precluded from acting in any other capacity for any other person, firm or Company provided that it does not conflict with the Consultant's duties to the Company as set out in this Agreement.

5.3 The Company will not be required to pay any contribution to Canada Pension Plan, employment insurance, or federal and provincial withholding taxes, nor provide any other contributions or benefits that might be expected in an employer-employee relationship on behalf of the Consultant.

5.4 The Consultant is solely responsible for the Consultant's registration and payment of assessments for coverage of the Consultant's Personnel with WorkSafeBC, if required. If requested by the Company, the Consultant will provide proof of coverage.

5.5 The Consultant represents and warrants that he has the right to provide the Services required under this Agreement without violation of obligations to others and that all advice, information, and documents given by him to the Company under this Agreement may be used fully and freely by the Company, unless otherwise so designated orally or in writing by the Consultant at the time of communication of such information (e.g. information shared with the Consultant in a confidential manner or on a non-attribution basis).

5.6 The Consultant agrees to indemnify the Company from all losses, claims, actions, damages, charges, taxes, penalties, assessments or demands (including reasonable legal fees and expenses) which may be made by the Canada Revenue Agency, Employment Insurance Plan, the Canada Pension Plan, the Workers Compensation Plan, or related plans or organizations requiring the Company to pay an amount under the applicable statutes and regulations in relation to any Services provided to the Company pursuant to this Agreement. This paragraph will survive termination of this Agreement.

6. General

6.1 This Agreement cancels and supersedes any existing Agreement or other arrangement between the Company and the Consultant, and contains the entire Agreement and obligation between the parties with respect to its subject matter. No amendment to this Agreement will be valid or effective unless in writing and signed by both parties.

6.2 Any notice given or required to be given under this Agreement must be in writing and signed by or on behalf of the party giving it. Such notice may be served personally and in either case may be sent by priority post to the addresses of the parties noted on page

one of this Agreement. Any notice served personally will be deemed served immediately, and if mailed by priority post will be deemed served 72 hours after the time of posting.

6.3 The Consultant must not sell, assign or transfer any rights or interests created under this Agreement or delegate any of his duties without the prior written consent of the Company.

6.4 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and each party submits to the jurisdiction of courts of competent jurisdiction in the Province of British Columbia.

6.5 This Agreement will be to the benefit of and be binding on the respective heirs, executors, administrators, and successors of each of the parties.

INTENDING TO BE LEGALLY BOUND, the parties have signed this Agreement as of the day and year first written above.

Chlormet Technologies Inc.

Per: _____
Ian Foreman, P.Geo
Director

Paradigm Shift Consulting

_____
Yari Nieken, MBA,
Principal

T. ST. DENIS, INC.
1500 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8
TEL 604•895•7428 www.stdeniscga.com

November 9, 2014

Chlormet Technologies, Inc.
459 – 409 Granville Street
Vancouver, British Columbia
V6C 1T2

Attention: Mr. Yari Nieken, Interim President and CEO

Dear Yari:

This letter confirms the terms of my appointment as your consultant and accountant, and it outlines the terms, nature, and extent of the services I will be providing.

I will perform such management and accounting functions as are required to maintain your accounting records in a proper manner. I will assist senior management with the preparation of the Company's financial statement and Management Discussion and Analysis, for the period ended September 30, 2014. **I will not produce financial statements, but will assist management in the preparation of financial statements during this engagement.** The services provided under this engagement are not designed to detect fraud or error. You will supply all necessary information and will be responsible for its accuracy and completeness.

You will review and approve all journal entries, transaction classifications, and account codes determined or changed by my firm.

In order to complete my engagement, I will require access to certain personal information. You hereby represent to me that you have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to me of personal information. I will manage all personal information in compliance with my Privacy code.

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act places certain legal requirements on my firm to report transactions that may be suspicious of being related to a money laundering or a terrorist financing offence. It also requires my firm to report large cash transactions that exceed $10,000, the cross-border movement of currency or monetary instruments that exceed $10,000, and whether I am in possession or control of property that is considered terrorist property. Finally, the Act requires my firm to ascertain the identity and existence of clients and other entities. To

meet these obligations, my firm may have to report information about Chlormet Technologies, Inc. that might otherwise be confidential. The reporting of this information may place Chlormet Technologies, Inc. and my firm in a conflict of interest. Should such a conflict arise, my firm may be required to withdraw from this engagement. Please be advised that I will do everything in my power to avoid such conflicts and that only information that is required will be disclosed. You hereby acknowledge this legal requirement placed upon my firm and the potential conflict of interest that may arise as a result of it. You also hereby authorize my firm to release and disclose information related to Chlormet Technologies, Inc. if and when required by statute to do so.

My fees are based on the complexity and nature of the work and the degree of responsibility and skill required. Any disbursements will be added to my invoice. All billings are due upon presentation, unless other arrangements have been made in advance. A charge of 1% per month applies to overdue accounts.

The above terms will remain in effect from year to year unless amended in writing by both parties or terminated by written notice from either party. Upon termination of this engagement, I will invoice you for all unbilled fees and disbursements. Further, you agree to pay your account to the date of termination upon receipt of my invoice.

I shall be pleased to discuss the contents of this letter with you at any time, and to explain the reasons for any items. If the above terms are acceptable to you, and the services outlines are in accordance with your requirements, please sign this letter in the space provided and return it to me.

Yours truly,

T. ST. DENIS, INC.

Tracey A. St. Denis, CPA CGA

The services set out in the foregoing letter are in accordance with our requirements. The terms set out are acceptable to us and hereby agreed to.

CHLORMET TECHNOLOGIES, INC.

Yari Nieken
November 9, 2014

CHLORMET TECHNOLOGIES, INC.
459 – 409 GRANVILLE STREET
VANCOUVER, BRITISH COLUMBIA
V6C 1T2
604-682-1643

November 26, 2014

T. St. Denis, Inc.
Suite 1500 – 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Attention: Tracey A. St. Denis, CPA CGA

Dear Tracey:

We are writing at your request to confirm our understanding about your engagement to assist management in the preparation of the financial statements for the period ended September 30, 2014 consisting of the statements of financial position, the statements of comprehensive loss, the statements of changes in equity, and the statements of cash flows for the period then ended of Chlormet Technologies, Inc. We confirm the following:

1. You have explained to us your limited involvement with these financial statements, that you assisted in the preparation of the statements based on information we presented to you, and you have not audited or reviewed and have expressed no assurance thereon of the information presented.

2. We have reviewed and approved all:

   a. journal entries prepared by you;
   b. account codes determined by you;
   c. transactions classified by you; and
   d. accounting records prepared by you.

3. You have explained to us that these financial statements may not be suitable for use by persons other than our management.

4. We have obtained all consents that are required under applicable privacy legislation for the collection, use, and disclosure to you of personal information.

We hereby acknowledge that you have made us aware of your legal obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act, and authorize your firm to release and disclose information about Chlormet Technologies, Inc. if and when required by statute.

Further, we confirm, to the best of our knowledge and belief, the following representations made by us to you during your compilation of these financial statements:

1. All accounting and financial records and related data of the Company have been made available to you, and you have been made aware of, and given access to outside sources of information where applicable.

2. All information necessary to compile these financial statements has been disclosed to you.

3. No events have occurred or are pending, and no facts have been discovered to date which would cause these financial statements to be misleading.

4. We have reviewed these financial statements and we acknowledge sole responsibility for their content.

5. The statements disclose all significant assets, liabilities, revenues, and expenses of Chlormet Technologies, Inc.

6. The statements disclose only assets, liabilities, revenues, and expenses of Chlormet Technologies, Inc. Transactions between the Company and its shareholders and other persons related to it have been disclosed to you. Specifically, any personal use of Company assets has been disclosed to you and is properly reflected in the statements.

Yours truly,

CHLORMET TECHNOLOGIES, INC.

Yari Nieken
Interim President and CEO

COPY

OFFICE SPACE SUBLEASE AGREEMENT

This agreement made effective as of the **first of November, 2014.**

BETWEEN:

Foremost Management Services Ltd., a body corporation having an office at 459 – 409 Granville St. in the City of Vancouver, in the province of British Columbia.

(the "Leasor")

Chlormet Technologies Inc., a body corporation having an office at the City of Vancouver, in the province of British Columbia.

(the "Leasee")

WHEREAS:

1. The Leasor carries on a business and has leased certain office space and related facilities at Suite 459 – 409 Granville Street, Vancouver, B.C., V6C 1T2.

2. The Leasee wishes to retain the Leasor to provide premises for the Leasee to carry on its business.

3. The premises being provided by the Leasor to the Leasee shall include, but not limited to, the following items:
   a. One office
   b. Use of a Boardroom, to be booked in advance on a standard calendaring system, on a first-come-first-served basis;
   c. Use of other common areas in the office space;

4. The Leasee will be responsible for providing its own furniture and will be responsible for leaving the office in a similar condition as it was upon occupancy given normal use.

5. The Leasor will charge the Leasee a 10% administration fee on all expenses incurred on the Leasees behalf. The Leasor will account for and charge the Leasee for expenses on a monthly basis.

Payment:

The Leasee shall pay the Leasor on, or before, the 1st of each month the sum of one thousand five hundred dollars ($1,500.00) plus GST, representing pay for one (1) office.

The Leasee is required to pay the Leasor a deposit for the first and last month's rent – a total of three thousand and thirty dollars ($3,000) plus GST.

The Leasee agrees that it will be responsible for all charges related to returned and/or bounced cheques

Duration of Agreement:

The rental period will be for 1 year beginning on November 1, 2014 and ending October 31, 2015. This Sublease Agreement will continue on a month to month basis thereafter.

If the Leasee, for any reason should desire to discontinue this Sublease Agreement, the Leasee shall provide 60 days written notice of Sublease Termination. The Leasor may terminate this Sublease Agreement at any time after the first year by serving the Leasee with 30 days written notice to vacate.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

EXECUTED by

FOREMOST MANAGEMENT SERVICES INC.

in the presence of:

Authorized Signatory

EXECUTED by

CHLORMET TECHNOLOGIES INC.

in the presence of:

Authorized Signatory

STRATEGIC ADVISORY AGREEMENT

THIS AGREEMENT is effective March 1st, 2014

AMONG:

Chlormet Technologies Inc.
Suite 350 – 409 Granville Street
Vancouver, BC V6C 1T2

(the "**Company**")

AND:

D A Huston and Associates
575 Fairway Drive
North Vancouver, BC V7G 1Z5

(the "**Advisor**")

WHEREAS:

A. The Company is engaged in the business of project development, strategic acquisitions and joint ventures;

B. The Company wishes to engage the Advisor to provide financial, strategic, and marketing advisory services to the Company upon the terms and conditions set forth herein; and

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties) the parties hereto covenant and agree each with the other as follows:

1. **Advisor Services**

1.1 Subject to the terms and conditions hereof, the Company hereby engages the Advisor, as an independent contractor, to provide, on a non-exclusive basis, financial, strategic, and marketing advisory services to the Company including, but not limited to, the services set out in Schedule "A" (collectively the "**Services**") and the Advisor hereby accepts and agrees to such engagement.

1.2 The Advisor agrees to spend a significant amount of time and attention on the business and affairs of the Company and shall be available for advice and counsel to the officers and directors of the Company at such reasonable and convenient times and places as may be directed by the board of directors (the "**Board**") or the Chief Executive Officer of the Company and agreed to by the Advisor. Except as aforesaid, the time, place and manner of performance of the Services hereunder, including the amount of time to be allocated by the Advisor to any specific service, shall be determined in the sole discretion of the Advisor having regard to the obligation of the Advisor to provide the Services.

1.3 The Advisor agrees to perform the Services in accordance with the terms and conditions contained in this Agreement, to use his reasonable commercial efforts and care, skill and judgment to perform the Services in a diligent, competent and professional manner, and to comply with all laws and regulations to which the Company is subject and with all rules and polices of regulatory authorities having jurisdiction over the Company, including but not limited to, the TSX Venture Exchange (the "**Exchange**").

1.4 The Advisor understands and agrees that it has no authority and is not authorized to enter into any arrangements, commitments or agreements on behalf of the Company without the Company's prior written consent.

2. **Term**

2.1 The provision of Services by the Advisor to the Company hereunder shall commence effective March 1st, 2014, (the "**Effective Date**") and continue monthly provided that the Advisor and the Company may, by mutual consent, delivered in writing, extend the Term of this Agreement for such additional period or periods and upon the same or such other terms and conditions as may be mutually agreed to by the parties.

3. **Compensation**

3.1 Subject to the terms and conditions set out in this Agreement, the Company shall pay to the Advisor throughout the Term a consulting fee of $3,000 per month (the "**Monthly Fee**") to be paid monthly or in such other instalments and at such other times as the Advisor and the Company may agree.

3.2 The Company agrees to pay the Advisor a signing bonus of $10,000.00 representing good faith guaranteed money at the commencement of the Effective Date. The Advisor will also be eligible to receive discretionary bonuses (each a "**Discretionary Bonus**") from time to time during the Term. The payment of a Discretionary Bonus, if any, and the amount thereof will be determined by the Board in its sole discretion.

3.3 The Company agrees to pay to the Advisor goods and services tax (GST) on all Monthly Fees and, if applicable, Discretionary Bonuses and Corporate Finance Bonuses (as such term is hereinafter defined) payable to the Advisor in respect of the performance of the Services hereunder.

3.4 The Company shall reimburse the Advisor for 100% of all business and out-of-pocket expenses reasonably and properly incurred by the Advisor in performing the Services hereunder within 15 days from the date the Advisor submits to the Company a written expense account in reasonable detail, together with applicable supporting vouchers and/or receipts, subject to the Advisor obtaining the Company's prior approval for any single expense in excess of $50.00.

3.5 As further consideration for the Services, the Company agrees to grant and issue to the Advisor concurrently with the execution of this Agreement incentive stock options (the "**Options**") to purchase up to 150,000 common shares outstanding in the capital stock of the Company, exercisable for a period of one (1) year at a price of $0.13 per share in accordance with the Company's stock option plan, which Options shall vest after four (4) months from the Grant Date. The Company confirms that the Advisor is an eligible participant under the stock option plan of the Company. Upon a Change of Control of the Company, all options remaining to be the vested will vest immediately.

4. Disclosure of Information

4.1 The Advisor acknowledges that one of the conditions of the Consultant's engagement to provide the Services to the Company is the maintenance of the confidentiality of the Company's trade secrets, proprietary and confidential information. The Advisor acknowledge that by reason of such engagement, the Advisor hold positions of trust with the Company and will be given constant and intimate access to, and gain knowledge of, trade secrets, proprietary and confidential information with respect to the business, affairs and properties of the Company and its subsidiaries (collectively the "**Confidential Information**"). The Confidential Information may include, but is not limited to, the Company's proprietary information and trade secrets related to its finances, pricing, contracts, structure, corporate opportunities, policies, strategies, customer lists, mineral properties, exploration and development prospects, proposed acquisitions, divestitures, joint ventures, exploration plans, budgets, assays, technical data and results, exploration techniques, strategic planning, financial projections, revenue projections, staffing, operation, and accounting information, provided that Confidential Information shall not include any information that:

(a) was in the possession of, or known to, the Advisor prior to the date of this Agreement, without any obligation to keep it confidential;

(b) is, or becomes, public knowledge through no fault of the Advisor or its directors, officers, employees, consultants or agents; or

(c) is, or becomes, lawfully available to the Advisor from a source other than the Company or subsidiary or affiliate of the Company, which source, to the best of the Advisor's knowledge, is legally permitted to disclose such information and is not under confidentiality restrictions.

5. **Relationship**

5.1 The Advisor shall perform the Services pursuant to this Agreement as an independent contractor, and nothing in this Agreement shall be construed as creating an employment or partnership relationship between the parties. The Advisor will not, at any time, hold itself out as the agent or representative of the Company and will not incur any obligations or liabilities or enter into any agreements for or on behalf of the Company except if and as expressly permitted in this Agreement.

5.2 The Advisor will comply with all applicable laws, rules and regulations and will pay any and all taxes, unemployment insurance premiums, Canada Pension Plan premiums or contributions, Workers' Compensation assessments, and any other statutorily prescribed payment or assessment of any nature (collectively "**Statutory Remittances**") which is payable by virtue of the Company's payment of the Monthly Fees and, if applicable, the Corporate Finance Bonus and any other monies payable hereunder to the Consultant.

5.3 The Advisor represents and warrants that it does not owe, and agrees that it will not during the term of this Agreement undertake or agree to, any contractual or other duties or obligations to any other Person which may conflict or interfere with this Agreement or any of the Consultant's duties and obligations under this Agreement.

5.4 The Advisor acknowledges that all items of any and every nature or kind created or used by the Advisor in connection with providing the Services to the Company under this Agreement, or furnished by the Company to the Advisor, including all equipment, credit cards, books, records, reports, files, diskettes, manuals, literature, Confidential Information (as hereinafter defined) or other materials, shall remain and be considered the exclusive property of the Company at all times and shall be surrendered to the Company, in good condition, promptly at the request of the Company, or in the absence of a request, on the termination of the Advisor under this Agreement.

6. **Termination**

6.1 The Company may terminate this Agreement prior to the expiration of the Term without notice or payment of any compensation in lieu thereof upon the happening of any of the following events:

(a) the Advisor commits a material breach of any term or condition of this Agreement and, in the case of a material breach capable of remedy, fails to

remedy such breach within 10 days after receipt of a written notice from the Company giving particulars of the breach and requiring it to be remedied;

(b) subject to paragraph 6.3, a material conflict of interest arises between the duties and obligations of the Advisor to the Company and another Person with whom the Advisor is engaged in business or otherwise provide services and the Advisor fails to resolve such conflict to the Company's satisfaction, acting reasonably, within 15 days following notice from the Company to the Advisor of such conflict and requiring that it be resolved;

(e) any wilful or intentional act on the part of the Advisor having the effect of materially injuring the reputation, business or business relationships of the Company; or

6.2 Either the Company or the Advisor may terminate this Agreement at any time during the Term upon 30 days written notice to the other party, provided that the Company shall not be entitled to exercise such right within the first three months of the Term (the "**Guaranteed Term**").

6.3 Upon the termination of this Agreement by the Company or the Advisor pursuant to paragraph 6.1 or 6.2, respectively, the Company shall remain liable to pay all amounts owing to the Advisor pursuant to this Agreement up to the date of termination (the "**Termination Date**") and the Advisor shall deliver up possession of all Confidential Information (including any copies thereof) of the Company or its affiliates in its possession or under its control immediately upon request by the Company.

7. General Provisions

7.1 Each party (the "**Indemnifying Party**") shall hold harmless and indemnify the other party and its directors, officers, employees, consultants and agents (each, an "**Indemnified Party**") from and against any and all complaints, investigations, charges, demands, claims, actions, damages, costs, expenses, losses and liabilities of any nature or kind suffered by an Indemnified Party arising directly or indirectly from any breach by the Indemnifying Party of its duties and obligations hereunder including, but not limited to, a breach of Applicable Securities Laws. For greater certainty, the obligations of the Advisor under this paragraph 8.1 to indemnify the Company and its directors, officers, employees, consultants and agents shall be joint and several.

7.2 This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors and permitted assigns.

7.3 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, forms, conditions, undertakings or collateral agreements, express implied or statutory between the parties other than as expressly set forth in this Agreement.

7.4 Neither party hereto may assign his or its rights or obligations under this Agreement without the prior written consent of the other party hereto.

7.5 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

7.6 If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

7.7 Any demand, notice or other communication (a "**Communication**") to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by personal delivery, telecopier or by registered mail addressed to the recipient at the addresses and/or telecopier numbers of the parties provided on the first page of this Agreement or such other address or number as may be designated by notice by either party to the other. Any Communication made or given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, if made or given by telecopier, on the business day next following the date of transmission and, if made or given by registered mail, on the 3rd day, other than a Saturday, Sunday or statutory holiday in British Columbia, following the deposit thereof in the mail. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of the mail, any such Communication shall not be mailed but shall be made or given by personal delivery or telecopier.

7.8 Each party must from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.9 This Agreement and all matters arising hereunder shall be governed by, construed and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

7.10 This Agreement shall be subject to any necessary approval of all securities

regulatory authorities having jurisdiction over the Company including, but not limited to, the Exchange.

7.11 Whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed to mean the plural or feminine or body corporate where the context of this Agreement or the parties hereto so require.

7.12 The headings and section references in this Agreement are for convenience of reference only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision thereof.

7.13 All sums of money to be paid or calculated pursuant to this Agreement shall be paid or calculated in currency of Canada unless otherwise expressly stated.

7.14 This Agreement may be executed in two or more counterparts, which counterparts may be delivered by facsimile or scanned email attachment, and notwithstanding the respective dates of execution thereof, such counterparts together shall constitute one and the same agreement and be deemed to be effective as of the date given above.

[EXECUTION PAGE FOLLOWS]

THE PARTIES, intending to be legally bound, have executed this Agreement as follows.

Chlormet Technologies Inc.

Per:

_____
Yari Nieken
Chief Executive Officer

D A Huston and Associates

Per:

Derek Huston
President

SIGNED, SEALED and DELIVERED by **DEREK HUSTON** in the presence of:

_____
Signature of Witness

_____
Name of Witness

_____
Address of Witness

_____

_____
Occupation of Witness

Derek Huston

SCHEDULE "A"

SERVICES: D A Huston and Associates

- Provide advice to the Company in connection with obtaining industry or institutional private or public financing with potential dealers, institutional investors, high net worth individuals, accredited investors and other sources of capital.

- Provide ongoing financial, strategic, and marketing advice to the Board and management of the Company as reasonably requested by the Company from time to time.

CONSULTING SERVICES AGREEMENT

This Agreement is dated August 29th, 2014.

BETWEEN:

Chlormet Technologies Inc.
Located at 350 – 409 Granville St., Vancouver, B.C., V6C 1T2
(the "**Company**")

AND:

Green Leaf Management LLC
Located at 205 W. Franklin Av., Chewelah, Washington, 99109, USA
(the "**Consultant**")

RECITALS:

A. The Company is engaged in the business of acquiring and operating medical marijuana facilities in Canada and other marijuana related business in the United States;

B. The Company wishes to retain the Consultant to provide certain services to the Company on the terms and conditions contained in this Agreement effective the date of this Agreement ('the Effective Date").

NOW THEREFORE IN CONSIDERATION of the mutual promises contained in this Agreement, the parties agree as follows:

1. Services to be Provided

1.1 The Consultant will provide advice to consultants, senior management and directors of the Company.

1.2 The Consultant will report directly to the Company's Board of Directors, and will keep the Company informed of all matters concerning the Services as requested by the Company from time to time.

1.3 The Services performed by the Consultant will be provided primarily from the Consultants office.

(a) The Consultant will perform the Services to the level of competence and skill one would reasonably expect from other persons who have skills and experience similar to that of the Consultant.

2. Remuneration and Expenses

2.1 The Company will pay the Consultant a one-time fee of US $35,000 for prior services rendered.

2.2 The Company will pay the Consultant the consulting fees (the "**Consulting Fees**") for the Services of US $5,000 per month and the issuance of 150,000 stock options in the Company set at the market value on the date that this Agreement is signed.

2.3 The Consulting Fees do not include tax as applicable.

2.4 The Consultant will be responsible for all costs associated with the performance of the Services, except that the Consultant will be reimbursed by the Company for actual out of pocket expenses incurred by the Consultant in general office expenditures and if requested by the Company to travel away from Vancouver for the performance of the Services. Travel expenses will consist of airfare, accommodation and meal expenses. All expenses will be reimbursed monthly upon presentation of an invoice with attached receipts.

3. Term and Termination

3.1 This Agreement will commence on the Effective Date for an undefined term.

3.2 Notwithstanding paragraph 3.1, this Agreement may be terminated at any time by:

(a) the Consultant giving at least 30 days notice in writing to the Company;

(b) the Company, in its discretion, by giving at least 30 days advance notice in writing, and

(c) the Company, without notice, in the event the Consultant breaches the terms of this Agreement.

3.3 Upon termination of this Agreement for any reason, the Consultant will, upon receipt of all sums due and owing, promptly deliver the following in accordance with the directions of the Company:

(a) A final accounting, reflecting the balance of expenses incurred on behalf of the Company as of the date of termination;

(b) All documents pertaining to the Company or this Agreement, including but not limited to all books of account, correspondence and contracts; and

(c) All equipment and any other property belonging to the Company.

4. Confidentiality and Ownership of Property

4.1 "**Confidential Information**" means information, whether or not originated by the Consultant, that relates to the business or affairs of the Company, its affiliates, clients or suppliers and is confidential or proprietary to, about or created by the Company, its affiliates, clients, or suppliers. Confidential Information includes, but is not limited to, the following types of confidential information and other proprietary information of a similar nature (whether or not reduced to writing or designated or marked as confidential):

(a) information related to the Company's mineral properties, or mineral properties owned by third parties which the Company has obtained under obligations not to disclose such information, and exploration results, estimated reserves and feasibility reports;

(b) work product resulting from or related to work or projects performed for or to be performed for the Company or its affiliates, including but not limited to, the methods, processes, procedures, analysis, techniques and audits used in connection therewith;

(c) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, flowcharts, coding sheets, and the like), source code, object code and load modules, programming, program patches and system designs;

(d) internal Company personnel and financial information, vendor names and other vendor information, purchasing and internal cost information, internal services and operational manuals, and the manner and method of conducting the Company's business;

(e) marketing and development plans, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques and methods of obtaining business, forecasts and forecast assumptions and volumes, current and prospective client lists, and future plans and potential strategies of the Company that have been or are being discussed;

(f) information belonging to third parties or which is claimed by third parties to be confidential or proprietary and which the Company has agreed to keep confidential; and

(g) all information that becomes known to the Consultant as a result the Consultant, acting reasonably, believes is confidential information or that the Company takes measures to protect.

Confidential Information does not include:

(a) the general skills and experience gained during the Consultant's provision of Consulting Services to the Company that the Consultant could reasonably have been expected to acquire in similar retainer or engagements with other companies;

(b) information publicly known without breach of this Agreement or similar agreements;

(c) information, the disclosure of which by the Consultant is required to be made by any law, regulation or governmental authority or legal process of discovery (to the extent of the requirement), provided that before disclosure is made, notice of the requirement is provided to the Company, and to the extent reasonably possible in the circumstances, the Company is afforded an opportunity to dispute the requirement; or

(d) information known to the Consultant at the date of this Agreement.

4.2 The Consultant acknowledges that:

(a) by reason of this contract for Services, the Consultant will have access to Confidential Information that the Company has spent time, effort and money to develop and acquire; and

(b) the Confidential is a valuable and unique asset of the Company and that the Confidential Information is and will remain the exclusive property of the Company.

4.3 The Consultant agrees to maintain securely and hold in strict confidence all Confidential Information received, acquired or developed by the Consultant or disclosed to the Consultant as a result of or in connection with the Services. The Consultant agrees that, both during and after the termination of this Agreement, the Consultant will not, directly or indirectly, divulge, communicate, use, copy or disclose or permit others to use, copy or disclose, any Confidential Information to any person, except as such disclosure or use is required to perform its duties hereunder or as may be consented to by prior written authorization of the Board.

4.4 The Consultant represents and warrants that the Consultant has not used and will not use, while performing the Services, any materials or documents of another company which the Consultant is under a duty not to disclose. The Consultant understands that, while performing the Services, the Consultant must not breach any obligation or confidence or duty the Consultant may have to a former client or employer. The Consultant represents and warrants that he will not, to the best of his knowledge and belief, use or cause to be incorporated in any of the Consultant's work product, any data software, information, designs, techniques or know-how which the Consultant or the Company does not have the right to use.

5. Independent Consultant Relationship

5.1 It is expressly agreed that the Consultant is acting as an independent contractor in performing the Services under this Agreement.

5.2 The Consultant need only devote such portion of his time as is agreed to pursuant to this Agreement. The Consultant is not precluded from acting in any other capacity for any other person, firm or Company provided that it does not conflict with the Consultant's duties to the Company as set out in this Agreement.

5.3 The Company will not be required to pay any contribution to any Pension Plan, employment insurance, or federal and state withholding taxes, nor provide any other contributions or benefits that might be expected in an employer-employee relationship on behalf of the Consultant.

5.4 The Consultant is solely responsible for the Consultant's registration and payment of assessments for coverage of the Consultant's Personnel with insurance, if required. If requested by the Company, the Consultant will provide proof of coverage.

5.5 The Consultant represents and warrants that he has the right to provide the Services required under this Agreement without violation of obligations to others and that all advice, information, and documents given by him to the Company under this Agreement may be used fully and freely by the Company, unless otherwise so designated orally or in writing by the Consultant at the time of communication of such information (e.g. information shared with the Consultant in a confidential manner or on a non-attribution basis).

5.6 The Consultant agrees to indemnify the Company from all losses, claims, actions, damages, charges, taxes, penalties, assessments or demands (including reasonable legal fees and expenses) which may be made by a Revenue Agency, Employment Insurance Plan, the Pension Plan, the Workers Compensation Plan, or related plans or organizations requiring the Company to pay an amount under the applicable statutes and regulations in relation to any Services provided to the Company pursuant to this Agreement. This paragraph will survive termination of this Agreement.

6. General

6.1 This Agreement cancels and supersedes any existing Agreement or other arrangement between the Company and the Consultant, and contains the entire Agreement and obligation between the parties with respect to its subject matter. No amendment to this Agreement will be valid or effective unless in writing and signed by both parties.

6.2 Any notice given or required to be given under this Agreement must be in writing and signed by or on behalf of the party giving it. Such notice may be served personally and in either case may be sent by priority post to the addresses of the parties noted on page one of this Agreement. Any notice served personally will be deemed served immediately, and if mailed by priority post will be deemed served 72 hours after the time of posting.

6.3 The Consultant must not sell, assign or transfer any rights or interests created under this Agreement or delegate any of his duties without the prior written consent of the Company.

6.4 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and each party submits to the jurisdiction of courts of competent jurisdiction in the Province of British Columbia.

6.5 This Agreement will be to the benefit of and be binding on the respective heirs, executors, administrators, and successors of each of the parties.

INTENDING TO BE LEGALLY BOUND, the parties have signed this Agreement as of **August 29th, 2014**.

Chlormet Technologies Inc.

Per: _____
Yari Nieken
Interim President

Green Leaf Management LLC.

Per: _____
Bob Richardson

LOAN AGREEMENT

THIS LOAN AGREEMENT (this "Agreement") dated this 3rd day of November, 2014

BETWEEN:

Chlormet Technologies Inc. 459-409 Granville Street, Vancouver, BC V6C 1T2
(the "Lender")

OF THE FIRST PART

AND

AAA Heidelberg, 371 Neptune Crescent, London, ON N6M 1A2
(the "Borrower")

OF THE SECOND PART

IN CONSIDERATION OF the Lender loaning certain monies (the "Loan") to the Borrower, and the Borrower repaying the Loan to the Lender, both parties agree to keep, perform and fulfill the promises and conditions set out in this Agreement:

Loan Amount & Interest

1. The Lender promises to loan $160,000 to the Borrower and the Borrower promises to repay this principal amount to the Lender, at such address as may be provided in writing, as per the terms of the LOI signed March 26th, 2014. The amount lent is secured against all assets of AAA Heidelberg and is subordinate only to a first mortgage owing to Belmont Capital Corp. in the amount of $400,000.

Payment

2. This Loan will be repaid in full upon the closing of the transaction as outlined in the Letter Of Intent (Exhibit "A") between Chlormet Technologies and AAA Heidelberg executed March 26th, 2014 or in the case of the termination of exclusivity, within 60 days of the notice of termination.

Default

3. Notwithstanding anything to the contrary in this Agreement, if the Borrower defaults in the performance of any obligation under this Agreement, then the Lender may declare the principal amount owing and interest due under this Agreement at that time to be immediately due and payable.

Governing Law

4. This Agreement will be construed in accordance with and governed by the laws of the Province of British Columbia.

Costs

5. All costs, expenses and expenditures including, without limitation, the complete legal costs incurred by enforcing this Agreement as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.

Binding Effect

6. This Agreement will pass to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Borrower and Lender. The Borrower waives presentment for payment, notice of non-payment, protest, and notice of protest.

Amendments

7. This Agreement may only be amended or modified by a written instrument executed by both the Borrower and the Lender.

Severability

8. The clauses and paragraphs contained in this Agreement are intended to be read and construed independently of each other. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

General Provisions

9. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

Entire Agreement

10. This Agreement constitutes the entire agreement between the parties and there are no further items or provisions, either oral or otherwise.

IN WITNESS WHEREOF, the parties have duly affixed their signatures under hand and seal on this 3st day of November, 2014.

SIGNED, SEALED, & DELIVERED
this 3rd day of November, 2014.

Chlormet Technologies Inc.
per: Yari Nieken (CEO)

SIGNED, SEALED, & DELIVERED
this 3rd day of November, 2014.

AAA Heidelberg
Per: Chris Hornung (President)

Exhibit A: excerpted from LOI between the lender and the borrower signed on March 26th, 2014.

"..... should Heidelberg require funds for any reason, Heidelberg agrees that is will request those funds (the "Loaned Funds") from Chlormet and Chlormet agrees to loan to Heidelberg the Loaned Funds subject to a suitable breakdown of proposed expenditures.

Amounts due with respect to the Loaned Funds shall accrue interest at a rate equal to the Prime Rate of the Bank of Canada plus one percent as of the first month after Heidelberg receives the funds.

The Parties agree that the Loaned Funds shall be repaid by Heidelberg to Chlormet in shares of Chlormet. For the purposes of calculating the amount of shares, the average price of Chlormet shares shall be set as the average closing price of the shares on the TSX Venture Exchange under the symbol C.PUF for the 10 trading days prior to the completion of Stage 2 as detailed in Section 1 (a) (ii) above.

The quantity of shares shall be calculated by dividing the amount of the Loaned Funds, plus interest, by the average price. That equivalent amount of shares of Chlormet will be subtracted from the amount of shares to be issued to Heidelberg as per Section 1 (a) (ii) above.

For greater clarity, if the average price of Chlormet were to be $0.40 then Heidelberg will forfeit 1,000,000 shares of Chlormet ($400,000/$0.40 equals 1,000,0000) and receive a total of 15,000,000 shares instead of the 16,000,000 shares as stipulated in Section 1 (a) (ii) above."

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)[1]

Name of CNSX Issuer: Chlormet Technologies Inc.

(the "Issuer"). Trading Symbol: PUF

Issued and Outstanding Securities of the Issuer Prior to Transaction: 31,084,645

Date of News Release Fully Disclosing the Transaction: November 12, 2014

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: Chlormet Technologies Inc. provided AAA Heidelberg (Target as per March 26th LOI) $160,000 loan secured against the sole asset of AAA Heidelberg.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

   (a) Total aggregate consideration in Canadian dollars: $160,000

   (b) Cash: $160,000.

   (c) Other: .

   (d) Work commitments: .

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The loan provided was to pay for the installation of HVAC and A/C systems that were installed in the London, Ontario MMPR pending facility. Chlormet Technologies already owns a 16.5% interest in AAA Heidelberg. If the transaction does not occur, AAA Heidelberg has 60 days to repay the loan in full. The loan has no interest payable.

3. Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.

3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

4. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Date: November 12, 2014

Yari Nieken
Name of Director or Senior Officer

"SIGNED"

Signature

Interim President + CEO
Official Capacity

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: The loan is in the amount of invoiced costs for HVAC and A/C costs incurred in the construction build out of AAA Heidelberg's London, Ontario facility with a pending MMPR license application in to Health Canada.

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: _____.

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

   (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): ___.

   (b) Cash _____.

   (c) Other _____.

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. Chris Hornung is a Director of both AAA Heidelberg and Chlormet Technologies and has a minority equity interest in AAA Heidelberg.

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. Chlormet Technologies Inc. Owns a 16.5% interest in AAA Heidelberg and has the option as per an LOI dated March 26th, 2014 to acquire the remaining 83.5%.

1 If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

CHLORMET TECHNOLOGIES, INC.

AND:

RIMFIRE MINERALS CORPORATION

AND:

KISKA METALS CORPORATION

OPTION AGREEMENT
CHUCHI PROPERTY

January 15, 2015

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OPTION AGREEMENT

THIS AGREEMENT is dated effective January 15, 2015

AMONG:

CHLORMET TECHNOLOGIES, INC., a corporation duly incorporated under the laws of the Province of British Columbia having an office address at 459-409 Granville Street, Vancouver, British Columbia, V6C 1T2

(the "**Optionor**")

AND:

RIMFIRE METALS CORPORATION, a company duly incorporated under the laws of the Province of British Columbia having an office address at 510 Burrard Street, Suite 575, Vancouver, British Columbia, V6C 3A8

(the "**Optionee**")

AND:

KISKA METALS CORPORATION, a company duly incorporated under the laws of the Province of British Columbia having an office address at 510 Burrard Street, Suite 575, Vancouver, British Columbia, V6C 3A8

("**Kiska**")

WHEREAS:

A. The Optionor is the owner of the Chuchi Property (as defined herein) located in British Columbia, save and except for the Royalty Interest (as defined herein);

B. The Optionor and Kiska entered into a letter agreement dated September 4, 2014 (the "**Letter Agreement**") pursuant to which the Optionor granted to Kiska the exclusive right to enter into (or a subsidiary of Kiska to enter into) an option agreement pursuant to which the Optionor would grant to Kiska the right to acquire 100% of the interest of the Optionor in the Chuchi Property;

C. On November 18, 2014, Kiska delivered to the Optionor an Exercise Notice (as defined in the Letter Agreement) stating that it wished to enter into a formal option agreement with the Optionor as provided in the Letter Agreement;

D. The Optionee is a wholly-owned subsidiary of Kiska;

E. Kiska has agreed to guarantee the performance of the obligations of the Optionee and to make certain other acknowledgements and agreements set out herein; and

F. The Optionor wishes to grant an exclusive option to the Optionee to acquire 100% of the interest of the Optionor in and to the Chuchi Property, subject to the Royalty Interest, on and subject to the terms and conditions set out herein with the intention that this Agreement replaces the Letter Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt

and sufficiency whereof is hereby acknowledged by each of the parties hereto, the parties agree as follows:

1.0 DEFINITIONS

1.1 In this Agreement, except as otherwise expressly provided or as the context otherwise requires:

"**Abandonment Date**" has the meaning given to it in Section 12.0.

"**Abandonment Property**" has the meaning given to it in Section 12.0.

"**Agreement**" means this Agreement, including the Schedules hereto, as amended or supplemented from time to time.

"**Annual Advance Royalty Payment**" means the annual advance royalty payment in the amount of $20,000 due each October 25 to the Royaltyholders pursuant to Paragraph 6.1.13 of the Chuchi Option Agreement.

"**Chuchi Option Agreement**" means the option agreement between the Royaltyholders and the Optionor (formerly High Ridge Resources Inc.) dated for reference October 25, 2004, as amended as at the date of this Agreement.

"**Chuchi Property**" means the mineral claims located in British Columbia and described in Schedule A hereto and the Property Rights, and all other mining interests derived from such claims, and shall include any renewals thereof and any form of successor or substitute titles thereto, including any mineral leases into which such mineral claims may have been converted, but shall not include any interests in any other mineral claims which the Optionee acquires an interest in at any time after the date of this Agreement.

"**Effective Date**" the date on which Kiska receives the approval of the Exchange for this Agreement.

"**Exchange**" means the TSX Venture Exchange.

"**Future Payments**" has the meaning given to it in Section 6.1.

"**Joint Venture Payments**" has the meaning given to it in Section 6.1.

"**Kiska Shares**" means common shares in the capital of Kiska.

"**Letter Agreement**" has the meaning given to in in Recital B.

"**Mining Work**" means every kind of work done on or in respect of the Chuchi Property or the products therefrom by or under the direction of or on behalf of or for the benefit of a party and, without limiting the generality of the foregoing, includes assessment work, geophysical, geochemical and geological surveying, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, crosscutting and drifting, searching for, digging, trucking, sampling, including but not limited to surface, subsurface and drill core sampling, working and procuring minerals, ores, metals, and concentrates, surveying and bringing any mineral claims or other interests to lease, reporting and all other work usually considered to be prospecting, exploration, development and mining work.

"**NSR Royalty**" means the 3% net smelter returns royalty to be paid to the Royaltyholders in respect of the Royalty Claims pursuant to Paragraph 6.1.11 of the Chuchi Option Agreement.

"**Option**" means the option to acquire a 100% interest of the Optionor's right, title and interest in the Chuchi Property as provided in Section 4.1.

"**Option Period**" means from the Effective Date until the earlier of: (i) the termination of this Agreement in accordance with Section 12.0; or (ii) the exercise of the Option by the Optionee.

"**Property Rights**" means all licences, permits, easements, rights-of-way, certificates and other approvals obtained by the Optionor and necessary for the development of the Chuchi Property, or for the purpose of placing the Chuchi Property into production or continuing production therefrom.

"**Royalty Claims**" means the mineral claims located in British Columbia and described in Schedule B.

"**Royalty Interest**" means the interest of the Royaltyholders in the Annual Advance Royalty Payment, the NSR Royalty and the Share Payment.

"**Royaltyholders**" means Lorne B. Warren, John M. Mirko and Donna Luck, collectively.

"**Share Payment**" means the issuance of 200,000 shares in the capital of the Optionor to be issued to the Royaltyholders upon the commencement of Commercial Production (as defined in the Chuchi Option Agreement) pursuant to Paragraph 6.1.12 of the Chuchi Option Agreement.

1.2 The headings are for convenience only and are not intended as a guide to interpretation of this Agreement or any portion thereof.

1.3 The word "**including**", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

1.4 All accounting terms not otherwise defined herein have the meanings assigned to them, and all calculations to be made hereunder are to be made, in accordance with Canadian generally accepted accounting principles applied on a consistent basis.

1.5 In this Agreement, except as otherwise specified, all references to currency mean currency of Canada.

1.6 A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.7 A reference to an entity includes any successor to that entity.

1.8 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

1.9 A reference to "approval", "authorization" or "consent" means written approval, authorization or consent.

2.0 REPRESENTATIONS AND WARRANTIES OF THE OPTIONOR

2.1 The Optionor represents and warrants to each of the Optionee and Kiska that:

(a) the Optionor is a valid and subsisting corporation duly incorporated under the laws of British Columbia and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Optionor enforceable against it accordance with its terms except that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

(iv) rights of indemnity and contribution hereunder may be limited under applicable law;

(b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of, or accelerate the performance required by any agreement to which the Optionor is a party;

(c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction or the Optionor's constating documents;

(d) no consent or approval is required to permit the execution and delivery of this Agreement by the Optionor or the performance of its obligations hereunder, save and except for the consent of the Royaltyholders in respect of Paragraph 21 of the Chuchi Option Agreement;

(e) the Optionor is the sole legal and beneficial owner of the Chuchi Property, free and clear of all liens, charges and encumbrances, save and except for the Royalty Interest, and no other person, other than the Optionee and Kiska, has any right or interest to acquire any interest in the Chuchi Property;

(f) the mineral claims comprising the Chuchi Property are valid, have been properly located and recorded, are in compliance with all applicable laws and are currently in good standing with all applicable governmental entities in the Province of British Columbia;

(g) the Optionor is legally entitled to hold the Chuchi Property and will remain so entitled until all interests of the Optionor in the Chuchi Property have been duly transferred to the Optionee as contemplated hereby;

(h) the Optionor has not received any notice, whether written or oral, from any governmental entity or any person with jurisdiction or applicable authority of any revocation or intention to revoke the Optionor's interest in the Chuchi Property;

(i) there is no adverse claim or challenge against or to the ownership of or title to the Chuchi Property, nor to the knowledge of the Optionor, after making due inquiry, is there any basis therefor, and there are no outstanding agreements or options to acquire or purchase the Chuchi Property or any portion thereof, and no person other than the Royaltyholders, the holders of the Royalty Interest, has any royalty or other interest whatsoever in production from the Chuchi Property;

(j) there is no outstanding directive or order or similar notice issued by any regulatory agency, including agencies responsible for environmental matters, affecting the Chuchi Property or the Optionor nor is there any reason to believe that such an order, directive or similar notice is pending;

(k) all work carried out on the Chuchi Property by the Optionor has been done in full compliance with all applicable laws and regulations; and

(l) no proceedings are pending for, and the Optionor is unaware of any basis for the institution of any proceedings leading to the placing of the Optionor in bankruptcy or subject to any other laws governing the affairs of insolvent persons.

(m) the Optionor has provided the Optionee copies of all maps, reports, assay results and other relevant technical data compiled by or in the possession of the Optionor with respect to the Chuchi Property and that if the Optionor were to encounter additional historic data on the Chuchi Property it will provide that newly encountered information to the Optionee.

2.2 The representations and warranties contained in Section 2.0 are provided for the exclusive benefit of the Optionee and Kiska and their successors and assigns, and a breach of any one or more thereof may be waived by the Optionee and Kiska or their successors and assigns in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty; and the representations and warranties contained in Section 2.0 will survive the execution hereof.

3.0 REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE AND KISKA

3.1 The Optionee and Kiska jointly and severally represent and warrant to the Optionor that:

(a) each the Optionee and Kiska is a valid and subsisting corporation duly incorporated under the laws of British Columbia and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of each of the Optionee and Kiska enforceable against it accordance with its terms except that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

(iv) rights of indemnity and contribution hereunder may be limited under applicable law;

(b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of, or accelerate the performance required by any agreement to which any the Optionee or Kiska is a party;

(c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction or the constating documents of the Optionee or Kiska;

(d) no consent or approval is required to permit the execution and delivery of this Agreement by the Optionee or Kiska or the performance of its obligations hereunder, save and except for approval of the Exchange in connection with the issue and listing of the Kiska Shares, if applicable;

(e) Kiska is not on the list of defaulting issuers maintained by the British Columbia Securities Commission;

(f) Kiska is a “reporting issuer” under the securities laws of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland;

(g) the common shares of Kiska are listed and posted for trading on the Exchange;

(h) on their issuance, if applicable, the Kiska Shares shall be issued as fully paid and non-assessable common shares of Kiska;

(i) if applicable, on or before the Effective Date the Kiska Shares will have been conditionally approved for listing on the Exchange, subject to Kiska fulfilling all of the requirements of the Exchange in connection therewith;

(j) if applicable, Kiska will cause the issuance of the Kiska Shares to fulfill all legal requirements (including, without limitation, compliance with all applicable securities laws) of Kiska to enable the Kiska Shares to be offered for sale and sold in the Province of British Columbia pursuant to prospectus and registration exemptions under applicable securities legislation; and

(k) if applicable, on or before the Effective Date, Kiska will reserve for issuance the Kiska Shares, and on their issuance, the Kiska Shares shall be issued as fully paid and non-assessable common shares of Kiska.

3.2 The representations and warranties contained in Section 3.0 are provided for the exclusive benefit of the Optionor and a breach of any one or more thereof may be waived by the Optionor in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other

representation or warranty; and the representations and warranties contained in Section 3.0 will survive the execution hereof.

4.0 OPTION

4.1 The Optionor hereby grants to the Optionee the sole and exclusive right to acquire 100% of the interest of the Optionor in the Chuchi Property free and clear of all charges, encumbrances and claims, save and except for the Royalty Interest (the "**Option**").

4.2 Subject to Section 4.4, the Optionee may exercise the Option by delivery to the Optionor of 1,000,000 Kiska Shares, or at the election of the Optionee, a cash-equivalent payment in lieu of Kiska Shares, as follows:

(a) 200,000 Kiska Shares within 5 days of the Effective Date;

(b) 200,000 Kiska Shares on the first anniversary date of this Agreement;

(c) 250,000 Kiska Shares on the fourth anniversary date of this Agreement;

(d) 350,000 Kiska Shares on the seventh anniversary date of this Agreement;

4.3 If the Optionee elects to deliver a cash-payment in lieu of the Kiska Shares in accordance with Section 4.2, the value of the Kiska Shares will be determined as the quotient of (i) the sum of the volume-weighted average price for such Kiska Shares on the Exchange for each of the 10 trading days ending at the close of business on the Exchange immediately prior to the applicable delivery date; and (ii) 10.

4.4 The Optionee may elect to deliver all of the payments required to exercise the Option at any time before such delivery is required as set forth in Section 4.2 and upon such early delivery the Optionee will be deemed to have exercise the Option and acquired 100% of the interest of the Optionor in the Chuchi Property, provided that any such early delivery payments by the Optionee in accordance with this Section must be comprised solely of payments of Kiska Shares and not cash-equivalent payments.

5.0 EXERCISE OF OPTION

5.1 If and when the Option has been exercised, a 100% right, title and interest in and to the Chuchi Property will vest in the Optionee free and clear of all charges, encumbrances and claims, save and except for the Royalty Interest.

6.0 JOINT VENTURE PAYMENT

6.1 If, at any time during the Option Period and up to and including the third anniversary date of the exercise of the Option, the Optionee or Kiska enters into an option or earn-in agreement with a third party in respect of the Chuchi Property (a "**Future Agreement**") pursuant to which any payments, subject to Section 6.2, are received by or on behalf of the Optionee or Kiska from such third party (each, a "**Future Payment**" and collectively, the "**Future Payments**"), the Optionee or Kiska, as applicable, shall pay to the Optionor a cash payment (each, a "**Joint Venture Payment**" and collectively, the "**Joint Venture Payments**"), within 60 days of receipt of such Future Payment by the Optionor or Kiska, as applicable, as follows:

(a) 30% of any Future Payments received by any of the Optionee and Kiska on or before the first anniversary date of any Future Agreement;

(b) 20% of any Future Payments received by any of the Optionee and Kiska after the first anniversary date of any Future Agreement and on or before the second anniversary date of any Future Agreement; and

(c) 10% of any Future Payments received by any of the Optionee and Kiska after the second anniversary date of any Future Agreement and on or before the third anniversary date of any Future Agreement.

6.2 The Future Payments shall include all cash and share payments, or at the election of Kiska and the Optionee, the cash-equivalent value of any non-cash payments, received by any of the Optionee and Kiska as consideration payable under any Future Agreement (including payments delivered upon the signing and closing of any Future Agreement, fixed annual payments and benchmark payments), but shall not include any fees or payment for services that the Optionee or Kiska, as applicable, would receive in respect of acting as the manager or operator of exploration or development activities in respect of the Chuchi Property pursuant to any Future Agreement, the costs of any exploration or development activities incurred in respect of the Chuchi Property or any cash payments delivered to either of the Optionee or Kiska by a third party if the Optionee or Kiska, as applicable, has agreed with such third party to utilize such cash payments for the purposes of delivering a cash payment to the Optionor in order to exercise the Option.

7.0 ACKNOWLEDGEMENT OF THE OPTIONOR

7.1 The Optionor understands that the Kiska Shares may be subject to a “hold period” or other resale restrictions under applicable securities legislation and the policies of the Exchange and may not be resold until the expiry of such hold period except in accordance with limited exemptions under applicable securities legislation and regulatory policies and that Kiska may cause a legend to such effect to be placed on the certificates representing the Kiska Shares.

7.2 The Optionor acknowledges that no representation has been made to it regarding the present or future value of the Kiska Shares.

7.3 The Optionor is aware that it would not be acquiring the Kiska Shares hereunder pursuant to a prospectus and as a result:

(a) it is restricted from using most of the civil remedies available under applicable securities legislation;

(b) it will not receive information that would otherwise be required to be provided to it under applicable securities legislation;

(c) Kiska is relieved of certain obligations that would otherwise apply under applicable securities legislation; and

(d) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Kiska Shares.

7.4 If required by applicable securities legislation, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Optionor will execute, deliver, file and otherwise assist the Optionee and Kiska in filing, such reports, undertakings and other documents with respect to the issue or continued ownership of the Kiska Shares as may be required.

7.5 The Optionor will comply with all applicable securities legislation, regulations, rules, orders, policies or other laws concerning the purchasing, holding and resale or other disposition of the Kiska Shares, including the execution and filing of any required reports. In particular, the Optionor will not resell or otherwise transfer or dispose of any of the Kiska Shares except in accordance with the provisions of all applicable securities laws.

7.6 Upon the occurrence of one or more events involving the capital reorganization, reclassification, subdivision or consolidation of the Kiska Shares, or the merger, amalgamation or other corporate combination of Kiska with one or more other entities, or of any other events in which new securities of any nature are delivered in exchange for the issued common shares of Kiska and such issued common shares are cancelled (any such event being referred to in this section as a "**Fundamental Change**"), then at the time of any issuance of Kiska Shares pursuant to this Agreement taking place after such Fundamental Change, and in lieu of issuing the Kiska Shares which, but for such Fundamental Change and this provision, would have been issued, the Optionor shall be entitled to receive, and shall accept for the same aggregate consideration, in lieu of the numbers of Kiska Shares to which it was theretofore entitled pursuant to Section 4.0, the kind and amount of shares or other securities or property which the Optionor would have been entitled to receive prior to the occurrence of the Fundamental Change.

8.0 SHARE PAYMENT ACKNOWLEDGEMENT AND AGREEMENT

8.1 Upon the commencement of Commercial Production (as defined in the Chuchi Option Agreement), the parties hereby acknowledge that pursuant to Paragraph 6.1.12 of the Chuchi Option Agreement (as amended) the Optionee is required to deliver 200,000 Kiska Shares to the Royaltyholders. The Optionee will provide the Optionor with written notice of the delivery of such Share Payment. The Optionor hereby agrees that, upon receipt of such notice of the delivery of the Share Payment by the Optionee to the Royaltyholders, the Optionor shall issue and deliver to the Optionee within 10 business days of receipt of such notice 200,000 common shares in the capital of the Optionor (the "**Chlormet Shares**"), or at the election of the Optionor, a cash-equivalent payment in lieu of Chlormet Shares.

8.2 If the Optionor elects to deliver a cash-payment in lieu of the Chlormet Shares in accordance with Section 8.1, the value of the Chlormet Shares will be determined as the quotient of (i) the sum of the volume-weighted average price for such Chlormet Shares on the Exchange for each of the 10 trading days ending at the close of business on the Exchange immediately prior to the applicable delivery date; and (ii) 10.

8.3 This agreement set forth in this Section 8.0 shall survive the exercise of the Option.

9.0 OPERATOR DURING OPTION PERIOD

9.1 The Optionee shall be the operator of the Chuchi Property during the Option Period.

9.2 During the period the Optionee is the operator of the Chuchi Property, the Optionee, including the directors and officers of the Optionee and its employees, designated consultants, agents and independent contractors, shall gain possession of the Chuchi Property and will have the sole and exclusive right in respect of the Chuchi Property to:

(a) enter thereon;

(b) have exclusive and quiet possession thereof;

(c) do such prospecting, exploration, development and/or other Mining Work thereon and thereunder as the Optionee in its sole discretion may determine advisable;

(d) bring upon and erect upon the Chuchi Property buildings, plant, machinery and equipment as the Optionee may deem advisable; and

(e) remove therefrom and dispose of reasonable quantities of ores, minerals and metals for the purpose of obtaining assays or making other tests.

10.0 TRANSFER OF TITLE AND INTEREST

10.1 Concurrently with the execution of this Agreement, the Optionor shall deliver to the Optionee an instrument of transfer of a 100% interest in the Chuchi Property, subject to the Royalty Interest, duly executed by the Optionor or the legal holder(s) of title to the Chuchi Property, as applicable, which the Optionee shall be entitled to record in the name of the Optionee, at such place or places of record as may be appropriate or desirable to effect the legal transfer of the Chuchi Property to the Optionee, provided that until such time as the Optionee has fully exercised the Option and thereby become vested with a 100% interest in the Chuchi Property, the Optionee shall hold the Chuchi Property in trust for the Optionor, it being understood that the transfer of legal title pursuant to this provision is for administrative convenience only and not a transfer of beneficial interest. In the event that the Agreement is terminated prior to the exercise of the Option, the Optionee shall forthwith execute and deliver to the Optionor an executed instrument of transfer, in a form acceptable for registration, of a 100% interest in the Chuchi Property.

10.2 During the Option Period, the Optionor shall not sell, transfer, encumber or dispose of all or any of its interest in the Chuchi Property or this Agreement unless the Optionee has provided prior written consent to such transfer.

10.3 During the Option Period, the Optionee shall not shall not sell, transfer, encumber or dispose of all or any of its interest in the Chuchi Property or this Agreement unless the transferee of such interest shall have first delivered to the Optionor its written agreement to be bound by all of the terms, conditions and covenants of this Agreement, to the extent of the interest transferred to such transferee.

10.4 Upon the exercise of the Option, if requested by the Optionee, the Optionor will execute and deliver to the Optionee such document or documents as may be required by the Optionee acknowledging that the Option has been exercised, that a 100% interest in and to the Chuchi Property and the Chuchi Option Agreement have been transferred to the Optionee and that the Optionor's only remaining rights relating to the Chuchi Property are the Joint Venture Payments payable in accordance with Section 6.0.

11.0 OBLIGATIONS OF THE OPTIONEE

11.1 During the Option Period the Optionee will:

(a) maintain the Chuchi Property in good standing with all applicable government entities, including payment of all taxes and performing all required assessment work and making such filings and recordings on the Chuchi Property as are necessary to maintain title, including payment of the Annual Advance Royalty Payment to the Royaltyholders;

(b) permit the Optionor, at its own risk and expense, to visit the Chuchi Property at all reasonable times, provided 48 hours of advance notice of such visit is provided to the Optionee, provided that the Optionor agrees to indemnify the Optionee against and to

save the Optionee harmless from all costs, claims, liabilities and expenses that the Optionee may incur or suffer as a result of any injury (including injury causing death) to the Optionor or designated consultant of the Optionor while on the Chuchi Property;

(c) provide the Optionor with a summary of work completed and results derived thereof on the Chuchi Property on, or before, each anniversary date of this Agreement;

(d) do all work on the Chuchi Property in a good and workmanlike fashion and in accordance with all applicable laws, regulations, orders and ordinances of any governmental authority; and

(e) indemnify and save the Optionor harmless in respect of any and all costs, claims, liabilities and expenses arising out of the Optionee's activities on the Chuchi Property; provided that the Optionee will incur no obligation thereunder in respect of claims arising or damages suffered after termination of the Option if upon termination of the Option any workings on or improvements to the Chuchi Property made by the Optionee are left in a safe condition.

12.0 ABANDONMENT

12.1 During the Option Period if the Optionee intends to allow to lapse, abandon or surrender any part of the Chuchi Property (the "**Abandonment Property**"), the Optionee shall give notice of such intention to the Optionor at least 60 days in advance of the applicable date of expiration or the proposed date of abandonment or surrender (one or the other, an "**Abandonment Date**") along with details of the Abandonment Date and of any encumbrance on the Abandonment Property. Within 15 days of receipt of such notice, the Optionor may deliver notice to the Optionee that the Optionor desires the Optionee to convey the Abandonment Property to the Optionor and, if the Optionor desires to have the Abandonment Property conveyed to it, then the Optionee shall convey the Abandonment Property to the Optionor and the Optionee shall have no further obligations in respect of the Abandonment Property under this Agreement. The Optionor and the Optionee shall use commercially reasonable efforts to obtain all approvals and consents required by any third person or Governmental Entity to effect this conveyance. The Optionor acknowledges that prior to any conveyance of the Abandonment Property, the Optionor must provide the Royaltyholders an acknowledgement in writing that it assumes the obligations of the Optionee regarding the Royalty Interest in respect of the Abandonment Property.

12.2 If the Optionor does not request conveyance of the Abandonment Property within 15 days of receipt of the notice from the Optionee then the Optionor's right to have such property conveyed will be terminated and the Optionee may abandon the Abandonment Property and shall thereafter have no further obligations in respect of the Abandonment Property under this Agreement.

13.0 TERMINATION OF OPTION

13.1 The Optionee may terminate the Option at any time prior to the exercise thereof by providing written notice to the Optionor.

13.2 The Optionor may terminate the Option if at any time during the Option Period the Optionee fails to deliver to the Optionor any cash or share payment specified in Section 4.2, but only if:

(a) it first gives to the Optionee a notice of default containing particulars of the obligation which the Optionee has not performed; and

(b) the Optionee has not, within 30 days after delivery of such notice of default, cured such default or begun proceedings to cure such default by appropriate payment or performance.

13.3 If the Option is terminated otherwise than upon the exercise thereof pursuant to Section 5.1, the Optionee will:

(a) leave the mining claims that comprise the Chuchi Property in good standing for a period of six months from the termination of the Option Period;

(b) deliver to the Optionor an instrument of transfer in order to transfer the right, title and interest in the Chuchi Property to the Optionor or the Optionor's nominee or nominees, free and clear of all liens or charges arising from the Optionee's activities on the Chuchi Property; and

(c) comply with applicable laws and regulations regarding reclamation for activities carried out by the Optionee on the Chuchi Property.

13.4 Notwithstanding termination of the Option, the Optionee will have the right, within a period of one year following the end of the Option Period, to remove from the Chuchi Property all buildings, plant, equipment, machinery, tools, appliances and supplies which have been brought upon the Chuchi Property by or on behalf of the Optionee, and any such property not removed within such one year period will thereafter become the property of the Optionor.

14.0 GUARANTOR

14.1 Kiska hereby unreservedly guarantees the performance and all obligations of the Optionee hereunder.

15.0 FORCE MAJEURE

15.1 If the Optionee is at any time either during the Option Period or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of aboriginal claims, strikes, walk-outs, labour shortages, power shortages, fuel shortages, fires, wars, acts of terrorism, acts of God, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of the Optionee, the time limited for the performance by the Optionee of its obligations hereunder will be extended by a period of time equal in length to the period of each such prevention or delay, provided however that nothing herein will discharge the Optionee from its obligations under Section 11.1(a).

15.2 The Optionee will within seven days give notice to the Optionor of each event of force majeure under Section 15.1 and upon cessation of such event will furnish the Optionor with notice to that effect together with particulars of the number of days by which the obligations of the Optionee hereunder have been extended by virtue of such event of force majeure and all preceding events of force majeure.

15.3 After the exercise of the Option, the Optionee will work, mine and operate the Chuchi Property during such time or times as determined by the Optionee in its sole judgment.

16.0 CONFIDENTIAL INFORMATION AND NEWS RELEASES

16.1 Confidentiality

Except as otherwise provided in this Agreement, any party agrees that without the prior written consent of the other parties, it will treat as confidential and prevent disclosure to any third parties of any geological, geophysical or other factual and technical information and data relating to the Chuchi Property or activities related to the Chuchi Property. This obligation shall be a continuing obligation of any party throughout the term of this Agreement and for a period of one year following termination of this Agreement.

16.2 Exceptions

The approval required by Section 16.1 shall not apply to a disclosure:

(a) to an affiliate, consultant, contractor or subcontractor that has a *bona fide* need to be informed;

(b) reasonably required by a third party or parties in connection with negotiations for a permitted transfer of an interest under this Agreement, an interest in the Chuchi Property or the acquisition of an equity or other interest in a party to such third party or parties;

(c) to a governmental agency or to the public which any disclosing party believes in good faith is required by pertinent law or regulation or the rules or policies of any stock exchange or securities regulatory authority;

(d) reasonably required by a party in the prosecution or defense of a lawsuit or other proceeding;

(e) as reasonably required by a financial institution or other similar entity in connection with any financing being undertaken by a party hereto for purposes of this Agreement;

(f) information which is or becomes part of the public domain other than through a breach of this Agreement;

(g) information already in the possession of a party or its affiliate prior to receipt thereof from any other party or its affiliates or development of such information under this Agreement;

(h) information lawfully received by a party or an affiliate from a third party not under an obligation of secrecy to the other parties; or

(i) following termination of this Agreement, confidential information reasonably required by a third party or parties in connection with negotiating for a transfer of an interest in the Chuchi Property.

In any case to which this Section 16.2 is applicable, any disclosing party shall provide the proposed text to the other parties prior to making such disclosure. As to any disclosure pursuant to Section 16.2(a), (b) or (e) only such confidential information as such third party shall have a legitimate business need to know shall be disclosed and such third party shall first agree in writing to protect the confidential information from further disclosure to the same extent as the parties are obligated under this Section 16.0.

16.3 News Releases

During the Option Period each of the parties shall provide a copy of any and all news releases related to this Option Agreement and/or the Chuchi Property to the other parties to review (but not for approval) the technical/material content not less than 48 hours prior to release.

Each party shall take into consideration any comments made by the non-disclosing party prior to release, however the disclosing party shall not be obligated to amend any disclosure for such comments.

17.0 ARBITRATION

17.1 If any question, difference or dispute shall arise between the parties or any of them in respect of any matter arising under this Agreement or in relation to the construction hereof, the same shall be determined by the award of three arbitrators to be named as follows:

(a) the party or parties sharing one side of the dispute shall name an arbitrator and give notice thereof to the party or parties sharing the other side of the dispute;

(b) the party or parties sharing the other side of the dispute shall, within 14 days of receipt of the notice, name an arbitrator; and

(c) the two arbitrators so named shall, within 15 days of the naming of the latter of them, select a third arbitrator.

17.2 The decision of the majority of these arbitrators shall be made within 30 days after the selection of the latter of them. The expense of the arbitration shall be borne equally by the parties to the dispute. If the parties on either side of the dispute fail to name their arbitrator within the time limited or to proceed with the arbitration, the arbitrator named may decide the question. The arbitration shall be conducted in accordance with the provisions of the *Commercial Arbitration Act* (British Columbia), and the decision of the arbitrator or a majority of the arbitrators, as the case may be, shall be conclusive and binding upon all the parties.

18.0 NOTICES

18.1 Each notice, demand or other communication required or permitted to be given under this Agreement will be in writing and will be sent by prepaid registered mail or commercial courier addressed to any party entitled to receive the same, or delivered to such party, at the address for such party specified or by facsimile or electronic mail, in each case addressed as applicable as follows:

(a) If to the Optionor at:

Chlormet Technologies, Inc.
350-409 Granville Street
Vancouver, British Columbia
V6C 1T2

Attention: President
Facsimile: (604) 678-2531

(b) If to the Optionee at:

Rimfire Minerals Corporation
510 Burrard Street, Suite 575
Vancouver, British Columbia
V6C 3E1

Attention: President
Facsimile: (604) 669-0898

(c) If to Kiska at:

Kiska Minerals Corporation
510 Burrard Street, Suite 575
Vancouver, British Columbia
V6C 3E1

Attention: President
Facsimile: (604) 669-0898

or to such other address as is specified by the particular party by notice to the others.

18.2 The date of receipt of such notice, demand or other communication will be the date of delivery thereof if delivered or the date of sending it by facsimile, or, if given by registered mail or courier as aforesaid, will be deemed conclusively to be the third day after the same will have been so mailed except in the case of interruption of postal services for any reason whatever, in which case the date of receipt will be the date on which the notice, demand or other communication is actually received by the addressee.

18.3 Any party may at any time and from time to time notify the other parties in writing of a change of address and the new address to which notice will be given to it thereafter until further change.

19.0 REGULATORY APPROVAL

19.1 This Agreement is subject to regulatory approval by the Exchange, such approval to be obtained on or before 45 days from the date of this Agreement. In the event such approval is not obtained by that date the parties may mutually agree to extend the time for approval for an additional period. If approval is not obtained, this Agreement will be of no further effect.

20.0 GENERAL

20.1 This Agreement will supersede and replace any other agreement or arrangement, whether oral or written, heretofore existing between the parties in respect of the subject matter of this Agreement including the Letter Agreement.

20.2 No consent or waiver expressed or implied by any party in respect of any breach or default by another party in the performance of such other of its obligations hereunder will be deemed or construed to be a consent to or a waiver of any other breach or default.

20.3 The parties will promptly execute or cause to be executed all documents, deeds, conveyances and other instruments of further assurance which may be reasonably necessary or advisable to carry out

fully the intent of this Agreement or to record wherever appropriate the respective interests from time to time of the parties in the Chuchi Property.

20.4 This Agreement and any other writing delivered pursuant hereto may be executed in any number of counterparts with the same effect as if all parties to this Agreement or such other writing had signed the same document and all counterparts will be construed together and will constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its original signature on the execution page hereof to the other parties by facsimile transmission or electronic mail and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving party.

20.5 This Agreement will be governed and construed according to the laws of the Province of British Columbia and the laws of Canada applicable therein and the parties hereby attorn to the jurisdiction of the Courts of British Columbia in respect of all matters arising hereunder.

20.6 This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

CHLORMET TECHNOLOGIES, INC.

Per: _____
Authorized Signatory

RIMFIRE MINERAL CORPORATION

Per: _____
Authorized Signatory

KISKA METALS CORPORATION

Per: _____
Authorized Signatory

SCHEDULE A

Description of the Chuchi Property

The Chuchi Property is defined as the following mineral claims located in the Omineca Mining Division of British Columbia:

Tenure Number	Claim Name	Owner	Tenure Type	Tenure Sub Type	Map Number	Issue Date	Good To Date	Area (ha)
501377	CHUC 15	146826 (100%)	Mineral	Claim	093N	2005/jan/12	2015/dec/25	18.428
501427	chuc 17	146826 (100%)	Mineral	Claim	093N	2005/jan/12	2015/dec/25	18.439
501451	CHUC 17	146826 (100%)	Mineral	Claim	093N	2005/jan/12	2015/dec/25	92.143
514590		146826 (100%)	Mineral	Claim	093N	2005/jun/16	2015/dec/25	1013.88
514591		146826 (100%)	Mineral	Claim	093N	2005/jun/16	2015/dec/25	553.055
597426	CHUCHI-1	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	295.0769
597438		146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	202.8143
597441	CHUCHI-2	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	461.068
597445	CHUCHI-3	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	460.8896
597448	CHUCHI-4	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	460.8892
597449	CHUCHI-5	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	461.0072
597451	CHUCHI-7	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	294.9074
597453	CHUCHI-8	146826 (100%)	Mineral	Claim	093N	2009/jan/13	2015/dec/25	461.0974
698363	CHUCHI-23	146826 (100%)	Mineral	Claim	093N	2010/jan/12	2015/dec/25	368.5591
699268	CHUCHI-24	146826 (100%)	Mineral	Claim	093N	2010/jan/14	2015/dec/25	202.9808
							Total	5365.23

SCHEDULE B

Description of the Royalty Claims

The Royalty Claims are defined as the following mineral claims located in the Omineca Mining Division of British Columbia:

Tenure Number	Claim Name	Owner	Tenure Type	Tenure Sub Type	Map Number	Issue Date	Good to Date	Area (ha)
5011377	CHUC 15	New High Ridge Resources Inc. (100%)	Mineral	Claim	093N	2005/jan/12	2015/dec/25	18.428
501427	chuc 17	New High Ridge Resources Inc. (100%)	Mineral	Claim	093N	2005/jan/12	2015/dec/25	18.439
501451	CHUC 17	New High Ridge Resources Inc. (100%)	Mineral	Claim	093N	2005/jan/12	2015/dec/25	92.143
514590		New High Ridge Resources Inc. (100%)	Mineral	Claim	093N	2005/jun/16	2015/dec/25	1013.88
514591		New High Ridge Resources Inc. (100%)	Mineral	Claim	093N	2005/jun/16	2015/dec/25	553.055