VETA RESOURCES INC.

(formerly Southeast Asia Mining Corp.)

Unaudited Interim Financial Statements

For the three and six month periods ended
June 30, 2018 and 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Veta Resources Inc. (formerly Southeast Asia Mining Corp), are the responsibility of the management and Board of Directors of the Company.

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Brian Jennings"
Brian Jennings
CEO, CFO

NOTICE TO READER
The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated statements for the three and six month periods ended June 30, 2018 and 2017 have not been reviewed by the Company's auditors.

Veta Resources Inc.

(formerly Southeast Asia Mining Corp)

Unaudited Interim Statements of Financial Position

(Expressed in Canadian Dollars)

		June 30, 2018		December 31, 2017
Assets				
Current Assets				
Cash and cash equivalents *(Note 5)*	**$**	**16,302**	$	164,109
Marketable securities *(Note 6)*		**121,573**		137,329
Trade and other receivables *(Note 7)*		**2,318**		5,466
Prepaid expenses		**2,342**		4,685
Total assets	**$**	**142,535**	$	311,589
Liabilities				
Current Liabilities				
Trade and other payables *(Notes 8 and 9)*	**$**	**156,335**	$	160,089
Total Liabilities		**156,335**		160,089
Shareholders' Equity (Deficiency)				
Share capital (Note 10)		**200,000**		-
Reserve for warrants *(Note 11)*		**876,000**		876,000
Reserve for share based payments *(Note 13)*		**1,243,407**		1,243,407
Accumulated deficit		**(2,333,207)**		(1,967,907)
Total Shareholders' Equity (Deficiency)		**(13,800)**		151,500
Total Liabilities and Shareholders' Equity (Deficiency)	**$**	**142,535**	$	311,589

Nature of Operations (Note 1)
Segmented Information (Note 15)
Subsequent Events (Note 16)

Approved on behalf of the Board of Directors on July 18, 2018

"Chris Irwin" (signed)
Director

"Stephen McIntyre" (signed)
Director

Veta Resources Inc.

(formerly Southeast Asia Mining Corp)

Unaudited Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)

	Three month period ended June 30, 2018	Three month period ended June 30, 2017	**Six month period ended June 30, 2018**	Six month period ended June 30, 2017
Expenses				
Management and consulting fees *(Note 8)*	**$ 34,500**	$ 11,500	**$ 82,500**	$ 28,000
Exploration and evaluation expenditures	**113,925**	-	**290,791**	-
Office and general	**1,909**	919	**4,316**	9,372
Professional fees	**6,420**	2,000	**10,620**	11,501
Shareholder information and regulatory costs	**8,115**	5,042	**10,724**	5,867
Foreign exchange gain	**117**	(26,755)	**(8,521)**	(34,244)
Total expenses	**$ (164,986)**	$ 7,294	**$ (390,430)**	$ (20,496)
Other income				
Realized gain on marketable securities *(Note 6)*	**-**	-	**24,712**	147,304
Unrealized (loss) gain on marketable securities *(Note 6)*	**31,947**	(121,584)	**418**	63,826
Gain on forgiveness and settlement of debt *(Notes 1 and 10)*	**-**	851,727	**-**	959,294
Total income (loss) and comprehensive income (loss)	**$ (133,039)**	$ 737,437	**$ (365,300)**	$ 1,149,928
Income per share				
- Basic	**$ (0.02)**	$ 0.11	**$ (0.05)**	$ 0.22
- Diluted	**$ (0.02)**	$ 0.11	**$ (0.05)**	$ 0.22
Weighted average number of shares outstanding (000's):				
- Basic	**8,221**	6,944	**8,090**	5,454
- Diluted	**8,221**	6,944	**8,090**	5,454

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

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Unaudited Interim Statements of Changes in (Deficiency)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves				
	Number of shares	Amount	Warrants	Share-based payments	Convertible debenture	Accumulated deficit	Total
Balance at December 31, 2016	**3,947,756**	**$ 19,146,793**	**$ 876,000**	**$ 1,243,407**	**$ 711,494**	**$ (22,412,011)**	**$ (434,317)**
Shares issued for settlement of debt	1,375,294	192,541	-	-	-	-	192,541
Shares issued for services	750,000	105,000	-	-	-	-	105,000
Shares issued on conversion of convertible debentures	1,884,000	263,760	-	-	(711,494)	493,452	45,718
Net income for the period	-	-	-	-	-	1,149,928	1,149,928
Balance at June 30, 2017	**7,957,050**	**$ 19,708,094**	**$ 876,000**	**$ 1,243,407**	**$ -**	**$ (20,768,631)**	**$ 1,058,870**
Return of capital (Note 10)	-	(716,136)	-	-	-	-	(716,136)
Reduction of deficit (Note 10)	-	(18,991,958)	-	-	-	18,991,958	-
Net loss for the period	-	-	-	-	-	(191,234)	(191,234)
Balance at December 31, 2017	**7,957,050**	**$ -**	**$ 876,000**	**$ 1,243,407**	**$ -**	**$ (1,967,907)**	**$ 151,500**
Shares issued for settlement of debt	1,250,000	125,000	-	-	-	-	125,000
Shares issued for services	750,000	75,000	-	-	-	-	75,000
Net loss for the period	-	-	-	-	-	(365,300)	(365,300)
Balance at June 30, 2018	**9,957,050**	**$ 200,000**	**$ 876,000**	**$ 1,243,407**	**$ -**	**$ (2,333,207)**	**$ (13,800)**

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

Veta Resources Inc.

(formerly Southeast Asia Mining Corp)

Unaudited Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

Six month periods ended June 30,		**2018**		2017
Operating activities				
Net income (loss) for the period	**$**	**(365,300)**	$	1,149,928
Non-cash items:				
Unrealized gain on marketable securities		**(418)**		(63,826)
Realized gain on marketable securities		**(24,712)**		(147,304)
Gain on forgiveness of debt		**-**		(959,294)
Shares issued for services		**75,000**		105,000
Net change in non-cash working capital:				
Prepaid expenses		**2,343**		(2,370)
Trade and other receivables		**3,148**		(2,291)
Trade and other payables		**121,246**		(128,414)
Cash flows used in operating activities		**(188,693)**		(48,571)
Investing activities				
Proceeds received from sale of marketable securities		**40,886**		274,107
Cash flows from investing activities		**40,886**		274,107
Net (decrease) increase in cash and cash equivalents		**(147,807)**		225,536
Cash and cash equivalents, beginning of period		**164,109**		574,630
Cash and cash equivalents, end of period	**$**	**16,302**	$	800,166

Supplemental Information		**2018**		2017
(i) Shares issued for debt settlement	**$**	**125,000**	$	192,541
(ii) Shares issued for services	**$**	**75,000**	$	105,000
(iii) Shares issued on settlement of convertible debentures	**$**	**-**	$	263,760

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Veta Resources Inc. ("Veta", or "the Company"), formerly Southeast Asia Mining Corp., was incorporated on August 18, 2006 under the Canada Business Corporations Act.

Its principal business activity is mineral exploration and evaluation in Chile and currently holds shares in Metal Tiger plc ("Metal Tiger"), a London Stock Exchange listed natural resources company focused on the mining sector (see Note 6). The primary office of the Company is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1.

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had a shortfall of current assets over current liabilities of $13,800 at June 30, 2018; had not yet achieved profitable operations; had accumulated losses of $2,333,207 at June 30, 2018; and expects to incur further losses in the development of its business. Veta does not have adequate cash resources to fund its operations over the next twelve months and will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim financial statements were authorized by the Board of Directors of the Company on July 18, 2018.

2.2 Basis of presentation

These unaudited interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2017 annual financial statements.

2. BASIS OF PREPARATION (continued)

2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these financial statements using accounting policies in accordance with IFRS requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Calculation of share based payments and warrants

The Black-Scholes option pricing model is used to determine the fair value for the share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company’s provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Functional currency

The Company’s management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined that the functional currency of the parent company to be the Canadian dollar.

(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations

Adoption of New Standards

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2018. These changes were made in accordance with the applicable transitional provisions.

IFRS 9 Financial Instruments ("IFRS 9") – In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9's key changes include but are not limited to eliminating the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available for sale and (ii) replacing IAS 39's incurred loss model with the expected credit loss model in evaluating certain financial assets for impairment. In implementing IFRS 9, the Company updated the financial instrument classifications within its accounting policy as follows:

	IAS 39	IFR 9
Cash & Cash Equivalents	Fair Value through profit or loss	Fair Value through profit or loss
Marketable securities	Fair Value through profit or loss	Fair Value through profit or loss
Trade and other receivables	Loans and receivables, measured at amortized cost	Amortized cost
Trade and other payables	Financial liabilities at amortized cost	Financial liabilities at amortized cost

There was no material impact on the Company's condensed consolidated interim financial statements upon adoption of this standard.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity (deficiency), comprising share capital, reserve accounts, and accumulated deficit which at June 30, 2018 totaled $(13,800) (December 31, 2017 - $151,500).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the six month period ended June 30, 2018. The Company is not subject to any capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value hierarchy and fair value

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on 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);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

At June 30, 2018 and December 31, 2017, the Company's marketable securities are based on Level 1 inputs.

As at June 30, 2018 and December 31, 2017, the carrying and fair value amounts of the Company's other financial instruments are approximately equivalent due to the relatively short periods to maturity of these investments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

i) **Credit risk**

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the statement of financial position.

a. **Cash and cash equivalents**– Cash and cash equivalents are held with a major Canadian (chartered bank) and a United Kingdom brokerage and therefore the risk of loss is minimal.

b. **Trade and other receivables** – The Company is not exposed to significant credit risk from its trade and other receivables.

The Company's maximum exposure to credit risk as at June 30, 2018 and December 31, 2017 is the carrying value of cash and cash equivalents and trade and other receivables.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At June 30, 2018 the Company had a working capital deficiency of $13,800 (December 31, 2017 – $151,500 working capital). Working capital deficiency as at June 30, 2018 of $13,800 consisted of: cash of $16,302, an investment in Metal Tiger common shares of $121,573, trade and other receivables of $2,318, prepaid expenses of $2,342, and trade and other payables of $156,335. There can be no assurance the investment in Metal Tiger common shares can be sold at the current market value. The Company had not yet achieved profitable operations, has accumulated losses of $2,333,207 (December 31, 2017 – $1,967,907) and expects to incur further losses in the development of its business.

4. FINANCIAL INSTRUMENTS (continued)

iii) Price risk

The Company holds the common shares of a London Stock Exchange traded company. The Company has classified this investment as fair value through profit and loss investments and such common shares are subject to stock market volatility. The value of this financial instrument fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions. A 10% increase (decrease) in the share price would increase (decrease) net loss by $12,000 (2017 - $14,000).

iv) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

v) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars, US dollars and UK Pounds. Management believes that foreign currency risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

A 1% strengthening (weakening) of the Canadian dollar against the UK Pound and US dollar would decrease (increase) net loss by less than $1,200 (2017 - $3,000), and $200 (2017- $100), respectively.

June 30, 2018	**UK Pound**	**US Dollars**
Cash	**$ -**	**$ 15,040**
Investment	**$ 121,573**	**$ -**
	$ 121,573	**$ 15,040**

December 31, 2017	UK Pound	US Dollars
Cash	$ 114,578	$ 23,448
Investment	$ 137,329	$ -
	$ 251,907	$ 23,448

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance at June 30, 2018, consists of $16,302 on deposit with Canadian and United Kingdom financial institutions (December 31, 2017 - $164,109). As at June 30, 2018 and December 31, 2017, the Company has no cash equivalents.

(Expressed in Canadian dollars)

6. MARKETABLE SECURITIES

Marketable securities are comprised of 2,475,000 (December 31, 2017 – 3,475,000) shares of Metal Tiger. The Company has classified this investment as fair value through profit and loss investments.

As at June 30, 2018, the shares were valued at their fair value of $121,573 ($0.05 per share) (December 31, 2017 - $137,329 ($0.04 per share)) based on current market price. The impact to the financial statements of this revaluation to market value resulted in an unrealized gain of $418 for the six month period ended June 30, 2018 (2017 – $63,826 gain).

During the six month period ended June 30, 2018, the Company sold 1,000,000 (2017 – 7,114,000) shares of Metal Tiger for proceeds of $40,886 (2017 - $274,107). As a result of the sale, the Company recorded a realized gain on sale of marketable securities of $24,712 (2017 - $147,304) for the six month period ended June 30, 2018.

7. TRADE AND OTHER RECEIVABLES

	As at,	
	June 30, 2018	December 31, 2017
Taxes recoverable (i)	**$ 2,318**	$ 5,466
Total Trade Receivables	**$ 2,318**	$ 5,466

(i) The taxes recoverable amount as at June 30, 2018 was not past due.

At June 30, 2018, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at June 30, 2018.

8. RELATED PARTY DISCLOSURES AND KEY MANAGEMENT COMPENSATION

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	June 30, 2018	June 30, 2017
Short-term employee benefits	**$ 125,000**	$ 25,000
Total compensation to key management	**$ 125,000**	$ 25,000

At June 30, 2018, included in trade and other payables is $49,000 (December 31, 2017 - $19,000) due to these key management personnel.

During the six month period ended June 30, 2018, the Company converted $75,000 of trade debt to 750,000 shares with a related party. The Company also issued 750,000 shares to the Chief Executive Officer of the Company for services provided.

During the year ended December 31, 2017, the Company also converted $147,216 of trade debt to 2,944,320 shares and $173,428 debentures to 3,468,560 shares with entities related to directors of the Company. The Company also issued 7,500,000 shares to the Chief Executive Officer of the Company for services provided.

(Expressed in Canadian dollars)

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities.

The following is an aged analysis of the trade and other payables:

	As at,			
		June 30, 2018		December 31, 2017
Less than one month	**$**	**3,841**	$	36,636
Over one month		**152,494**		123,453
Total Trade and Other Payables	**$**	**156,335**	$	160,089

10. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No. of Shares		Amount
Balance at December 31, 2016	**39,477,701**	**$**	**19,146,793**
Shares issued for settlement of debt	13,752,939		192,541
Shares issued for conversion of debentures (note 1)	18,840,000		263,760
Shares issued for services	7,500,000		105,000
Return of capital	-		(716,136)
Reduction of deficit	-		(18,991,958)
Balance at December 31, 2017	**79,570,640**	**$**	**-**
1 for 10 share consolidation[1]	(71,613,590)		-
Shares issued for settlement of debt	1,250,000		125,000
Shares issued for services	750,000		75,000
Balance at June 30, 2018	**9,957,050**	**$**	**200,000**

(1) On June 8, 2018 the Company consolidated its shares on a 1 for 10 basis which was approved at the annual shareholders meeting held on December 3, 2017.

<u>Activity during the six month period ended June 30, 2018:</u>

On June 19, 2018, the Company completed a debt settlement whereby it has satisfied $125,000 of trade payables through the issuance of 1,250,000 common shares of the Company with a value of $125,000 ($0.10 per share) and issued 750,000 Common Shares to the Chief Executive Officer of the Company in connection with past services provided with a value of $75,000 ($0.10 per share).

(Expressed in Canadian dollars)

10. SHARE CAPITAL (continued)

Activity during the year ended December 31, 2017:

On December 21, 2017 the Company completed a return of capital distribution of $0.009 per share, for an aggregate cash distribution of $716,136, which was approved at the annual shareholders meeting held on December 3, 2017. The shareholders of the Company also approved the elimination of the deficit at December 31, 2017 of $18,991,958 by way of a corresponding reduction to share capital.

On April 24, 2017 the Company completed a debt restructuring whereby it converted $687,647 of trade debt to 13,752,939 pre consolidation shares of the Company with a value of $192,541 ($0.014 per share – based on the intrinsic value of the Company's net assets at the time of the transaction) resulting in a gain on settlement of debt of $495,106. The Company also converted all outstanding debentures with a face value of $942,000 to 18,840,000 pre consolidation shares of the Company with a value of $263,760 ($0.014 per share) resulting in a gain on settlement of debt of $678,260, of which $493,452 was booked directly to retained earnings, related to convertible debentures classified as equity as described in note 14. The Company also issued 7,500,000 pre consolidation shares to the Chief Executive Officer of the Company for services provided with a value of $105,000 ($0.014 per share).

11. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the six month period ended June 30, 2018 and year ended December 31, 2017.

	Number of Warrants	Amount
Balance – December 31, 2016, December 31, 2017 and June 30, 2018	**980,575**	$ 876,000

Warrants to purchase common shares carry exercise prices and terms to maturity at June 30, 2018 as follows:

Exercise price $	Number of outstanding warrants	Expiry Date
2.80	852,154	3 years post liquidity event***
2.00*	85,614	3 years post liquidity event***
2.80**	42,807	3 years post liquidity event***
Total	980,575	

* These are broker warrants which are issuable for one common share and ½ purchase share warrant
** To be issued upon exercise of broker warrants
*** These warrants are exercisable for three years from the date the shares are listed on a recognized Canadian stock exchange.

(Expressed in Canadian dollars)

12. SHARE BASED PAYMENTS

Share based payments

The Company has an incentive stock option plan ("the Plan") whereby the Company can grant to directors, officers, employees and consultants options to purchase shares of the Company. The Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding capital stock increases.

The Plan provides that it is solely within the discretion of the Board to determine who will receive stock options and in what amounts. In no case, calculated at the time of grant, shall the Plan result in:

- The aggregate number of options granted in a 12-month period to any one individual exceeding 5% of the outstanding shares of the Company;
- The maximum number of options which may be reserved for issuance to insiders of the Company shall not exceed 10% of the outstanding shares of the Company;
- The maximum number of options which may be issued to any insider of the Company, together with any previously established or proposed share based payment arrangements, within a 12-month period shall not exceed 5% of the outstanding shares of the Company.
- The maximum number of options, which may be issued to insiders of the Company, together with any previously established or proposed share based payment arrangements within a 12-month period shall not exceed 10% of the outstanding shares of the Company.

As at June 30, 2018, the Company had 995,705 (December 31, 2017 – 795,706) options remaining for issuance under the plan.

There are no outstanding options as at June 30, 2018, or December 31, 2017.

13. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company’s reserve for share based payments for the six month period ended June 30, 2018 and year ended December 31, 2017 is set out below:

	June 30, 2018	December 31, 2017
	Amount ($)	Amount ($)
Balance at beginning of period/year	**1,243,407**	1,243,407
Balance at the end of period/year	**1,243,407**	1,243,407

14. CONVERTIBLE DEBENTURES

A) SERIES 1

On December 7, 2012 and February 13, 2013, the Company closed the first and second tranches respectively of its brokered private placement of unsecured convertible debentures for total gross proceeds of $983,156, broken down into gross proceeds of $927,296 from the December 7, 2012 tranche and gross proceeds of $55,860 from the February 13, 2013 tranche. These debentures were issued at a 2% discount to face value. Therefore, face value of these debentures issued was $1,003,220. On the maturity date, each debenture would be convertible into units of the Company at a price of $0.35 per unit pre consolidation prior to June 30, 2013 and at a price of $0.30 per unit pre consolidation thereafter. Each unit consisted of one common share in the capital of the Company and one-half of a common share purchase warrant. Each warrant entitled the holder thereof to purchase one common share at a price of $0.50 pre consolidation per common share in the event that the maturity date is prior to June 30, 2013, and at a price of $0.40 pre consolidation in the event the maturity date is after June 30, 2013 for a period of two years from the maturity date. The maturity date is the earlier of: the date the Company receives approval for the listing of its common shares on a recognized stock exchange; the date upon which a change of control occurs; and December 31, 2014.

On March 11, 2015, the Company paid dividends of $53,510 by issuing 178,369 common shares with respect to convertible debentures issued on December 7, 2012 with a principal amount of $224,500. Dividends were paid for the period January 1, 2014 to March 11, 2015 and pursuant to the terms of the debentures the common shares were issued at a price of $0.30. On March 11, 2015, the Company also converted the same debentures with a principal amount of $224,500 to 748,333 pre consolidation units of the Company at a conversion price of $0.30 per unit pre consolidation. Each unit consisted of one common share in the capital of the Company and one-half of a common share purchase warrant which entitled the holder thereof to purchase one common share at a price of $0.40 pre consolidation to December 31, 2016.

During the year ended December 31, 2015, the Company entered into Acknowledgement, Forbearance & Direction Agreements ("Forbearance Agreements") with all other convertible debenture holders issued on December 7, 2012 and February 13, 2013 and not subject to the conversion on March 11, 2015 in the aggregate principal amount of $778,720. Pursuant to the Forbearance Agreements, the convertible debenture holders agreed to waive the right to all dividend payments commencing January 1, 2014 and to negotiate in good faith to amend certain terms of the convertible debenture.

The rate of interest on the debentures (paid on March 11, 2015 and subject to the Forbearance Agreements) is 20% per annum (adjusted rate based on the high risk of the Company), payable quarterly in equal installments on March 31, June 30, September 30 and December 31 of each year in cash or common shares, at the option of the Company.

These debentures were classified as equity and any interest was treated as dividends in these financial statements.

See Note 10.

14. CONVERTIBLE DEBENTURES (Continued)

B) SERIES 2

On November 21, 2013, the Company closed a non-brokered private placement of unsecured convertible debentures for gross proceeds of $180,105. The debentures were issued at a 2% discount to the face value of $183,780. On the maturity date, each debenture would be convertible into units of the Company at a price deemed to be a 20% discount to the price of securities issued in connection with a qualifying transaction. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant. Each warrant would entitle the holder thereof to purchase one common share for a period of two years from the maturity date at a price deemed to be a 20% premium to the price of securities issued in connection with a qualifying transaction. The maturity date is the earlier of: the date the Company receives approval for the listing of its common shares on a recognized stock exchange; the date upon which a change of control occurs; December 31, 2014. A qualifying transaction is: a private placement of equity securities of the Company or convertible debt instruments of the Company, where the conversion price of such debt securities is determined; a merger, reverse takeover, amalgamation, arrangement or other reorganization by the Company with another unrelated entity; the sale, lease or transfer of all or substantially all of the Company's assets to any other person or persons; or such other transaction that the directors can reasonably determine a value for the securities of the Company.

On March 11, 2015, the Company paid interest of $4,887 by issuing 16,287 common shares pre consolidation with respect to convertible debentures issued on November 21, 2013 with a principal amount of $20,500. Dividends were paid for the period January 1, 2014 to March 11, 2015 and pursuant to the terms of the debentures the common shares were issued at a price of $0.30. On March 11, 2015 the Company converted the same debentures with a principal amount of $20,500 to units of the Company at a price of $0.24 per unit pre consolidation. Each unit consisted of one common share in the capital of the Company and one-half of a common share purchase warrant which entitled the holder thereof to purchase one common share at a price of $0.32 pre consolidation to December 31, 2016.

During the year ended December 31, 2015, the Company entered into Forbearance Agreements with all other holders of convertible debentures issued on November 21, 2013 and not subject to the conversion on March 11, 2015 in the aggregate principal amount of $163,280. Pursuant to the Forbearance Agreements, the convertible debenture holders agreed to waive the right to all interest payments commencing January 1, 2014 and to negotiate in good faith to amend certain terms of the convertible debenture.

The rate of interest on the debentures (paid on March 11, 2015 and subject to the Forbearance Agreements) was 20% per annum (adjusted rate based on the high risk of the Company), payable quarterly in equal installments on December 31, March 31, June 30, and September 30 of each year in cash or common shares, at the option of the Company.

These debentures were classified as a current liability and any interest was treated as dividends in these financial statements.

See Note 10.

(Expressed in Canadian dollars)

15. SEGMENTED INFORMATION

Operating Segments

At June 30, 2018 the Company's operations comprise a single operating segment seeking new business opportunities.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Information

Veta's geographic information is as follows:

		June 30, 2018		December 31, 2017
Identifiable assets				
Canada	**$**	**20,962**	$	59,682
UK		**121,573**		251,907
	$	**142,535**	$	311,589

16. SUBSEQUENT EVENTS

On July 11, 2018, the Company closed a non-brokered private placement by issuing 5,806,731 common shares at a price of $0.15 per Common Share for gross proceeds of $871,009. Certain eligible persons (the "Finders") were issued 342,539 Common Shares equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finders, and also issued 305,205 broker warrants (the "Broker Warrants") equal to 8% of the securities purchased by such subscribers. Each Broker Warrant entitles the holder thereof to purchase one Common Share for a period of two (2) years from the closing of the Offering at a price of $0.15 per Common Shares.