MONTEREY MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Interim Period Ended October 31, 2017

(Expressed in Canadian Dollars)

MONTEREY MINERALS INC.

Index to Consolidated Financial Statements

October 31, 2017

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), the Company hereby informs all readers that the accompanying unaudited condensed interim consolidated financial statements of the Company have not been reviewed the its auditor and have prepared by and are the responsibility of management and Board of Directors for all financial statement information and reporting.

The attached unaudited condensed consolidated financial statements for the interim period ended October 31, 2017 (Q2) have not been reviewed by the Company's auditor and should be read in conjunction with the Company's audited consolidated financial statements and management discussion and analysis (MD&A) on Form 51-102F1 for the year ended April 30, 2017, as filed on SEDAR.

MANAGEMENT'S RESPONSIBILITY FOR INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements ("consolidated financial statements") of Monterey Minerals Inc. are the responsibility of the management and Board of Directors of the Company. The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the financial statement notes. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are compliant with *IAS 34 - Interim Financial Reporting* as issued by the International Accounting Standards Board.

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.

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.

Ron Ozols
Chief Executive Officer

Vancouver, BC
November 16, 2017

MONTEREY MINERALS INC.
Consolidated Statement of Financial Positions
As at
(Expressed in Canadian dollars)

	Note	October 31, 2017 $	April 30, 2017 $
Assets			
Deposits	10	**5,000**	1,000
Total Assets		**5,000**	1,000
Liabilities			
Accounts payable and accrued liabilities	4	**28,015**	26,712
Loans payable	5	**17,943**	4,319
Management fees payable	5, 9	**60,000**	—
Preferred shares	7	**5,000**	1,000
Current and Total Liabilities		**110,958**	32,031
Shareholder's Deficit			
Share Capital	8	**1**	1
Deficit		**(105,959)**	(32,032)
Total Shareholder's Deficit		**(105,958)**	(32,031)
Total Liabilities and Shareholders' Deficit		**5,000**	—

Nature and Continuance of Operations (Note 1)
Plans of Arrangement (Note 10)

The accompanying notes are integral to these consolidated financial statements.

Approved and authorized for dissemination by the Board of Directors on November 16, 2017:

/s/ Ron Ozols
Director

MONTEREY MINERALS INC.
Consolidated Statement of Loss and Comprehensive Loss
October 31, 2017
(Expressed in Canadian dollars)

	For the three months ended October 31		For the six months ended October 31	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Operating Expenses				
Consulting	**5,600**	—	**5,600**	3,000
Management fees	**60,000**	—	**60,000**	—
Professional fees	**249**	—	**249**	125
Transfer Agent & Filing Fees	**4,677**	—	**5,078**	—
Loss and total comprehensive loss for the period	**(70,526)**	**—**	**(70,927)**	**(3,125)**
Basic and diluted loss per common share	**(70,526)**	—	**(70,927)**	(3,125)
Weighted average and fully diluted common shares outstanding	**1**	1	**1**	1

The accompanying notes are integral to these consolidated financial statements.

MONTEREY MINERALS INC.
Consolidated Statement of Changes in Shareholders' Deficit
October 31, 2017
(Expressed in Canadian dollars except the number of shares)

	Common Shares			
	Number	Share Capital $	Deficit $	Total $
Balance, April 30, 2016	**1**	**1**	**(22,740)**	**(22,739)**
Net Loss for the period	—	—	(3,125)	(3,125)
Balance, October 31, 2016	**1**	**1**	**(25,865)**	**(25,865)**
Balance, April 30, 2017	**1**	**1**	**(32,032)**	**(32,031)**
Plans of Arrangement	—	—	(3,000)	(3,000)
Loss for the period	—	—	(70,927)	(70,927)
Balance, October 31, 2017	**1**	**1**	**(105,959)**	**(105,958)**

The accompanying notes are integral to these consolidated financial statements.

MONTEREY MINERALS INC.
Consolidated Statement of Cash Flows
October 31, 2017
(Expressed in Canadian dollars)

		For the six months ended	
	Note	**October 31, 2017**	**October 31, 2016**
		$	**$**
Cash flows from operating activities			
Loss for the period		**(70,927)**	(3,125)
Change in non-cash working capital items:			
Accounts payable and accrued liabilities		**(2,697)**	1,431
Management fees payable		**60,000**	—
Cash used in operating activities		**(13,624)**	(1,694)
Cash flows from financing activiites			
Proceeds from demand loans		**13,624**	1,694
Cash provided by financing activities		**13,624**	1,694
Net change in cash and cash equivalents for the period		**—**	—
Cash and equivalents, April 30		**—**	—
Cash and equivalents, October 31		**—**	—
Non-Cash Transactions:			
Preferred shares issued Plan of Arrangement	**10**	**4,000**	—
Supplemental information:			
Interest paid		**—**	—
Income taxes paid		**—**	—

The accompanying notes are integral to these consolidated financial statements.

1. Nature and Continuance of Operations

MONTEREY MINERALS INC. (the "Company"), with its head office located at head office is located at 5728 East Boulevard, Vancouver. BC, V6M 4M4, Canada, was incorporated as a wholly-owned subsidiary of reporting issuer Evitrade Health Systems Corp. (formerly Auxellence Health Corporation) (“Evitrade”) on May 9, 2014 under the laws of British Columbia, Canada. On November 18, 2014, the one (1) incorporator share held by Evitrade was transferred to the sole director of the Company through which it ceased to be a wholly-owned subsidiary of Evitrade.

On June 13, 2014, the Company entered into a Plan of Arrangement with Evitrade (parent company at the time), and Evitrade’s other wholly-owned subsidiaries. As a result, the Company became and is a reporting issuer in the Province of British Columbia. As of October 31, 2017, the arrangement had not been completed for the preferred share conversion that the Company anticipates will be completed in fiscal 2018. (Note 10)

On September 30, 2016, the Company signed letters of intent (“LOIs”) with each of Landsdown Holdings Ltd., GCK Forestry Ltd., 2265040 Ontario Inc. (o/a EVI Tech Group) and Railhead Resources Ltd. (the “Purchasers”) to form four (4) newly incorporated wholly-owned subsidiaries (Subcos) to facilitate transactions in which Subcos will purchase all of the issued and outstanding capital stock from each of the respective Purchasers’ shareholders and be spun-out from the Company.

On October 19, 2016, the Company incorporated four wholly-owned subsidiaries: 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. (“Subcos”) setup for proposed transactions under the Company’s 2016 Plan of Arrangement and remained inactive as of October 31, 2017.

The Company’s business is developing technology for the mining and exploration sector, along with related internet marketing and applications.

2. Basis of Presentation

a. Statement of compliance

These unaudited condensed consolidated financial statements for the interim period ended October 31, 2017 have been prepared in accordance with IAS 34 - Interim Financial Reporting. Significant accounting policies are described in the Note 3. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

b. Going-concern basis of presentation

These financial statements have been prepared using the historical cost convention except for some financial instruments that have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts (“$”).

2. Basis of Presentation (continued)

b. Going-concern basis of presentation (continued)

Financial statements are required to be prepared on a going-concern basis unless management either intends to liquidate the Company or cease trading, or has no realistic alternative but to do so.

These financial statements have been prepared using the historical cost convention except for some financial instruments that have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("$").

Financial statements are required to be prepared on a going-concern basis unless management either intends to liquidate the Company or cease trading, or has no realistic alternative but to do so.

The development of the Company's business may take many years to be successful, if ever, and the amount of resulting income, if any, is difficult to determine with any certainty.

As of October 31, 2017, the Company had not yet achieved profitable operations, had no profits and a deficit of $105,959 since inception (April 30, 2017: $32,032) and working capital deficit of $105,958 (April 30, 2017: $31,032) and expects to incur further losses and working capital deficits in the development of its business, all of which casts material uncertainty about the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments relating to the realization of assets and liquidation of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

c. Principles of consolidation

The consolidated financial statements consolidate the assets, liabilities and results of all entities in which the Company holds a controlling interest. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany balances, transactions and unrealized profits are eliminated in full. The consolidated financial statements include the financial statements of the Company and its inactive subsidiaries 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD.

2. Basis of Presentation (continued)

c. Principles of consolidation (continued)

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d. Significant accounting judgments and estimates

The preparation of these financial statements in conformity with *IAS 34 – Interim Financial Reporting* that requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going-concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

2. Basis of Presentation (continued)

d. Significant accounting judgments and estimates (continued)

(ii) Impairment of financial assets

The carrying value and the recoverability of financial assets, which are included in the statements of financial position are assessed at each reporting date to determine recoverability and whether there are any indications of impairment.

The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's financial assets. External sources of information considered are changes in the Company's economic, legal and regulatory environment which it does not control but affect the recoverability of its financial assets. Internal sources of information the Company considers include the manner in which intangible asset are being used or are expected to be used and indications of economic performance of the assets.

(iii) Income taxes

The Company operates in British Columbia, Canada and subject to its provincial corporate tax rates and rules of taxation. The Company calculates deferred income taxes based upon temporary differences between the assets and liabilities that are reported in its consolidated financial statements and their tax bases as deferred tax assets or liabilities, when applicable, as determined under applicable tax legislation.

The future realization of deferred tax assets can be affected by many factors, including: current and future economic conditions, net realizable fair market value, and can either be increased or decreased where, in the view of management, such change is warranted. No deferred tax assets have been deemed probable to date. Refer to Note 10.

These condensed interim consolidated financial statements are made available on the System for Electronic Document Analysis and Retrieval ("SEDAR").

3. Significant Accounting Policies

The accounting policies set out below are in effect for the interim period ended October 31, 2017 and have been applied consistently to all periods presented in these financial statements.

a. Cash and cash equivalents -

Cash and cash equivalents are comprised of cash in banks, and all short-term investments that are highly liquid in nature, cashable, and have an original maturity date of three months or less.

3. Significant Accounting Policies (continued)

b. Deferred income taxes -

Deferred income tax assets and liabilities are recognized for deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it more likely than not that a deferred income tax asset will be recovered, the deferred income tax assets is reduced. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

c. Financial instruments -

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The initial measurement of financial assets and liabilities is fair value and their subsequent measurement is dependent on their classification as described below. Classification of a financial instrument depends on the purpose for which it was acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

Asset / Liability	Classification	Subsequent measurement
Cash and cash equivalents	Fair value through profit or loss	Fair Value
Accounts receivable	Loans and receivables	Amortized cost
Deposits	Other non-current assets	Fair Value
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost
Loans payable	Other financial liabilities	Amortized cost
Preferred shares	Other financial liabilities	Amortized cost

Financial assets or financial liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets typically acquired for resale prior to maturity or that are designated as held-for-trading. They are measured at fair value at the period end date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in profit or loss.

Financial liabilities at fair value through profit or loss are those non-derivative financial liabilities that the Company elects to designate on initial recognition as financial instruments that it will measure at fair value.

3. Significant Accounting Policies (continued)

c. Financial instruments – (continued)

These are accounted for in the same manner as financial assets at fair value through profit or loss. The Company has not designated any non-derivative financial liabilities as financial liabilities at fair value through profit or loss.

Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and a fixed maturity, other than loans and receivables that an entity has the positive intention and ability to hold to maturity. These financial assets are measured at amortized cost using the effective interest method.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or financial assets or financial liabilities at fair value through profit or loss investments. Except as mentioned below, available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized or deemed to be an other than temporary impairment when the cumulative loss is transferred to profit or loss.

Available-for-sale financial assets that do not have quoted market prices in an active market are recorded at cost. Interest on interest-bearing available-for-sale financial assets is calculated using the effective interest method.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other financial liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

d. Impairment of financial assets -

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at each period end.

Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

3. Significant Accounting Policies (continued)

d. Impairment of financial assets – (continued)

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale (AFS) equity instruments, if, in a subsequent period, the amount of the impairment loss decreases, and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

e. Impairment of non-financial assets -

The carrying amounts of non-financial assets are reviewed for impairment at each reporting date, or whenever events or changes in circumstances indicate the carrying amounts may not be recoverable. If there are indicators of impairment, a review is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. Reviews are undertaken on an asset-by-asset basis. If the carrying amount of a non-financial asset exceeds the recoverable amount, being the higher of its fair value less costs to sell and its value-in-use, an impairment loss is recognized in net earnings as the excess of the carrying amount over the recoverable amount.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed production plans. The mine plan is the basis for forecasting production output in each future year and for forecasting production costs. For value-in-use calculations, production costs and output may be revised to reflect the continued use of the asset in its present form.

3. Significant Accounting Policies (continued)

e. Impairment of non-financial assets - (continued)

Non-financial assets that have suffered an impairment are tested for a possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. In these instances, the impairment loss is reversed to the recoverable amount but not beyond the carrying amount, net of amortization, that would have arisen if the prior impairment loss had not been recognized. Goodwill impairments are not reversed.

f. Share capital -

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

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

g. Other comprehensive income -

Other comprehensive income (OCI), if any, is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholder and includes items that are not included in net profit. OCI consists of changes to unrealized gain and losses on available for sale financial assets, changes to unrealized gains and losses on the effective portion of cash flow hedges, and foreign exchange valuation adjustments on assets and liabilities during the period.

h. Loss per share -

Basic loss per share is computed by dividing the net comprehensive loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive ("in the money").

The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3. Significant Accounting Policies (Continued)

i. Provisions -

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The increase in the obligation due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

j. New standards and interpretations not yet applied -

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt this standard when it becomes effective. The following pronouncements are being assessed to determine its impact on the Company's results and financial position:

- Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard. The Company is currently evaluating the impact of this standard.

4. Accounts Payable and Accrued Liabilities

As at

	October 31, 2017 $	April 30, 2017 $
Accounts payable	**21,015**	20,212
Accrued liabilities	**3,000**	6,500
	24,015	26,712

5. Loans Payable

As at	**October 31, 2017 $**	April 30, 2017 $
Demand loans payable	**17,943**	4,319

During the three and six months ended October 31, 2017, $13,624 in loans were made to the Company with total loans payable of $17,943 (April 30, 2017: $4,319) that are without interest or terms of repayment and due on demand.

6. Management Fees Payable

As at	**October 31, 2017 $**	April 30, 2017 $
Management Fees payable	**60,000**	—

During the three and six months ended October 31, 2017, $60,000 (2016: $Nil) in management fees were expensed and accrued as owing to Ron Ozols, CEO, CFO, and Director for services rendered. No fees or accruals were recorded in prior years or periods. (Note 9)

7. Redeemable Preferred Shares

(a) Authorized - Unlimited Class A preferred shares

(b) Issued:

	October 31, 2017		April 30, 2017	
	Shares	**Amount, $**	Shares	Amount, $
Class A preferred shares				
Balance, beginning of period	**1,010,549**	**1,000**	1,010,549	-
Issued – Plans of Arrangement	**-**	**-**	-	-
2016 Plan of Arrangement	**4,042,196**	**4,000**	-	
Redeemed	**-**	**-**	-	-
Balance, end of period	**5,052,745**	**5,000**	1,010,549	1,000

7. Redeemable Preferred Shares (continued)

The Class A preferred shares, with an average redemption price of $0.00495 each for a total value of $5,000, are non-voting, non-participating and are mandatorily redeemable by the Company in accordance with the Plans of Arrangement. At October 31, 2017, 5,052,745 (April 30, 2017: 1,010,549) preferred shares were outstanding and will be redeemed upon completion of respective transactions under the Plans of Arrangement. (Note 10)

8. Share Capital

Authorized – Unlimited Common shares without par value

Issued and Outstanding – One (1) common share
Reserved for issuance under plans of arrangement: 5,052,745* (Note 10)
**subject to share adjustments under related transactions.*

The incorporator share transferred to the sole director of the Company on November 18, 2014.

9. Related Party Transactions

During the three and six months ended October 31, 2017, $60,000 (2016: $Nil) was accrued and expensed for management fees to Ron Ozols for services rendered. Mr. Ozols has been the sole director and officer of the Company since inception with no prior fees accrued or paid by the Company.

10. Plans of Arrangement

2014 Plan of Arrangement

On June 13, 2014, the Company entered into a Plan of Arrangement (the "2014 POA") with Evitrade, and Evitrade's wholly-owned subsidiaries. Pursuant to the 2014 POA, the Company is to issue 1,010,549 shares to the shareholders of Evitrade which equals the number of issued and outstanding common shares of Evitrade at the time of the share distribution date multiplied by the conversion factor, plus an additional 500 common shares per beneficial holder (the "Shares"), upon conversion of preferred shares as prescribed under the arrangement.

Upon closing and in exchange for the Shares, Evitrade will transfer to the Company $1,000 and a letter of intent for business concepts. The Company has recorded the deposit receivable of $1,000 for the 2014 POA. The Company has not issued the Shares pursuant to the 2014 POA and will do so upon Evitrade completing the conversion of Series A preferred shares as prescribed under the court approved arrangement. The Company anticipates it will be completed in fiscal 2018.

10. Plans of Arrangement (continued)

2016 Plan of Arrangement

On September 30, 2016, the Company signed letters of intent ("LOIs") with each of Landsdown Holdings Ltd., GCK Forestry Ltd., 2265040 Ontario Inc. (o/a EVI Tech Group) and Railhead Resources Ltd. (the "Purchasers") to form four (4) newly incorporated wholly-owned subsidiaries (Subcos) to facilitate transactions in which Subcos will purchase all of the issued and outstanding capital stock from each of the respective Purchasers' shareholders and be spun-out from the Company.

On November 29, 2016, the Company received court approval for its 2016 Plan of Arrangement ("2016 POA") pursuant to which, amongst other things, will result in transfer the LOIs and $1,000 (the "Assets") to and divesting each of 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. The Company has setup $4,000 in deposits in regard to the contemplated transactions under the 2016 POA, that represents the cash portion of the Assets to be distributed to the Subcos with the letters of intent having no determinable fair market value.

11. Income Taxes

Estimated taxable income for the period and since inception is $Nil. Deferred tax assets have not been recognized because it is not probable that future taxable income will be available against which the company can utilize the benefits from the deductible temporary differences and unused tax losses.

Deferred Income Tax Recovery

A reconciliation of deferred income tax recovery on expected income taxes at estimated statutory rates, less unrecognized deferred taxes is as follows:

	October 31, 2017 $	**October 31, 2016 $**
Loss before income taxes	**(70,927)**	(3,125)
Estimated statutory income tax rates	**26.00%**	26.00%
Expected income tax recovery at statutory rates	**18,441**	813
Effect of an increase in tax rates	**—**	—
(Increase) Decrease in unrecognized deferred taxes	**(18,441)**	(813)
Deferred income tax recovery	**—**	—

11. Income Taxes (continued)

Deferred Income Tax Assets

Details of deferred income tax assets are as follows:

	October 31, 2017 $	April 30, 2017 $
Deferred income tax assets:		
Non-capital losses carried forward	**25,133**	6,692
Capital losses carried forward		—
Tax value of equipment in excess of book value	**—**	—
Tax value of CEC in excess of book value	**—**	—
Total deferred income tax assets	**25,133**	6,692
Less: unrecognized deferred tax assets	**(25,133)**	(6,692)
Deferred income tax assets	**—**	—

Non-Capital Losses –

As at October 31, 2017, the Company has non-capital losses of approximately $102,959 (April 30, 2017: $32,032) which may be carried forward to apply against future years income tax for Canadian income tax purposes, subject to final determination by taxation authorities and expiring as follows:

Fiscal Year	Non-capital Loss $
2035	8,001
2036	14,739
2037	9,292
2038	70,927