

VETA RESOURCES INC.
(formerly Southeast Asia Mining Corp.)

Unaudited Interim Consolidated Financial Statements

**For the three month periods ended
March 31, 2019 and 2018**

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

"Marco Guidi"

Marco Guidi
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 financial statements for the three month periods ended March 31, 2019 and 2018 have not been reviewed by the Company's auditors.

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Unaudited Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	March 31,	December 31,
	2019	2018
Assets		
Current Assets		
Cash and cash equivalents (Note 5)	\$ 118,155	\$ 377,448
Marketable securities (Note 6)	59,276	53,952
Receivables (Note 7)	6,001	3,034
Prepaid expenses	16,665	13,122
Total assets	\$ 200,097	\$ 447,556
Liabilities		
Current Liabilities		
Trade and other payables (Notes 8 and 9)	\$ 299,477	\$ 256,172
Total Liabilities	299,477	256,172
Shareholders' Equity (Deficiency)		
Share capital (Note 10)	1,085,638	1,085,638
Reserve for warrants (Note 11)	900,000	900,000
Reserve for share based payments (Note 13)	1,418,407	1,418,407
Accumulated deficit	(3,503,425)	(3,212,661)
Total Shareholders' Equity (Deficiency)	(99,380)	191,384
Total Liabilities and Shareholders' Equity (Deficiency)	\$ 200,097	\$ 447,556

Nature of Operations (Note 1)
Commitments and contingencies (Notes 14 and 16)

Approved on behalf of the Board of Directors on May 2, 2019

"Chris Irwin" (signed)

Director

"Albert Contardi" (signed)

Director

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

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Unaudited Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

<i>Three months ended March 31,</i>	2019	2018
Expenses		
Management and consulting fees <i>(Note 8)</i>	\$ 40,500	\$ 48,000
Exploration and evaluation expenditures <i>(Note 14)</i>	232,214	176,866
Office and general	1,486	2,407
Professional fees <i>(Note 8)</i>	11,904	4,200
Shareholder information and regulatory costs	6,792	2,609
Foreign exchange loss (gain)	3,192	(8,638)
Total expenses	\$ (296,088)	\$ (225,444)
Other income		
Realized gain on marketable securities <i>(Note 6)</i>	-	24,712
Unrealized gain (loss) on marketable securities <i>(Note 6)</i>	5,324	(31,529)
Total loss and comprehensive loss	\$ (290,764)	\$ (232,261)
Basic and diluted loss per share	\$ (0.02)	\$ (0.03)
Weighted average number of shares outstanding:		
Basic and diluted (000's)	17,186	7,957

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

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

	Capital Stock		Reserves			Total
	Number of shares	Amount	Warrants	Share-based payments	Accumulated deficit	
Balance at December 31, 2017	7,957,050	\$ -	\$ 876,000	\$ 1,243,407	\$ (1,967,907)	\$ 151,500
Net loss for the period	-	-	-	-	(232,261)	(232,261)
Balance at March 31, 2018	7,957,050	\$ -	\$ 876,000	\$ 1,243,407	\$ (2,200,168)	\$ (80,761)
Shares issued for cash	6,806,731	1,021,010	-	-	-	1,021,010
Cash cost of issuance	-	(11,372)	-	-	-	(11,372)
Share cost of issuance	-	(63,381)	-	-	-	(63,381)
Finders fee - shares	422,539	63,381	-	-	-	63,381
Finders fee - broker warrants	-	(24,000)	24,000	-	-	-
Shares issued for settlement of debt	1,250,000	62,500	-	-	-	62,500
Shares issued for services	750,000	37,500	-	-	-	37,500
Shares based payments	-	-	-	175,000	-	175,000
Net loss for the period	-	-	-	-	(1,012,493)	(1,012,493)
Balance at December 31, 2018	17,186,320	\$ 1,085,638	\$ 900,000	\$ 1,418,407	\$ (3,212,661)	\$ 191,384
Net loss for the period	-	-	-	-	(290,764)	(290,764)
Balance at March 31, 2019	17,186,320	\$ 1,085,638	\$ 900,000	\$ 1,418,407	\$ (3,503,425)	\$ (99,380)

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

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Unaudited Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

<i>Three month periods ended March 31,</i>	2019	2018
Operating activities		
Net loss for the period	\$ (290,764)	\$ (232,261)
Non-cash items:		
Unrealized (gain) loss on marketable securities	(5,324)	31,529
Realized gain on marketable securities	-	(24,712)
Net change in non-cash working capital:		
Prepaid expenses	(3,543)	1,171
Receivables	(2,967)	4,072
Trade and other payables	43,305	108,951
Cash flows (used in) operating activities	(259,293)	(111,250)
Investing activities		
Proceeds received from sale of marketable securities	-	40,887
Cash flows from investing activities	-	40,887
Net (decrease) in cash and cash equivalents	(259,293)	(70,363)
Cash and cash equivalents, beginning of period	377,448	164,109
Cash and cash equivalents, end of period	\$ 118,155	\$ 93,746

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

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Notes to the Unaudited Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

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 through its wholly owned subsidiaries Veta Resources Chile SpA, Minera Joy SpA, and Minera Veta SpA (“Veta Chile”). The Company’s head office is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1.

The Company is in the process of exploring and evaluating its mineral properties. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable mineral deposits. The underlying value of the mineral properties is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest, the ability of the Company to obtain the necessary financing to complete development if those properties are proven successful, and future profitable production.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

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 deficiency of current assets over current liabilities of \$99,380 at March 31, 2019; had not yet achieved profitable operations; had accumulated losses of \$3,503,425 at March 31, 2019; 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 May 2, 2019.

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, 2018 annual financial statements.

Veta Resources Inc.
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Notes to the Unaudited Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these consolidated 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 consolidated 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 the functional currency of the parent company to be the Canadian dollar and Veta Chile to be the US dollar.

Contingencies

See Note 14.

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Notes to the Unaudited Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
(Expressed in Canadian dollars)

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, comprising share capital, reserve accounts, and accumulated deficit which at March 31, 2019 totaled \$(99,380) (December 31, 2018 - \$191,384).

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 three month period ended March 31, 2019. 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 March 31, 2019 and December 31, 2018, the Company's marketable securities are based on Level 1 inputs.

As at March 31, 2019 and December 31, 2018, 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.

Veta Resources Inc.
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4. FINANCIAL INSTRUMENTS (continued)

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. **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 March 31, 2019 and December 31, 2018 is the carrying value of cash and cash equivalents and 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 March 31, 2019 the Company had a working capital deficiency of \$(99,380) (December 31, 2018 – \$191,384 working capital). Working capital deficiency as at March 31, 2019 consisted of: cash of \$118,155, an investment in Metal Tiger common shares of \$59,276, receivables of \$6,001, prepaid expenses of \$16,665, and trade and other payables of \$299,477. 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 \$3,503,425 (December 31, 2018 – \$3,212,661) and expects to incur further losses in the development of its business.

iii) Price risk

The Company holds the common shares of a London Stock Exchange traded company. The Company has classified this investment as FVTPL 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, 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 approximately \$6,000 (2018 - \$9,000).

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.

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4. FINANCIAL INSTRUMENTS (continued)

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 \$600 (2018 - \$900), and \$100 (2018 - \$800), respectively.

March 31, 2019	UK Pounds	US Dollars
Cash	-	4,597
Investment	59,276	-
	59,276	4,597
<hr/>		
December 31, 2018	UK Pound	US Dollars
Cash	-	4,706
Investment	53,952	-
	53,952	4,706

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance at March 31, 2019, consists of \$118,155 on deposit with Canadian financial institutions (December 31, 2018 - \$377,448). As at March 31, 2019 and December 31, 2018, the Company has no cash equivalents.

6. MARKETABLE SECURITIES

Marketable securities are comprised of 2,475,000 (December 31, 2018 – 2,475,000) shares of Metal Tiger. The Company has classified this investment as FVTPL.

As at March 31, 2019, the shares were valued at their fair value of \$59,276 (\$0.02 per share) (December 31, 2018 - \$53,952 (\$0.02 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 \$5,324 for the three month period ended March 31, 2019 (2018 – \$31,529 loss).

During the three month period ended March 31, 2019, the Company sold nil (2018 – 1,000,000) shares of Metal Tiger for proceeds of \$nil (2018 - \$40,886). As a result of the sale, the Company recorded a realized gain on sale of marketable securities of \$nil for the three month period ended March 31, 2019 (2018 - \$24,712 gain).

Veta Resources Inc.
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7. RECEIVABLES

	As at,	
	March 31, 2019	December 31, 2018
Taxes recoverable (i)	\$ 6,001	\$ 3,034
Total Receivables	\$ 6,001	\$ 3,034

(i) The taxes recoverable amount as at March 31, 2019 was not past due.

At March 31, 2019, 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 March 31, 2019.

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:

	March 31, 2019	March 31, 2018
Employee benefits and consulting fees	\$ 70,500	\$ 82,500
Share based payments	-	-
Total compensation to key management	\$ 70,500	\$ 82,500

At March 31, 2019, included in trade and other payables is \$169,000 (December 31, 2018 - \$128,000) due to these key management personnel.

During the year ended December 31, 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. Directors and officers subscribed for 668,332 common shares in the July 11, 2018 private placement.

During the three month period ended March 31, 2019 the Company incurred \$2,054 (2018 - \$nil) in legal fees with a law firm where a director is a partner.

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,	
	March 31, 2019	December 31, 2018
Less than one month	\$ 2,321	\$ 16,768
Over one month	297,156	239,404
Total Trade and Other Payables	\$ 299,477	\$ 256,172

Veta Resources Inc.
(formerly Southeast Asia Mining Corp)
Notes to the Unaudited Interim Financial Statements
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(Expressed in Canadian dollars)

10. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. On June 8, 2018, the Company consolidated the common shares in the capital of the Company on a 1 for 10 basis. The issued and outstanding common shares consist of the following:

	No. of Shares	Amount
Balance at December 31, 2017	7,957,050	\$ -
Shares issued for settlement of debt	1,250,000	62,500
Shares issued for services	750,000	37,500
Shares issued for cash	6,806,731	1,021,010
Share issue costs – cash	-	(11,372)
Share issue costs – shares	-	(63,381)
Finders fee – shares	422,539	63,381
Finders fee – broker warrants	-	(24,000)
Balance at December 31, 2018 and March 31, 2019	17,186,320	\$ 1,085,638

Activity during the three month period ended March 31, 2019:

There was no activity during the three month period ended March 31, 2019.

Activity during the year ended December 31, 2018:

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 years at a price of \$0.15 per common shares. On August 23, 2018, the Company closed the second tranche of its non-brokered private placement by issuing 1,000,000 common shares at a price of \$0.15 per common share for gross proceeds of \$150,000. Certain Finders were issued 80,000 common shares equal to 8% of the proceeds raised from subscribers introduced to the Company by such Finders.

On June 19, 2018, the Company completed a debt settlement whereby it satisfied \$125,000 of trade payables through the issuance of 1,250,000 common shares of the Company with a fair value of (\$0.05 per share). As a result of this transaction a gain on settlement of debt of \$62,500 was recorded. The Company also issued 750,000 common shares with a fair value of \$37,500 (\$0.05 per share) to the Chief Executive Officer of the Company in connection with past services provided.

Veta Resources Inc.
 (formerly Southeast Asia Mining Corp)
Notes to the Unaudited Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
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11. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the three month period ended March 31, 2019 and year ended December 31, 2018:

	Number of Warrants	Amount
Balance – December 31, 2017	980,575	\$ 876,000
Broker warrants issued	305,205	24,000
Balance – December 31, 2018 and March 31, 2019	1,285,780	\$ 900,000

The share purchase warrants issued pursuant to the private placement on July 11, 2018 are described in Note 11 above and have a fair value of \$24,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.95%	Expected volatility based on comparables	100%
Expected Dividend yield	nil	Expected life-units	2 years

Warrants to purchase common shares carry exercise prices and terms to maturity at March 31, 2019 as follows:

Exercise price \$	Number of outstanding warrants	Expiry Date
0.15	305,205	July 11, 2020
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	1,285,780	

* These are broker warrants which are issuable for one common share and ½ purchase share warrant

** To be issued upon exercise of broker warrants

*** Exercisable for three years from the date the shares are listed on a recognized Canadian stock exchange.

Veta Resources Inc.
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Notes to the Unaudited Interim Financial Statements
For the Three Months Ended March 31, 2019 and 2018
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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 March 31, 2019, the Company had 168,632 (December 31, 2018 – 168,632) options remaining for issuance under the plan.

Summary of stock option activity is as follows:

	Number of stock options (outstanding and exercisable)	Weighted average exercise price
Beginning, December 31, 2017	-	\$ -
Granted	1,550,000	\$ 0.15
Ending, December 31, 2018 and March 31, 2019	1,550,000	\$ 0.15

The weighted average remaining contractual life for outstanding options is as follows:

Price Range	Expiry dates	Number of Options (outstanding and exercisable)	Weighted Average Remaining Life (years)	Weighted Average Exercise Price
\$0.15	October 11, 2023	1,550,000	4.61	\$ 0.15
\$0.15		1,550,000	4.61	\$ 0.15

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12. SHARE BASED PAYMENTS

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the stock-based payments for the stock options granted:

	October 11, 2018
Number of options granted	1,550,000
Weighted average information	
Exercise price	\$0.15
Market price	\$0.15
Risk-free interest rate	2.38%
Expected life	5 years
Expected volatility based on comparables	100%
Vesting	100% immediately
Expected dividends	0
Fair value of options granted	\$ 175,000
Total share based payments	\$ 175,000

The weighted average grant-date fair value of options granted during the three month period ended March 31, 2019 is \$nil (2018 - \$0.12) per option issued.

13. RESERVE FOR SHARE BASED PAYMENTS

A summary of the changes in the Company's reserve for share based payments for the three month period ended March 31, 2019 and year ended December 31, 2018 is set out below:

	March 31, 2019	December 31, 2018
	Amount (\$)	Amount (\$)
Balance at beginning of period/year	1,418,407	1,243,407
Share based payments	-	175,000
Balance at the end of period/year	1,418,407	1,418,407

Veta Resources Inc.
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14. EXPLORATION AND EVALUATION EXPENDITURES

The Company has 100% ownership in exploration licenses under two option agreements located in the Southern Coastal Range of Chile. The terms of the option agreements are as follows:

JOY East Property Option

Veta has the option to earn 85% interest in four exploitation licenses pursuant to the following terms: Cash payments of US \$30,000 on August 5, 2018 (paid), US \$120,000 on August 5, 2019, US \$100,000 on August 5, 2020, US \$100,000 on August 5, 2021, US \$250,000 on February 2022. At the commencement of a feasibility study, the optionor must fund 15% of all project related expenditures or elect to convert its 15% interest to a 2% net smelter royalty ("NSR"). If the optionor elects to convert to a NSR, the NSR can be purchased by the Company at any time for US \$500,000 per annum over four years (total US \$2 million).

JOY West Property Option

Veta has the option to earn 100% interest in the several mineral exploration licenses pursuant to the following terms: Cash payments US \$40,000 on June 15, 2018 (paid), US \$30,000 on December 15, 2018 (paid), US \$30,000 on January 15, 2019 (paid) which earned 85%. To earn an additional 15%, or 100% in total the additional option terms are as follows: US \$100,000 on December 15, 2019 and a 1% NSR which can be purchased by the Company for US \$750,000 four years subsequent to earning 100%, or US \$1 million thereafter.

15. SEGMENTED INFORMATION

Operating Segments

At March 31, 2019, the Company's operations comprise a single operating segment exploring and evaluating properties in Chile.

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:

	March 31, 2019	December 31, 2018
Identifiable assets		
Canada	\$ 140,821	\$ 393,604
UK	59,276	53,952
	\$ 200,097	\$ 447,556