

SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT made as of the 26th day of June, 2018.

BETWEEN:

LANDSDOWN HOLDINGS LTD.

(hereinafter called the “**Corporation**”)

- and -

MONTEREY MINERALS INC.

(hereinafter called “**Monterey**”)

- and-

ALL OF THE SHAREHOLDERS OF THE CORPORATION NAMED ON SCHEDULE “A” ATTACHED HERETO

(hereinafter called individually a “**Shareholder**” and collectively called the “**Shareholders**”)

WHEREAS, on the terms and subject to the conditions hereinafter set forth, on the Closing Date (as defined below), each of the Shareholders shall exchange all of the common shares of the Corporation for the Consideration Shares (as defined below);

AND WHEREAS the parties hereto intend that the share exchange transaction herein shall be effected free of immediate liability for tax pursuant to Section 85.1 of the *Income Tax Act* (Canada), to the extent applicable;

AND WHEREAS it is a condition of the exchange of shares that the parties hereto execute and deliver to each other a counterpart of this Agreement and thereby become bound by its terms;

NOW THEREFORE THIS AGREEMENT WITNESSETH in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration and the sum of TWO DOLLARS (\$2.00) in lawful money of Canada now paid by each party hereto to the other (the receipt and sufficiency of which are hereby acknowledged), the parties hereto represent, warrant, covenant and agree as follows:

ARTICLE 1 DEFINITIONS

“**Affiliate**” has the meaning ascribed to such term in the BCBCA;

“**Agreement**” means this Agreement and all amendments made hereto by written agreement signed by the parties and includes the Schedules hereto;

“**Assets**” includes all assets having a fair market value in excess of \$5,000;

“**Associate**” has the meaning ascribed to such term in the BCBCA;

“**BC Accredited Investor**” is a resident of British Columbia that satisfies one or more of the categories of “accredited investor” as contained in National Instrument 45-106 *Prospectus Exemptions*;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Consideration Shares**” means the common shares of Monterey which will be issued in exchange for the outstanding shares of the Corporation, the number of such shares to be issued to each Shareholder and the number of shares in the Corporation to be exchanged therefor being as set out in Schedule “A” hereto opposite each respective Shareholder's name;

“**Encumbrances**” means any and all claims, liens, security interests, mortgages, pledges, preemptive rights, charges, options, equity interests, encumbrances, proxies, voting agreements, voting trusts, leases, tenancies, easements or other interests of any nature or kind whatsoever, howsoever created;

“**Landsdown Shares**” means the common shares of the Corporation held collectively by the Shareholders as set out in Schedule “A” hereto;

“**Material Adverse Change**”, when used in connection with Monterey or the Corporation, means any change, effect, event or occurrence that is, or could reasonably be expected to be, material and adverse to the business, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), operations or financial condition of such party and its subsidiaries, taken as a whole, as applicable, other than any change, effect, event or occurrence relating to the economy or securities markets in general;

“**Material Adverse Effect**” means any effect that is, or could reasonably be expected to be, a Material Adverse Change;

“**Person**” includes an individual, partnership, association, unincorporated organization, trust and corporation and a natural person acting in such person's individual capacity or in such person's capacity as trustee, executor, administrator, agent or other legal representative;

“**Tax Act**” means the *Income Tax Act* (Canada);

ARTICLE 2 AGREEMENT TO EXCHANGE

Section 2.1 Subject to the terms and conditions hereof, on the Closing Date, the Landsdown Shares held by each Shareholder will be exchanged for the number of Consideration Shares indicated opposite such Shareholder's name on Schedule "A" hereto (such exchanges are collectively referred to as the "**Transaction**") at a ratio of one (1) Landsdown Share for one (1) Consideration Share, provided that the parties shall not be obligated to complete the Transaction unless all of the Landsdown Shares and all of the Consideration Shares are tendered pursuant to the Transaction.

Section 2.2 The Shareholders acknowledge and agree that the Consideration Shares may be subject to resale restrictions under applicable laws, and that the Consideration Shares will not be transferable except in accordance with such resale restrictions and that the certificates issued for the Consideration Shares may bear a legend or legends to that effect. Shareholders acknowledge that if they are a non-resident within the meaning of the Tax Act and a withholding tax obligation exists, Monterey may withhold such number of Consideration Shares to satisfy any such obligations unless a clearance certificate is delivered to Monterey.

Section 2.3 The Shareholders hereby consent to the disclosure of: (a) this Agreement and its terms and conditions; and (b) the shareholdings of the Shareholders.

Section 2.4 Monterey does not assume and shall not be liable for any taxes under the Tax Act or any other taxes whatsoever which may be or become payable by the Shareholders including, without limiting the generality of the foregoing, any taxes resulting from or arising as a consequence of the sale by the Shareholders to Monterey of the Landsdown Shares herein contemplated, and the Shareholders shall indemnify and save harmless Monterey from and against all such taxes.

Section 2.5 The completion of the Transaction shall be closed (the "**Closing**") at the offices of CC Corporate Counsel Professional Corporation, 100 Bass Pro Mills Drive, No. 49, Vaughan, Ontario, L4K 5X1, at 4:00 p.m. local time in Toronto, Ontario (the "**Time of Closing**") at a date to be agreed by the parties hereto (the "**Closing Date**") or on such other date or at such other time and place as the parties may agree.

Section 2.6 Transactions to be Effected at the Closing

(a) At the Closing, the Corporation shall deliver:

(i) share certificates representing the Landsdown Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank;

(ii) all approvals and consents required to be obtained by the Corporation to permit the Corporation to complete the Transaction and otherwise to consummate the matters provided for in, or contemplated by, this Agreement and the transaction documents contemplated by this Agreement; and

(iii) all other agreements, documents, instruments or certificates required to be delivered by the Corporation under this Agreement.

- (b) At the Closing, Monterey shall deliver:
- (i) share certificates representing the Consideration Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank;
 - (ii) all approvals and consents required to be obtained by Monterey to permit Monterey to complete the Transaction and otherwise to consummate the matters provided for in, or contemplated by, this Agreement and the transaction documents contemplated by this Agreement; and
 - (iii) all other agreements, documents, instruments or certificates required to be delivered by Monterey under this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

Section 3.1 The Corporation hereby represents and warrants to Monterey as at the date hereof and as at the Closing Date and acknowledges and confirms that Monterey is relying upon such representations and warranties in connection with the Transaction, as follows:

- (a) the Corporation is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of British Columbia and has the corporate power to own or lease its property and to carry on its business as it is now being conducted and as proposed to be conducted and on the Closing Date will have the corporate power to execute, deliver and perform its obligations under this Agreement, and has made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which the Corporation is subject;
- (b) the authorized share capital of the Corporation consists of an unlimited number of common shares, of which 14,438,578 common shares are issued and outstanding as of the date hereof and all such issued and outstanding common shares have been validly issued and are outstanding as fully paid and non-assessable;
- (c) the Corporation has no subsidiaries as defined in the *Securities Act* (British Columbia);
- (d) the Corporation does not have any agreements, options or commitments to acquire any shares or other securities of any corporation or to acquire or lease any business operations, real property or assets other than as described elsewhere in this Agreement;
- (e) the entering into of this Agreement and the consummation of the Transaction as contemplated hereby have been duly authorized by all necessary corporate action on behalf of the Corporation and the Shareholders and this Agreement has been duly executed and delivered by the Corporation and the Shareholders and is a valid and binding obligation of the Corporation and the Shareholders enforceable in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws generally affecting creditors' rights and, to the extent that equitable remedies, such as specific performance

and injunction, are in the discretion of the court from which they are sought;

(f) neither the execution and delivery of this Agreement by the Corporation nor the consummation of the Transaction:

(i) will conflict with or result in or create a state of facts which after notice or lapse of time or delay or both, will conflict with or result in:

(A) a violation, contravention or breach by the Corporation of any of the terms, conditions or provisions of the charter documents, by-laws or resolutions of the Corporation or of any agreement or instrument to which the Corporation is a party or by which it is bound or constitute a default of the Corporation thereunder, or of any statute, regulation, judgement, decree or law by which the Corporation, the Corporation's Assets or the Landsdown Shares are subject or bound; or

(B) a violation by the Corporation of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over the Corporation, or require the Corporation, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person or await the expiration of any applicable waiting period; or

(ii) will result in the imposition of an Encumbrance upon any of the Corporation's Assets or the Landsdown Shares that would, individually or in the aggregate, have a Material Adverse Effect on the Corporation;

(g) the minute books of the Corporation contain full, true and correct copies of the constating documents of the Corporation and at the Time of Closing, will contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of the Corporation, and all such meetings were duly called and properly held and such minutes were properly adopted and approved;

(h) the Corporation has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licences, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licences, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on;

(i) the Corporation has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or licence which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect

the conduct of the business, operations, financial condition or income of the Corporation;

(j) the Corporation has not granted or entered into any agreement, option, understanding or commitment or any Encumbrance of or disposal of the Corporation's Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to the Corporation's Assets and will not do so prior to Closing, save and except for any disposal of assets in the normal course of business;

(k) no Person holds any securities convertible or exchangeable into securities of the Corporation nor will any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any unissued common shares or other securities of the Corporation have been authorized or agreed to be issued or will be outstanding as at Closing;

(l) the officers and directors of the Corporation are as follows:

(i) James Macintosh

(ii) Tyler Burpee

(m) there is not pending, or to the knowledge of the Corporation, after due inquiry, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against the Corporation, any judgement, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality, or arbitrator, to which the Corporation is a party or to which the property of the Corporation is subject that would have, individually or in the aggregate, a Material Adverse Effect on the Corporation;

(n) the audited financial statements of the Corporation for the periods ended December 31, 2017 and December 31, 2016 attached as Schedule "B" hereto:

(i) are in accordance with the books and accounts of the Corporation as at December 31, 2017 and December 31, 2016, respectively;

(ii) are true and correct and present fairly the financial position of the Corporation as at December 31, 2017 and December 31, 2016, respectively;

(iii) have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; and

(iv) present fairly all of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of the Corporation as at December 31, 2017 and December 31, 2016, respectively, including all material liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at December 31, 2017 and December 31, 2016, respectively;

- (o) since December 31, 2017, the Corporation has not:
 - (i) carried on the business of the Corporation in other than its usual and ordinary course;
 - (ii) entered into any transaction out of the usual and ordinary course of business other than the Transaction;
 - (iii) amended its articles, by-laws or other governing documents; nor
 - (iv) made any change in its accounting principles and practices including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
- (p) since December 31, 2017, there has been no change in the affairs, business, operations or condition of the Corporation, financial or otherwise, whether arising as a result of any legislative or regulatory change, revocation of any licence or right to do business, fire, explosion, accident, casualty, labour dispute, flood, drought, riot, storm, condemnation, act of God, public force or otherwise, except changes occurring in the usual and ordinary course of business which have not had a Material Adverse Effect on the Corporation;
- (q) the books, records and accounts of the Corporation, in all material respects, have been maintained in accordance with good business practices on a basis consistent with prior periods and accurately and fairly reflect the basis for the Corporation's financial statements;
- (r) the Corporation has not withheld, and will not withhold, from Monterey any material information (as such term is defined in the CSE Policies and Procedures) relating to the Corporation or the Transaction;
- (s) the Corporation has filed and shall continue to file all documents required to be filed by it under any applicable taxing legislation and has paid all taxes, licence fees or other charges that are due and payable and has paid all assessments and reassessments and all other taxes (including federal and provincial sales taxes, governmental charges, penalties, interest and fines) due and payable on or before the date hereof;
- (t) the Corporation has withheld from each payment to its officers, directors, employees and shareholders the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper receiving officer within the time required under applicable legislation;
- (u) the Corporation is in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labour practice;
- (v) no unfair labour practice complaint against the Corporation is pending

before any labour relations board or similar governmental tribunal or agency and no such complaint has been filed within the two (2) year period preceding the date hereof and no notice has been received by the Corporation of any complaints filed by any employees against the Corporation claiming that the Corporation has violated any employee or human rights or similar legislation in any jurisdiction in which the business of the Corporation is conducted, and no such complaint has been filed since the incorporation of the Corporation;

(w) to the knowledge of the Corporation, after due inquiry, there will not be any Material Adverse Change in the relationship with the employees of the Corporation as a result of the Transaction;

(x) the Corporation does not have any obligations or liabilities to pay any amount to its officers, directors or employees relating to salary and directors' fees in the ordinary course, including but not limited to the obligations of the Corporation to officers, directors or employees for severance, retention, termination or bonus payments as a result of the Transaction;

(y) to the knowledge of the Corporation, after due inquiry, no Person is entitled to any royalties or other interests or any revenues of the Corporation whether derived from utilization of any intellectual property or proprietary information or equipment of the Corporation or otherwise;

(z) there is no Person acting or purporting to act at the request of the Corporation, who is entitled to any commission, brokerage or finder's fee in connection with the Transaction;

(aa) the Corporation owns all right, title and interest in and to its Assets, other than leased equipment, free and clear of all Encumbrances;

(bb) the Corporation is the beneficial owner of its Assets and properties or interests therein and any and all agreements pursuant to which the Corporation holds any such interests in its Assets and properties are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and the Corporation is not in material default of any of the provisions of any such agreement nor has any default been alleged and, to the knowledge of the Corporation, after due inquiry, such properties are in good standing under the applicable statutes, rules, regulations, licences and permits of the jurisdictions in which they are situated and all leases pursuant to which the Corporation derives its interest in such properties are in good standing and there has been no default under any of such leases;

(cc) each Material Contract of the Corporation is set out in Schedule "C" hereto and is a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, and neither the Corporation nor, to the knowledge of the Corporation, after due inquiry, any other party to a Material Contract is in material default thereunder and none of the rights or obligations contained in any of the Material Contracts will be affected in any way as a result of the consummation of the Transaction. Further, there are no change of control provisions in any Material Contracts of the

Corporation, nor are there any change of control provisions in any employment agreement that the Corporation has entered into with its employees;

(dd) the Corporation is not a party to any agreement of guarantee, indemnification or assumption of the obligations of a third party or other like commitment;

(ee) the Corporation has never, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;

(ff) there is not in the constating documents of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of the common shares of the Corporation;

(gg) to the knowledge of the Corporation, after due inquiry, there is not pending, or threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort which would:

(i) in any manner restrain or prevent any of the Shareholders from effectually or legally exchanging the Landsdown Shares with Monterey in accordance with this Agreement;

(ii) cause an Encumbrance to be attached to the Corporation's Assets or the Landsdown Shares; or

(iii) make the Corporation or Monterey liable for damages in connection with the Transaction;

(hh) to the knowledge of the Corporation, after due inquiry, the conduct of the business of the Corporation does not infringe upon the trademarks, trade names, service marks or copyrights, trade secrets, know-how, designs or other proprietary rights or technology, domestic or foreign, of any other Person;

(ii) except for liabilities disclosed in the financial statements of the Corporation for the period ended December 31, 2017, and for liabilities incurred by the Corporation in the ordinary course, the Corporation has no liabilities;

(jj) the Corporation is not a "reporting issuer" under applicable securities laws in any jurisdiction, there is no published market in respect of the Landsdown Shares and the number of holders of the securities of the Corporation is not more than 40, exclusive of:

(i) persons or companies that are, or at the time they last acquired securities of the Corporation were, BC Accredited Investors;

(ii) current or former directors or officers of the Corporation or of an affiliated entity (as such term is defined in Section 1.2 of National Instrument 45-106 *Prospectus Exemptions*) of the Corporation; and

(iii) employees of the Corporation or an affiliated entity of the Corporation, or current or former consultants as defined in Multilateral Instrument 45-105 *Trades to Employees, Senior Officers, Directors, and Consultants*, who in each case beneficially own only securities of the Corporation that were issued as compensation by, or under an incentive plan of, the Corporation or an affiliated entity of the Corporation;

(kk) to the knowledge of the Corporation, after due inquiry, the Corporation is in compliance with all applicable federal, provincial, municipal and local laws, statutes, ordinances, by-laws, regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency having authority (collectively, “**Environmental Laws**”) relating to the protection of the environment, occupational health and safety or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, dangerous substance, liquid waste, contaminants, chemicals or industrial, toxic or hazardous wastes or substances (collectively, “**Hazardous Substances**”);

(ll) except for matters that would not, individually or in the aggregate, have a Material Adverse Effect on the Corporation, to the knowledge of the Corporation, after due inquiry, the Corporation has obtained all licences, permits, approvals, consents, certificates, registrations and other authorizations under Environmental Laws (collectively, “**Environmental Permits**”) required for the current operation of its business, and each of the Environmental Permits, if any, is, or was at all material times, valid, subsisting and in good standing and the Corporation is not or was not at any material time, in default or breach of any of the Environmental Permits and no proceeding is pending, or threatened, to revoke or limit any of the Environmental Permits;

(mm) to the knowledge of the Corporation, after due inquiry, the Corporation has not used or permitted to be used, except in compliance with all Environmental Laws, any of its property (including leased property) or facilities and has not directly or indirectly so used the property or facilities of another person to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substances;

(nn) to the knowledge of the Corporation, after due inquiry, the Corporation has never received any notice of, nor been prosecuted for any offense alleging, non-compliance with any Environmental Laws, and the Corporation has not settled any allegation or non-compliance short of prosecution;

(oo) to the knowledge of the Corporation, after due inquiry, there are no orders, investigations or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the business or any property of the Corporation, nor has the Corporation received notice of any of the same;

(pp) to the knowledge of the Corporation, after due inquiry, the Corporation has not caused or permitted, nor does the Corporation have any knowledge of, the release, escape or other disposal in any manner whatsoever, of Hazardous Substances on or from any of its properties (including any leased property) or asset or any property or facility that it previously owned or leased, or any such release, escape or other disposal on or from a facility owned or operated by another person but with respect to which the Corporation is or may reasonably be alleged to have liability;

(qq) to the knowledge of the Corporation, after due inquiry, Hazardous Substances, if any, and any other wastes and other materials and substances used in whole or in part by the Corporation or resulting from any business or activity previously carried on by the Corporation have been disposed of, treated, transported and stored in compliance with all Environmental Laws;

(rr) to the knowledge of the Corporation, after due inquiry, the Corporation has not received any notice that it is potentially responsible for a federal, provincial, municipal or local clean-up site or corrective action under any Environmental Laws;

(ss) to the knowledge of the Corporation, after due inquiry, the Corporation has not received any requests for information in connection with any federal, provincial, municipal or local inquiries as to disposal sites;

(tt) to the knowledge of the Corporation, after due inquiry, there are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation;

(uu) the board of directors of the Corporation has approved the Transaction and this Agreement;

(vv) to the knowledge of the Corporation, after due inquiry, there are no vacation accruals for any employees;

(ww) since the date of the financial statements for the Corporation for the period ended December 31, 2017, and other than as disclosed therein or herein, no payments have been made or authorized by the Corporation to and the Corporation has not entered into any transactions with, its officers, directors, shareholders or employees, any of the Associates or Affiliates of such persons except to employees in the ordinary course of the business and at the regular rates of salary or remuneration and bonuses payable to such persons;

(xx) except as disclosed in the financial statements for the Corporation for the period ended December 31, 2017, or as disclosed herein, the Corporation is not indebted to any of its employees, officers, directors or shareholders in any manner whatsoever or to any of their respective Associates or Affiliates; there is no bonus, deferred compensation, incentive compensation, share purchase, share appreciation and share option, severance or termination pay, hospitalization or other medical benefits, life or other insurance, dental, disability, salary continuation, dependent care, vacation, supplemental unemployment benefits, profit-sharing, mortgage assistance, pension, retirement or supplemental retirement plan, program, agreement or arrangement, and no other employee benefit plan,

program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by the Corporation for the benefit of any employee or former employee of the Corporation, whether or not insured or funded, whether formal or informal, whether or not subject to any applicable legislation and whether or not legally binding other than the employee benefit plan currently provided to the employees of the Corporation (the “**Plan**”). The Corporation does not have a “registered pension plan” as that term is defined in the Tax Act. The Corporation does not have any formal plan or commitment, whether legally binding or not, to create any additional plan or to modify or change any existing plan that would affect any employee or former employee of the Corporation, except such modification or amendment required to ensure the continued registration of the Plan, if registered, with any applicable governmental authority having jurisdiction over the Plan.

(yy) the Corporation has disclosed to Monterey in the financial statements for the Corporation for the period ended December 31, 2017, or as disclosed herein, a true and complete list setting forth all insurance policies now in full force and effect (specifying the insurer, the amount of the coverage, the type of insurance, the annual premium, the amount of deductible, if any, the policy number and any pending claims thereunder) maintained by the Corporation on the Assets of the Corporation or in relation to its business and true and complete copies of the most recent inspection reports, if any, received from insurance underwriters as to the condition of the Assets of the Corporation. The Corporation is not in default in any material respect under any of the provisions contained in any insurance policy nor has it failed to pay any premiums due under any such insurance policy to date or to give any notice or present any claim under any such insurance policy in due and timely fashion. There has never been a material claim under any such insurance policy;

(zz) all forward commitments by or to the Corporation for supplies or services for use in connection with its business (whether or not there are any contracts in writing with respect thereto) which are in existence as of the date of this Agreement have been entered into by it in the ordinary course of business and upon terms and conditions consistent with the Corporation's usual past practices;

(aaa) the Corporation has paid all assessments pursuant to worker's compensation legislation levied by all governmental authorities and, to the best of the knowledge of the Corporation, after due inquiry, the Corporation does not have any liability for and there is not pending any state of facts which may result in the levying of a special assessment or a penalty charge of any nature with respect to the period prior to the Closing Date. The Corporation has filed on a timely basis all payroll statements and other returns and statements required to be filed pursuant to applicable worker's compensation legislation. To the best of the knowledge of the Corporation, after due inquiry, the Corporation is not liable to indemnify any of its employees or any governmental body in respect of compensation and/or health-care payable to its employees pursuant to applicable worker's compensation legislation. The Corporation has notified the relevant governmental authorities, within the time periods specified by applicable legislation, of all occurrences of accidents for which notification is required by applicable legislation and has provided requisite details thereof;

(bbb) save and except for the expiry of any customer contract by passage of time,

there has not been any material adverse change in relations with clients or suppliers of the Corporation since the date of the financial statements for the Corporation for the period ended December 31, 2017 and, to the best of the knowledge of the Corporation, after due inquiry, no such change is anticipated including, without limitation, as a result of the Transaction. The Corporation has not had a significant problem in obtaining in a timely manner and at reasonable cost any and all materials (raw, finished or otherwise) used or to be used in the business of the Corporation, nor does the Corporation have any reason to believe that the Corporation will have any significant problem in obtaining such materials in the future. The Corporation has not received written notice of intent to terminate any Material Contracts;

(ccc) the Corporation has complied with all of its obligations under applicable “pay equity” legislation and is not required to and has not filed or published any “pay equity” plans with any governmental or regulatory authority or with its employees;

(ddd) all facilities, machinery and equipment owned or used by the Corporation in connection with its active business are in good operating condition and in a state of good repair and maintenance, reasonable wear and tear excepted; and

(eee) none of the foregoing representations and warranties knowingly contains any untrue statement of a material fact or knowingly omits to state any material fact necessary to make any such warranty or representation not misleading to Monterey.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

Section 4.1 Each of the Shareholders, on its own behalf and not on behalf of any other Shareholder, hereby severally represents and warrants to Monterey as at the date hereof and as at the Closing Date and acknowledges and confirms that Monterey is relying upon the Shareholder's representations and warranties in connection with the Transaction, as follows:

(a) neither the execution and delivery of this Agreement by such Shareholder nor the performance by such Shareholder of its obligations hereunder will conflict with or result in a violation, contravention or breach by such Shareholder of any of the terms, conditions or provisions of any agreement or instrument to which such Shareholder is a party, or such Shareholder is bound or constitute a default by such Shareholder thereunder, or, to the knowledge of such Shareholder, after due inquiry, under any statute, regulation, judgement, decree or law by which such Shareholder is subject or bound, or result in the creation or imposition of any mortgage, lien, charge or Encumbrance of any nature whatsoever upon any of the Landsdown Shares; or require such Shareholder, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person, or await the expiration of any applicable waiting period;

(b) no Person has any agreement or option or any right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option for the purchase of the Landsdown Shares, as the case may be, from such Shareholder;

(c) such Shareholder has all necessary power, authority and capacity to enter

into this Agreement and all other agreements and instruments to be executed by such Shareholder as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments;

(d) the execution and delivery of this Agreement and such other agreements and instruments and the consummation of the Transaction have been duly authorized by all necessary corporate action or otherwise on the part of such Shareholder, as may be required;

(e) this Agreement constitutes a valid and binding obligation of such Shareholder enforceable against such Shareholder in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;

(f) such Shareholder is the registered and beneficial owner of its Landsdown Shares and has good and valid title thereto free and clear of any Encumbrances;

(g) such Shareholder has the exclusive right and full power to exchange its Landsdown Shares with Monterey, as contemplated herein free and clear of any Encumbrances;

(h) there is not pending or, to the knowledge such Shareholder, after due inquiry, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort which would:

(i) in any manner restrain or prevent the Shareholder from effectually or legally exchanging its Landsdown Shares in accordance with this Agreement;

(ii) cause any Encumbrance to be attached to its Landsdown Shares;

(iii) divest title to its Landsdown Shares; or

(iv) make Monterey or the Corporation liable for damages in connection with the Transaction;

(i) to the knowledge of such Shareholder, after due inquiry, there is not pending, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort relating to such Shareholder, its Landsdown Shares or the Transaction, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against such Shareholder, any material judgement, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator;

(j) such Shareholder has not entered into any agreement that would entitle any Person to any valid claim against the Corporation or Monterey for a broker's commission,

finder's fee, or any like payment in respect of the exchange of its Landsdown Shares or any other matters contemplated by this Agreement, and in the event that any Person acting or purporting to act for such Shareholder establishes a claim for any fee from the Corporation or Monterey, such Shareholder severally covenants to indemnify and hold harmless the Corporation or Monterey, as the case may be, with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(k) to the knowledge of the Shareholders there are no unanimous shareholders' agreements, shareholders' agreements, voting trusts, pooling arrangements or similar agreements in effect in respect of any of the securities of the Corporation;

(l) none of the foregoing representations and warranties knowingly contains any untrue statement of material fact or knowingly omits to state any material fact necessary to make any such covenant, warranty or representation not misleading to a prospective purchaser seeking full information as to its Landsdown Shares;

(m) there are no outstanding claims made or being asserted against any of the Shareholders under the *Family Law Act* (British Columbia) which would in any way prevent the transfer of the Landsdown Shares owned by such Shareholders to Monterey or encumber or interfere with Monterey receiving full and absolute title to the Landsdown Shares owned by such Shareholders free and clear of any claim of any kind made by a spouse of any such Shareholders.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF MONTEREY

Section 5.1 Monterey represents and warrants to the Corporation as at the date hereof and as at the Closing Date and acknowledges that the Shareholders are relying upon such representations and warranties in connection with the Transaction, as follows:

(a) Monterey is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of British Columbia and has the corporate power to own or lease its property and to carry on its business as it is now being conducted and as proposed to be conducted and on the Closing Date will have the corporate power to execute, deliver and perform its obligations under this Agreement and has made all necessary filings under all applicable corporate securities and taxation laws or any other laws to which Monterey is subject;

(b) the authorized share capital of Monterey consists of an unlimited number of common shares of which, immediately prior to issuance of the Consideration Shares as herein contemplated, 5,914,478 common shares will be issued and outstanding as fully paid and non-assessable shares and no preferred shares will be issued and outstanding;

(c) Monterey has incorporated four wholly-owned subsidiaries: 1093681 BC LTD., 1093682 BC LTD., 1093683 BC LTD., and 1093684 BC LTD. (“**Subcos**”). The Subcos were inactive as of October 31, 2017;

(d) Monterey does not have any agreements, options or commitments to acquire any shares or securities of any corporation or to acquire or lease any business operations,

real property or assets;

(e) the entering into of this Agreement and the consummation of the Transaction as contemplated hereby have been duly authorized by all necessary corporate action on behalf of Monterey and this Agreement has been duly executed and delivered by Monterey and is a valid and binding obligation of Monterey enforceable in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws generally affecting creditors' rights and to the extent that equitable remedies, such as specific performance and injunction, are in the discretion of the court from which they are sought;

(f) Monterey is a reporting issuer in good standing in the provinces of British Columbia, Alberta and Ontario, and is not in default of any applicable securities, taxation and corporate legislation, regulations, orders, notices and policies in force therein;

(g) Monterey has made all filings required under applicable securities laws with the applicable regulatory authorities, all such filings have been made in a timely manner, and all such filings and information and statements contained therein and any other information or statements disseminated to the public by Monterey (the "**Public Record**"), were true, correct and complete and did not contain any misrepresentation (as defined in the *Securities Act* (British Columbia)) as at the date of such filing which has not been corrected;

(h) except as disclosed in the Public Record, to the knowledge of Monterey, after due inquiry, there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the business or any property of Monterey, nor has Monterey received notice of any of the same;

(i) Monterey will take all necessary steps to cause the issuance of the Consideration Shares and, at the Closing Date, the Consideration Shares will be duly and validly authorized and issued as fully paid and non-assessable shares, in accordance with this Agreement;

(j) neither the execution and delivery of this Agreement by Monterey nor the consummation of the Transaction:

(i) will conflict with or result in or create a state of facts which after notice or lapse of time or delay or both, will conflict with or result in:

(A) a violation, contravention or breach by Monterey of any of the terms, conditions or provisions of the charter documents, by-laws or resolutions of Monterey or of any agreement or instrument to which Monterey is a party or by which it is bound or constitute a default of Monterey thereunder, or of any statute, regulation, judgement, decree or law by which Monterey or the Assets of Monterey are subject or bound; or

(B) a violation by Monterey of any law or regulation or any applicable order of any court, arbitrator or governmental authority having

jurisdiction over Monterey, or, other than as been previously obtained, require Monterey, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person or await the expiration of any applicable waiting period; or

(ii) will result in the imposition of an Encumbrance upon any Assets of Monterey that would, individually or in the aggregate, have a Material Adverse Effect on Monterey;

(k) the minute books of Monterey contain full, true and correct copies of the constating documents of Monterey and, at the Time of Closing, will contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of Monterey and all such meetings were duly called and properly held and such minutes were properly adopted and approved;

(l) Monterey has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licences, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licences, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on;

(m) Monterey has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or licence which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect the conduct of the business, operations, financial condition or income of Monterey;

(n) Monterey has not granted or entered into any agreement, option, understanding or commitment or any Encumbrance of or disposal of its Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to its Assets, save and except for various property agreements to which it is subject, the particulars of which have been provided to the Shareholders, and will not do so prior to Closing;

(o) the officers and directors of Monterey are as follows:

(i) Gary Handley

(ii) Samuel Hardy

(iii) Mike Kraemer

(p) there is not pending, or to the knowledge of Monterey, after due inquiry,

threatened or contemplated any suit, action, legal proceeding, litigation or governmental investigation of any sort, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against Monterey, any judgement, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality, or arbitrator, to which Monterey is a party or to which the property of Monterey is subject that would have individually or in the aggregate a Material Adverse Effect on Monterey;

(q) the audited financial statements of Monterey for the periods ended April 30, 2016 and April 30, 2017 and the financial statements of the Corporation for the interim period ended January 31, 2018:

(i) are in accordance with the books and accounts of Monterey as at April 30, 2016 and April 30, 2017 and January 31, 2018 respectively;

(ii) are true and correct and present fairly the financial position of Monterey as April 30, 2016 and April 30, 2017 and January 31, 2018 respectively;

(iii) have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; nor

(iv) present fairly all of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Monterey as at April 30, 2016 and April 30, 2017 and January 31, 2018 respectively, including, all material liabilities (absolute, accrued, contingent or otherwise) of Monterey as at April 30, 2016 and April 30, 2017 and January 31, 2018 respectively;

(r) since January 31, 2018, Monterey has not:

(i) carried on the business of Monterey in other than its usual and ordinary course;

(ii) entered into any transaction out of the usual and ordinary course of business other than the Transaction;

(iii) amended its articles, by-laws or other governing documents; and

(iv) made any change in its accounting principles and practices including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;

(s) the books, records and accounts of Monterey, in all material respects, have been maintained in accordance with good business practices on a basis consistent with prior periods and accurately and fairly reflect the basis for Monterey's financial statements;

(t) Monterey has not withheld, and will not withhold, from the Corporation or the Shareholders any material information relating to Monterey or the Transaction;

(u) Monterey has filed and shall continue to file all documents required to be filed by it under any applicable taxing legislation and has paid all taxes, licence fees or other charges that are due and payable and has paid all assessments and reassessments and all other taxes (including federal and provincial sales taxes, governmental charges, penalties, interest and fines) due and payable on or before the date hereof;

(v) Monterey has withheld from each payment to its officers, directors, employees and shareholders the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper receiving officer within the time required under applicable legislation;

(w) Monterey is in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labour practice;

(x) to the knowledge of Monterey, after due inquiry, there will not be any Material Adverse Change in the relationship between Monterey and its employees as a result of the Transaction;

(y) to the knowledge of Monterey, after due inquiry there is not pending or, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort which would:

(i) in any manner restrain or prevent Monterey from issuing the Consideration Shares to the Shareholders in accordance with this Agreement;

(ii) cause an Encumbrance to be attached to the Assets of Monterey or to the voting securities of Monterey including the Consideration Shares; or

(iii) make Monterey liable for damages in connection with the Transaction; and

(z) except for liabilities disclosed in the financial statements of Monterey for the interim period ended January 31, 2018, and for liabilities incurred by the Monterey in the ordinary course, Monterey has no liabilities.

ARTICLE 6 COVENANTS

Section 6.1 Public Announcements. Unless otherwise required by applicable law, neither party shall make any public announcements regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed).

Section 6.2 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder.

ARTICLE 7 INDEMNIFICATION

Section 7.1 Survival. All representations, warranties, covenants and agreements contained herein and all related rights to indemnification shall survive the Closing.

Section 7.2 Indemnification by the Corporation. Subject to the other terms and conditions of this Article 7, the Corporation shall defend, indemnify and hold harmless Monterey, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgements, damages, liabilities, settlements, losses, costs and expenses, including legal fees, disbursements and charges, arising from or relating to any:

- (a) inaccuracy in or breach of any of the representations or warranties of the Corporation contained in this Agreement or in any document to be delivered hereunder; or
- (b) breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Corporation under this Agreement or any document to be delivered hereunder.

Section 7.3 Indemnification by Monterey. Subject to the other terms and conditions of this Article 7, Monterey shall defend, indemnify and hold harmless the Corporation, its affiliates and their respective shareholders, directors, officers and employees from and against all claims, judgements, damages, liabilities, settlements, losses, costs and expense, including legal fees, disbursements and charges, arising from or relating to any:

- (a) inaccuracy in or breach of any of the representations or warranties of Monterey contained in this Agreement or in any document to be delivered hereunder; or
- (b) breach or non-fulfillment of any covenant, agreement or obligation to be performed by Monterey under this Agreement or any document to be delivered hereunder.

Section 7.4 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the “**Indemnified Party**”) shall promptly provide written notice of such claim to the other party (the “**Indemnifying Party**”). In connection with any claim giving rise to indemnify hereunder resulting from or arising out of any legal proceeding by a person or entity who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defence of any such proceeding with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defence of any such proceeding with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defence of any such proceeding, the Indemnified Party may, but shall not be obligated to, defend against such proceeding in such manner as it may deem appropriate, including, but not limited to, settling such proceeding, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate, and no action taken by the Indemnified Party in accordance with such defence and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to damages resulting therefrom. The Indemnifying Party shall not settle a proceeding without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

Section 7.5 Cumulative Remedies. The rights and remedies provided in this Article 7 are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE 8 Miscellaneous

Section 8.1 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 8.2 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given:

- (a) when delivered by hand (with written confirmation of receipt);
- (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested);
- (c) on the date sent by facsimile or email of a PDF document if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or
- (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.2):

If to the Corporation: 401 Bay St. #2702
Toronto ON M5H 2Y4

If to Monterey: 890-1140 West Pender Street
Vancouver BC V6E 2R9
Attention: Gary Handley
Email: <ghandley@venexcapi.com>

Section 8.3 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.4 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 8.5 Entire Agreement. This Agreement and documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder and the Schedules, the statements in the body of this Agreement will control.

Section 8.6 Successors and Assigns. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors, heirs (as applicable) and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.7 No Third Party Beneficiaries. Except as provided in Article 7, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.8 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

Section 8.10 Forum Selection. Any action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be brought in the courts of the province of Ontario, and each party irrevocably submits and agrees to attorn to the exclusive jurisdiction of such courts in any such action or proceeding.

Section 8.11 Choice of Language. The parties confirm that it is their express wish that this Agreement, as well as any other documents relating to this Agreement, including notices, schedules and authorizations, have been and shall be drawn in the English language only. Les parties aux présentes confirment leur volonté expresse que cette convention, de même que tous les documents s'y rattachant, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en langue anglaise seulement.

Section 8.12 Specific Performance. The parties agree that irreparable damage

would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 8.13 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

LANDSDOWN HOLDINGS LTD.

Per: “*James Macintosh*”
Name: James Macintosh
Title: President and Chief Executive Officer

MONTEREY MINERALS INC.

Per: “*Gary Handley*”
Name: Gary Handley
Title: President

SCHEDULE "A"
LANDSDOWN HOLDINGS LTD. SHAREHOLDER LIST

[redacted]

SCHEDULE "B"
LANDSDOWN HOLDINGS LTD.
FINANCIAL STATEMENTS

LANDSDOWN HOLDINGS LTD.

(an exploration stage company)

FINANCIAL STATEMENTS

(Audited)

For the Years Ended December 31, 2017 and 2016

(Expressed in Canadian dollars)

Landsdown Holdings Ltd.
Index to Financial Statements
As at December 31, 2017 and 2016

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UNIT 114B (2nd floor)
8988 FRASERTON COURT
BURNABY, BC, V5J 5H8

T: 604.318.5465
F: 604.239.0866

Adam Kim

ADAM SUNG KIM LTD.

CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Landsdown Holdings Ltd.

I have audited the accompanying financial statements of Landsdown Holdings Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for years ended December 31, 2017 and December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flow for years ended December 31, 2017 and December 31, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Burnaby, British Columbia
April 10, 2018

Landsdown Holdings Ltd.
 Statements of Financial Positions
 As at
 (Expressed in Canadian dollars)

	Note	December 31, 2017 \$	December 31, 2016 \$
Assets			
Cash and cash equivalents		335,648	3
Loans receivable	7	28,943	4,319
Prepaid expenses		12,000	-
Current Assets		376,591	4,322
Mineral property	8	10,000	-
Total Assets		386,591	4,322
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses		25,208	15,673
Loans payable	9	518	8,518
		25,726	24,191
Shareholders' Equity (Deficit)			
Share Capital	4	587,094	52,503
Deficit		(226,229)	(72,372)
		360,865	(19,869)
Total Liabilities and Shareholders' Equity		386,591	4,322

Nature and Continuance of Operations (Note 1)
Proposed Transaction (Note 11)

The accompanying notes are integral to these financial statements.

Approved and authorized for issue on April 10, 2018:

/s/ Jamie Macintosh

 CEO and President

Landsdown Holdings Ltd.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	For the Year Ended December 31, 2017 \$	For the Year Ended December 31, 2016 \$
Expenses		
Consulting	80,705	5,000
Business development	-	41,000
Transfer agent	8,445	-
Exploration (Note 8)	51,466	-
Professional fees	13,048	17,800
General and administration	193	-
Total Expenses	153,857	63,800
Net Loss and total comprehensive loss for the year	(153,857)	(63,800)
Basic and diluted loss per common share	(0.02)	\$ (0.02)
Weighted average number of common shares outstanding	9,915,109	4,063,240

The accompanying notes are integral to these financial statements.

Landsdown Holdings Ltd.

Statements of Changes in Shareholders' Equity (Deficit)

(Expressed in Canadian dollars except the number of shares)

	Common Shares			Total \$
	Number	Amount \$	Deficit \$	
Balance, December 31, 2015	2,500,500	27,503	(8,572)	18,931
Issuance of common shares	1,100,000	22,000	-	22,000
Issuance of common shares	600,000	3,000	-	3,000
Net Loss for the year	-	-	(63,800)	(63,800)
Balance, December 31, 2016	4,200,500	52,503	(72,372)	(19,869)
Issuance of common shares	10,238,078	541,131	-	541,131
Share issuance costs	-	(6,540)	-	(6,540)
Net loss for the year	-	-	(153,857)	(153,857)
Balance, December 31, 2017	14,438,578	587,094	(226,229)	360,865

The accompanying notes are integral to these financial statements.

Landsdown Holdings Ltd.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Note	Year Ended December 31, 2017 \$	Year Ended December 31, 2016 \$
Net loss and comprehensive loss for the year		(153,857)	(63,800)
Operating Activities:			
Changes in non-cash working capital items:			
Increase in prepaid expenses		(12,000)	40,000
Increase in accounts payable & accrued Liabilities		9,535	12,800
Cash flows used in operating activities		(156,322)	(11,000)
Investing Activities:			
Mineral property		(10,000)	-
Loans receivable		(24,624)	(2,625)
Cash flows used in Investing activities		(34,624)	(2,625)
Financing Activities:			
Loans payable		(7,999)	(21,482)
Proceeds from subscriptions for common stock, net of share issuance costs		534,590	25,000
Cash flows provided by financing activities		526,591	3,518
Increase in cash and cash equivalents		335,645	(10,107)
Cash & cash equivalents, beginning of the year		3	10,110
Cash & cash equivalents, end of the year		335,648	3
Cash paid during the period for interest		\$ -	\$ -
Cash paid during the period for income taxes		\$ -	\$ -

The accompanying notes are integral to these financial statements.

Landsdown Holdings Ltd.

Notes to the Financial Statements

December 31, 2017

(Expressed on Canadian dollars)

1. Nature and Continuance of Operations:

Landsdown Holdings Ltd. (the "Company") was incorporated on August 9, 2015 under the laws of British Columbia, Canada. Its head office and registered office is located at 401 Bay St., Suite 2702, Toronto, ON. M5H 2Y4, Canada. The Company is in the mining and exploration sector.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, and its financial success may be dependent upon the extent to which it can successfully develop its business of exploration of mining.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At December 31, 2017, the Company had not yet achieved profitable operations and had accumulated losses of \$226,229 since its inception. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Basis of Presentation:

Statement of Compliance -

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

3. Significant Accounting Policies:

a) Basis of Measurement -

These financial statements have been prepared on a historical cost basis, except for financial instruments classified in accordance with measurement standards under IFRS. All dollar amounts presented are in Canadian dollars unless otherwise specified. These financial statements have been prepared using IFRS principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

b) Significant Accounting Judgments and Estimates -

The preparation of financial statements in conformity with IFRS 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 the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include valuation of share-based payments and recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs. Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

c) Financial Instruments -

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

3. Significant Accounting Policies (Continued):

c) Financial instruments (Continued) -

Financial assets and liabilities are classified into one of the following categories based on the purpose for which they were acquired:

- Financial asset or financial liability at fair value through profit or loss;
- Held-to-maturity investments;
- Loans and receivables;
- Available-for-sale financial assets; and
- Other financial liabilities

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset and liability. All transactions related to financial instruments are recorded on a settlement date basis.

Financial asset or financial liability at fair value through profit or loss ("FVTPL")

A financial asset or liability classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. Financial assets and liabilities are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held-to-Maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investments, including impairment losses, are recognized in the profit or loss.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand that are not quoted in an active market. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses.

3. Significant Accounting Policies (Continued):

c) Financial instruments (Continued) -

Loans and Receivables (continued)

Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Effective Interest Method

The effective interest method calculates the amortized cost of a financial asset or a financial liability and allocates interest income or interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash payments or receipts over the expected life of the financial instrument or, where appropriate, to the net carrying amount of the financial asset or financial liability.

Derecognition of Financial Liabilities

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

d) Offsetting of Financial Instruments -

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

e) Impairment of Financial Assets -

The Company assesses at each date of the statement of financial position whether a financial asset is impaired.

Financial Assets Carried at Amortized Cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

3. Significant Accounting Policies (Continued):

Financial instruments (Continued) -

e) Impairment of Financial Assets (continued)

Financial Assets Carried at Amortized Cost (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to receivables, a provision for impairment is made and an impairment loss is recognized in income when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Impairment of Financial Assets -

Available-for-Sale Financial Assets

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from accumulated comprehensive income to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

f) Comprehensive Income (Loss) -

Comprehensive income (loss) 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. Other comprehensive income (loss) 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 changes to foreign currency translation adjustments of self-sustaining foreign operations during the period.

Comprehensive income (loss) measures net earnings for the period plus other comprehensive income (loss). Amounts reported as other comprehensive income (loss) are accumulated in a separate component of shareholder's equity as Accumulated Other Comprehensive Income (Loss). The Company has not had other comprehensive income (loss) since inception and accordingly, a statement of comprehensive income (loss) has not been presented.

Landsdown Holdings Ltd.

Notes to the Financial Statements

December 31, 2017

(Expressed on Canadian dollars)

3. Significant Accounting Policies (Continued):

g) Loss Per Share -

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

h) Mineral properties -

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

i) Provision for environmental rehabilitation -

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

3. Significant Accounting Policies (Continued):

j) Income taxes -

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

k) New standards and interpretations not yet applied –

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below.

IFRS 9, Financial instruments

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 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 will be annual periods beginning on or after January 1, 2018, with early adoption permitted.

4. Share Capital and Reserves:

Authorized – Unlimited Common shares without par value; and

Issued and Outstanding as at December 31, 2017: 14,438,578 (2016: 4,200,500)

During the year ended December 31, 2016, 1,700,000 common shares were issued for proceeds of \$25,000.

During the year ended December 31, 2017, the Company issued a total of 10,238,078 common shares for proceeds of \$541,131 and incurred share issuance costs of \$6,540.

5. Capital Disclosures:

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

6. Financial and Capital Risk Management:

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair values of cash, loan receivable, accounts payable and loan payable approximate their carrying values due to the short-term maturity of these instruments.

6. Financial and Capital Risk Management: (continued)

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at December 31, 2017 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	\$ 335,648	-	-	\$ 335,648
	\$ 335,648	-	-	\$ 335,648

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

Landsdown Holdings Ltd.
Notes to the Financial Statements
December 31, 2017
(Expressed on Canadian dollars)

7. Loans Receivable:

The Company has demand loans receivable of \$28,943 as at December 31, 2017 (2016: \$4,319). The amounts are unsecured and due upon demand without interest.

8. Mineral property:

The Company's mineral property interests are comprised of properties located in Canada.

	Cobalt	Total
Mineral property		
Balance, December 31, 2016	\$ -	\$ -
Acquisition costs	10,000	10,000
Balance, December 31, 2017	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Exploration expenditures		
Consulting	\$ 2,511	\$ 2,511
Field works	17,352	17,352
Geological	31,603	31,603
Total at December 31, 2017	<u>\$ 51,466</u>	<u>\$ 51,466</u>

On February 17, 2017, the Company entered into an option agreement with Ridge Resources Ltd, Crucible Resources Ltd, 477291 B.C. Ltd, MVR Consulting Inc. and Timothy Arthur Johnson (collectively, the "Vendors") whereby the Vendors granted the Company the right to acquire a 100% interest in and to the Cobalt Property. In order to acquire the 100% interest in the Property, the Company shall pay cash and issue shares as follows:

- (a) Cash payment of \$10,000 within 10 days of execution of this agreement (Paid during the year ended December 31, 2017)
- (b) Cash payments to Ridge:
 - (i) \$20,000 on or before February 17, 2018 (Paid in February, 2018); and
 - (ii) \$30,000 on or before February 17, 2019
- (c) and issuance of 1,800,000 common shares of the Company as follows:
 - (i) 400,000 shares of the Company upon Exchange acceptance of this agreement ("Approval Date");
 - (ii) 600,000 shares of the Company – 12 months from the Approval Date; and
 - (iii) 800,000 shares of the Company – 24 months from the Approval Date;

Landsdown Holdings Ltd.
Notes to the Financial Statements
December 31, 2017
(Expressed on Canadian dollars)

9. Loans Payable:

As at December 31, 2017, the Company had demand loans payable of \$518 (2015: \$8,518). The amounts owed are unsecured and upon demand without interest.

10. Income Taxes:

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2017 \$	December 31, 2016 \$
Loss before income taxes	(153,857)	(63,800)
Statutory rates	26%	26.00%
Expected income tax recovery at statutory rates	(40,003)	(16,588)
Effect of an increase in tax rates	(3,952)	—
Non-deductible expenses and other deductions	—	—
Current and prior tax attributes not recognized taxes	43,955	16,588
Deferred income tax recovery	—	—

Details of deferred tax assets are as follows:	December 31, 2017 \$	December 31, 2016 \$
Deferred tax assets:		
Non-capital losses carried forward value	47,186	18,817
Mineral properties	13,896	—
Total deferred tax assets	61,082	18,817
Less: unrecognized deferred tax assets	(61,082)	(18,817)
Deferred tax assets	—	—

The Company has approximately \$174,000 of non-capital losses available, which begin to expire in 2025 through to 2037 and may be applied against future taxable income. The Company also has approximately \$61,000 of exploration and development costs which are available for deduction against future income for tax purposes. At December 31, 2017, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

11. Proposed Transaction:

On September 30, 2016, the Company signed a non-binding letter of intent (the "LOI") with Monterey Minerals Inc. (the "Seller") whereby the Seller would form a newly incorporated wholly-owned subsidiary (the "Newco") to facilitate a spin-out transaction under the Seller's 2016 Plan of Arrangement in which Newco will purchase all of the issued and outstanding capital stock from the Company's shareholders through a share exchange (the "Proposed Transaction"), resulting in the Company becoming a reporting issuer in B.C. and Alberta upon completion. Upon closing, the Seller would transfer a \$1,000 deposit and a letter of intent for business concepts to Newco.

As of December 31, 2017, no payments have been made under the Proposed Transaction and no definitive agreement has been reached with the Seller pursuant to the LOI.

12. Segmented Information:

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

13. Related Party Transactions:

The Company incurred the following charges with directors and/or officers of the Company and/or companies controlled by them during the years ended December 31, 2017 and 2016:

	2017	2016
	\$	\$
Consulting	16,950	-
	16,950	157,592

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

**SCHEDULE “C”
LANDSDOWN HOLDINGS LTD.
MATERIAL CONTRACTS**

Option Agreement dated February 17, 2017:

Mineral property:

The Company’s mineral property interests are comprised of properties located in Canada.

	Cobalt	Total
Mineral property		
Balance, December 31, 2016	\$ -	\$ -
Acquisition costs	10,000	10,000
Balance, December 31, 2017	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Exploration expenditures		
Consulting	\$ 2,511	\$ 2,511
Field works	17,352	17,352
Geological	31,603	31,603
Total at December 31, 2017	<u>\$ 51,466</u>	<u>\$ 51,466</u>

On February 17, 2017, the Company entered into an option agreement with Ridge Resources Ltd, Crucible Resources Ltd, 477291 B.C. Ltd, MVR Consulting Inc. and Timothy Arthur Johnson (collectively, the “Vendors”) whereby the Vendors granted the Company the right to acquire a 100% interest in and to the Cobalt Property. In order to acquire the 100% interest in the Property, the Company shall pay cash and issue shares as follows:

- i) Cash payment of \$10,000 within 10 days of execution of this agreement (Paid during the year ended December 31, 2017)
- j) Cash payments to Ridge:
 - (i) \$20,000 on or before February 17, 2018 (Paid in February, 2018); and
 - (ii) \$30,000 on or before February 17, 2019

and issuance of 1,800,000 common shares of the Company as follows:

- (i) 400,000 shares of the Company upon Exchange acceptance of this agreement (“Approval Date”);
- (ii) 600,000 shares of the Company – 12 months from the Approval Date; and
- (iii) 800,000 shares of the Company – 24 months from the Approval Date;