



Enviroleach

ENVIROLEACH TECHNOLOGIES INC.

**CSE FORM 2A
Listing Statement**

March 30, 2017

TABLE OF CONTENTS

1.	ABOUT THIS LISTING STATEMENT	4
1.1	Glossary of Terms	4
1.2	Information Concerning Forward-Looking Statements	6
1.3	Market and Industry Data	7
1.4	Information Regarding Iberian	7
1.5	Currency	7
2.	CORPORATE STRUCTURE	7
2.1	Corporate Name of the Issuer, Head and Registered Office	7
2.2	Jurisdiction of Incorporation	7
2.3	Intercorporate Relationships	7
2.4	Fundamental Change	7
2.5	Non-corporate Issuers and Issuers incorporated outside of Canada	8
3.	GENERAL DEVELOPMENT OF THE BUSINESS	8
3.1	General Development of the Issuer's Business	8
3.2	Proposed Acquisition	8
3.3	Trends, Commitments, Events or Uncertainties	8
4.	Narrative Description of the Business	9
4.1	General	9
4.2	Asset-Backed Securities	20
4.3	Companies with Mineral Projects	20
4.4	Companies with Oil and Gas Operations	20
5.	SELECTED CONSOLIDATED FINANCIAL INFORMATION	20
5.1	Annual Information of Issuer	20
5.2	Quarterly Information	21
5.3	Dividends	21
5.4	Foreign GAAP	21
6.	MANAGEMENT'S DISCUSSION AND ANALYSIS	21
7.	MARKET FOR SECURITIES	21
8.	CONSOLIDATED CAPITALIZATION	21
9.	OPTIONS TO PURCHASE SECURITIES	21
10.	DESCRIPTION OF THE SECURITIES	22
10.1	General	22
10.2	Debt securities, Other Securities, Modifications of Terms and Other Attributes	23
10.3	Prior Sales	23
10.4	Stock Exchange Price	23
11.	ESCROWED SECURITIES	23
12.	PRINCIPAL SHAREHOLDERS	24
13.	DIRECTORS AND OFFICERS	24
13.3	Board Committees	25
13.4	Other Reporting Issuer Experience	25
13.5	Cease Trade Orders or Bankruptcies	25
13.6	Penalties and Sanctions	26
13.7	Personal Bankruptcies	26
13.8	Conflicts of Interest	26
13.9	Management	26
14.	CAPITALIZATION	27
14.1	Issued Capital	27
14.2	Convertible or Exchangeable Securities	29
14.3	Other Listed Securities	29
15.	EXECUTIVE COMPENSATION	29
16.	INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	29

16.1	Aggregate Indebtedness	29
16.2	Indebtedness under Securities Purchase and Other Programs	30
17.	RISK FACTORS.....	30
17.1	Risk Factors Relating to the Issuer.....	30
17.2	Risk of Liability for Additional Contribution	32
18.	PROMOTERS	33
18.1	Promoters.....	33
18.2	Orders, Bankruptcies and Sanctions	33
19.	LEGAL PROCEEDINGS	33
19.1	Legal Proceedings.....	33
19.2	Regulatory Actions	33
20.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	33
21.	AUDITORS, TRANSFER AGENTS AND REGISTRARS.....	33
22.	MATERIAL CONTRACTS	33
23.	INTEREST OF EXPERTS.....	34
24.	OTHER MATERIAL FACTS	34
25.	FINANCIAL STATEMENTS	34
25.1	Audited Financial Statements of Issuer	34
25.2	Selected Consolidated Financial Information of Target.....	35

Schedules

Schedule A	Financial Information
Schedule B	Management Discussion and Analysis for the period from incorporation to December 31, 2016
Schedule C	ETI Stock Option Plan
Schedule D	Pro Forma consolidated Financial Statements of ETI

1. ABOUT THIS LISTING STATEMENT

1.1 Glossary of Terms

The following is a glossary of certain terms used in this Listing Statement. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“**ABCA**” means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

“**affiliate**” has the meaning set forth in the Securities Act;

“**Arrangement**” means the arrangement under Section 193 of the ABCA involving Iberian, the Iberian Shareholders and ETI where, among other things, Iberian transferred the Technology Rights to ETI in exchange for the ETI Promissory Note and the issuance of 28,000,000 ETI Shares, which was completed on March 21, 2017;

“**Arrangement Agreement**” means the arrangement agreement dated January 23, 2017 between Iberian and ETI;

“**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday observed in Calgary, Alberta;

“**Consent to Assignment and Technology Purchase Agreement**” means the agreement entered into among Mohave, Steve Scott, Iberian and ETI dated December 13, 2016 whereby each of Mohave County Mining, LLC and Steve Scott has consented to the transfer of the Technology Rights to ETI;

“**Court**” means the Alberta Court of Queen’s Bench;

“**CSE**” means the Canadian Securities Exchange;

“**ETI Board**” means the board of directors of ETI, as may be constituted from time to time;

“**EIT Option**” means an option to purchase ETI Share;

“**ETI Promissory Note**” means a promissory note in the amount of \$1,600,000 made by ETI in favour of Iberian;

“**ETI Seed Private Placement**” the private placement by ETI of 9,000,000 common shares in the capital of ETI at a price of \$0.05 per share completed on December 19, 2016;

“**ETI Shares**” means the common shares without par value in the capital of ETI as constituted on the date of the Arrangement Agreement;

“**ETI Share Consideration**” means 28,000,000 ETI Shares;

“**ETI Share Distribution**” means the 26,000,000 ETI Shares distributed by Iberian to the Iberian Shareholders in accordance with the Plan of Arrangement;

“**ETI Shareholders**” means holders of ETI Shares at the applicable time;

“**ETI Stock Option Plan**” means the stock option plan of ETI, as constituted as of the date hereof;

“**ETI Stock Option Plan Resolution**” means the ordinary resolution of Iberian Shareholders approving the ETI Stock Option Plan to be considered at the Meeting;

“ETI Subscription Receipts” means subscription receipts of ETI which were issued at a price of \$0.25 per subscription receipt pursuant to the Private Placement, with each subscription receipt converted into one (1) ETI Share and one (1) ETI Warrant upon satisfaction of the Release Conditions;

“ETI Warrants” means a warrant exercisable into one (1) ETI Share at a price of \$0.50 for a period of two years from the date of issuance;

“Final Order” means the final order of the Court which approved the Arrangement;

“Iberian” means Iberian Minerals Ltd., a corporation existing under the ABCA;

“Iberian Registered Shareholder” means a registered holder of Iberian Shares as recorded in the shareholder register of Iberian;

“Iberian Shareholders” means the holders of Iberian Shares;

“Iberian Shares” means common shares in the capital of Iberian;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“Issuer” or **“ETI”** refers to Enviroleach Technologies Inc., a corporation incorporated under the ABCA;

“Meeting” means the special meeting of Iberian Shareholders held on March 14, 2017 which approved and adopt the Arrangement in accordance with the Interim Order and approved the ETI Stock Option Plan Resolution;

“Mineworx” means Mineworx Technologies Inc., a company incorporated under the laws of the Province of British Columbia;

“Mohave” means Mohave County Mining, LLC, a body corporate incorporated under the law of the State of Nevada;

“person” includes any individual, a sole proprietorship, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, union, Governmental Authority, syndicate or other entity, whether or not having legal status;

“Plan” or **“Plan of Arrangement”** means the plan of arrangement, including its Appendices, as it may be amended, modified or supplemented from time to time in accordance with the terms thereof, in substantially the form set out as Schedule A to the Arrangement Agreement;

“Private Placement” means the private placement of 12,000,000 ETI Subscription Receipts, completed on March 13; 2017;

“Provisional Application” means the provisional patent application filed with the U.S. Patent and Trademark Office on June 24, 2016 which received Application Serial Number 62/354,393;

“Purchase Agreement” means the agreement between Iberian and ETI dated effective December 16, 2016 transferring the Technology Rights to ETI in exchange for: (i) the issuance by ETI of the ETI Share Consideration to Iberian; (ii) the issuance of the ETI Promissory Note;

“Release Conditions” means all conditions, undertakings and other matters to be satisfied, completed and otherwise met prior to or contemporaneously with the completion of the Plan of Arrangement pursuant to the Arrangement Agreement, including, but not limited to: (i) the conditional approval of a

Stock Exchange to list the ETI Shares; (ii) the approval of the Iberian Shareholders of the Arrangement Resolution; and (iii) all other necessary regulatory and court approvals;

“Securities Act” means the *Securities Act* (Alberta) and the rules, regulations and policies made thereunder, as now in effect and as they may be amended from time to time;

“Stock Exchange” means a Canadian stock exchange, including the TSXV and the CSE;

“Tax Act” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), including the regulations promulgated thereunder, as amended;

“Technology” means information and inventions (whether patentable or not) that relate to chemical treatment systems for the hydrometallurgical extraction of gold from ores, ore concentrates and electronic waste components, as contemplated by the Testing and Transfer Agreement. For greater certainty, the Technology includes but is not limited to the subject matter set out in the Provisional Application and any patents or patent applications claiming priority therefrom or incorporating any part of the subject matter thereof, and any improvements or modifications thereto;

“Technology Business” means the business proposed to be carried on by ETI to develop, operate, market and license products and systems utilizing the Technology;

“Technology Rights” means the rights of Iberian to acquire the Technology, as contemplated by the Testing and Transfer Agreement and the Consent to Assignment and Technology Rights Purchase Agreement;

“Testing and Transfer Agreement” means the Agreement to Conduct Testing and Transfer Intellectual Property dated effective as of January 1, 2016 between Mohave, Scott and Mineworx; and

“TSXV” means the TSX Venture Exchange.

1.2 Information Concerning Forward-Looking Statements

Except for statements of historical fact contained herein, the information presented in this Listing Statement constitutes forward-looking statements or information (collectively **“forward-looking statements”**) within the meaning of Canadian securities legislation.

Forward-looking statements include, but are not limited to, statements with respect to activities, events or developments that ETI expects or anticipates will or may occur in the future, including management’s assessment of future plans and operations and statements with respect to the business plan of ETI. In certain cases, forward-looking statements can be identified by terminology such as “may”, “will”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “forecast”, “outlook”, “potential”, “continue”, “should”, “likely”, or the negative of these terms or other comparable terminology.

Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of ETI to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, risks and uncertainties related to: ETI’s limited operating history and history of no earnings; competition; project risks; industry conditions; joint ventures; changes to government laws and regulations; dependence on key personnel; general economic conditions; political and foreign exchange risks in the jurisdictions in which the ETI carry on, and propose to carry on, their respective business activities; commodity prices; the availability of qualified labour; the receipt of all necessary permits and approvals which ETI may require for their proposed activities; title matters or claims; protection of ETI’s property rights; capital expenditure programs; actual results of current exploration,

development and related activities; interest rates; availability of financing; insurance limitations; environmental risks and hazards; obtaining required approvals of regulatory authorities; and other risks factors including those found in this Listing Statement under section 17 “*Risk Factors*” and in the documents incorporated by reference herein.

Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the forward-looking statements are made and ETI undertakes no obligation to update any forward-looking statement if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

1.3 Market and Industry Data

This Listing Statement includes market and industry data relevant to the Issuer and Iberian’s business that has been obtained from third party sources, including industry publications. The Issuer believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Issuer nor Iberian have independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

1.4 Information Regarding Iberian

The information regarding Iberian that has been included in this Listing Statement is based upon public filings made by Iberian, together with inquiries made of management of Iberian, and accordingly, there can be no assurance that such information is accurate or complete. See section 17 “*Risk Factors*”.

1.5 Currency

In this Listing Statement, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

2. CORPORATE STRUCTURE

2.1 Corporate Name of the Issuer, Head and Registered Office.

The full corporate name of the Issuer is Enviroleach Technologies Inc. (“**ETI**”).

ETI was incorporated under the ABCA on October 21, 2016. On March 21, 2017, ETI amended its articles to remove its share transfer restrictions.

ETI’s registered office is located at 1000, 250 2nd Street, Calgary, Alberta T2P 0C1 and its corporate head office is located at 102, 1603 - 91st Street, Edmonton, Alberta T6X 0W8.

2.2 Jurisdiction of Incorporation

ETI was incorporated under the ABCA.

2.3 Intercorporate Relationships

ETI currently has no subsidiaries.

2.4 Fundamental Change

This section is not applicable to the Issuer.

2.5 Non-corporate Issuers and Issuers incorporated outside of Canada

This section is not applicable as ETI is not a non-corporate issuer nor an issuer incorporated outside of Canada.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Issuer's Business

ETI was incorporated for the purpose of participating in the Arrangement and acquiring the Technology Rights from Iberian.

To obtain initial capital, ETI completed the ETI Seed Private Placement on December 14, 2016, via the issuance of 9,000,000 ETI Shares for aggregate gross proceeds of \$450,000. Certain directors and officers of ETI participated in the ETI Seed Private Placement and collectively purchased 3,650,000 ETI Shares.

ETI and Iberian entered into the Arrangement Agreement dated January 23, 2017, pursuant to which Iberian agreed to transfer the Technology Rights to ETI so that ETI could carry on the Technology Business. In exchange for the Technology Rights, ETI will issue to Iberian the ETI Promissory Note in the amount of \$1,600,000 and the ETI Share Consideration (being 28,000,000 ETI Shares).

On March 13, 2017, ETI completed the Private Placement for 12,000,000 Subscription Receipts for aggregate gross proceeds of \$3,000,000. Each Subscription Receipt entitles the holder to receive, upon satisfaction of the Release Conditions, one ETI Share and one ETI Warrant. ETI issued 206,000 finder's compensation options to an arm's-length finder as part of the Private Placement. Each finder's compensation option entitles the holder thereof to purchase one ETI Share at \$0.25 for a period of two years and one ETI Warrant.

The Arrangement was approved at Meeting and Iberian obtained the Final Order on the following day. Pursuant to the Arrangement Agreement and the Subscription Receipt Agreement, the Release Conditions for the Subscription Receipts were deemed satisfied and ETI issued 12,000,000 ETI Shares and 12,000,000 Warrants in exchange for the 12,000,000 Subscription Receipts. Additionally, pursuant to the Plan of Arrangement, each Iberian Shareholder as of March 21, 2017 received a *pro rata* share of the ETI Share Distribution, being 0.09393909 ETI Shares for each Iberian Share held.

3.2 Proposed Acquisition

Other than the Arrangement, ETI has not completed any significant acquisitions or significant dispositions and currently has no plans for any probable significant acquisitions or probable significant dispositions.

3.3 Trends, Commitments, Events or Uncertainties

As at the date hereof, ETI has not carried on any material business other than in relation to: (i) the Consent to Assignment and Technology Purchase Agreement, (ii) the ETI Seed Private Placement, (iii) the Private Placement, and (iv) the Arrangement. There is no production, sales or inventory held by the Issuer at this time.

Moving forward, ETI intends to focus on operating the Technology Business, largely the development, operation, marketing and licensing of products and systems utilizing the Technology. The Technology includes information and inventions (whether patentable or not) that relate to chemical treatment systems for the hydrometallurgical extraction of gold from ores, ore concentrates and electronic waste components, as contemplated by the Testing and Transfer Agreement. For greater certainty, the Technology includes but is not limited to the subject matter set out in the Provisional Application and any patents or patent applications claiming priority therefrom or incorporating any part of the subject matter thereof, and any improvements or modifications thereto.

There are no current trends in the business of the Issuer nor the Target that are likely to impact the Issuer's performance. Please refer to discussions set out in section 4 "Narrative Description of the Business", section 6 "Management's Discussion and Analysis", and section 17 "Risk Factors".

4. Narrative Description of the Business

4.1 General

(1) Business of the Issuer

ETI was formed for the purpose of participating in the Arrangement and, after the acquisition of the Technology Rights pursuant to the Arrangement, carry on the Technology Business.

(a) Business Objectives

ETI will have two business divisions, one focused on the mining sector and one focused on the E-Waste section. It is expected that each of the business divisions will commercialize the Technology in the E-Waste and mining sectors, respectively, through joint ventures with customers and other third parties operating in such industries.

12-Month Operational Objectives:

- Commercialize the Technology with an aim to establishing product sales and brand recognition with end users.
- Design and develop additional propriety and differentiated products for commercialization.
- Enhance systems integration to seamlessly manage all operating activities and create competitive advantages through best in class fulfillment and customer service.

(b) Significant Milestones and Events

The first milestone for ETI is to develop the sales funnel of potential clients. To achieve this goal, ETI intends to continue to develop and leverage relationships with established industry leaders within each sector that it intends to operate in. ETI believes there are numerous manufacturers of equipment and proprietary processes that will potentially benefit greatly from combining their existing product offerings with the environmentally friendly leach formula that ETI offers. ETI believes these relationships will create additional sales funnels that will highlight the benefits of the ETI product to a broader base of potential clients. ETI believes that the industry partners will be incentivized to bring clients to ETI as they will also benefit from the sale of their own products and services when the client moves forward with the ETI product. ETI expects this to be an ongoing process.

Once a client enters into an agreement with ETI, the first step in the process is testing and analysis, which involves a multi-step program, providing a continuing revenue stream. Under this multi-step program, ETI will engage in various testing for the client, including modifying its base formula to match the specific site characteristics of each material, conducting a preliminary test to ensure that the material will work with the ETI product, conducting a detailed test to confirm and define the exact formula to be used and conducting a lab pilot plant test to confirm that previous results can be replicated on a continuous circuit basis and provide the final recovery economics.

After testing confirms that the ETI product will provide an economic benefit, ETI will work with the client and equipment suppliers to design and install a system to process their materials. ETI will charge a design consultation fee for this service. Once the design and installation stage is complete, the client will be charged an initial license fee.

Additionally, ETI expects that it will generate revenue from the supply of chemicals as part of the product formula as well ongoing licensing fees.

(c) *Total Funds Available*

ETI currently has approximately \$109,400 of available funds. Prior to the Arrangement and as at February 28, 2017, the Issuer had working capital of \$125,000. The Issuer subsequently completed the Private Placement for aggregate gross proceeds of \$3,000,000.

The estimated use of available funds is as follows:

<u>Use of Available Funds</u>	<u>Dollar Amount (\$)</u>
Management fees and salaries for staff	1,140,000
Administration services and office	289,000
Laboratory and testing costs	412,000
Technology payments	510,000
Investor relations and shareholders' communications	88,000
Transfer agent and regulatory fees	151,000
Professional fees (including fees associated with the Arrangement, the Seed Private Placement, and the Private Placement)	260,000
Unallocated Working Capital	510,000
Total	<u>3,100,000</u>

Due to the nature of mineral exploration and development, budgets are regularly reviewed in light of success of the expenditures and other opportunities which may become available to ETI. Accordingly, while ETI anticipates that it will spend the funds available to it as stated herein, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent.

(2) Principal Products and Services

The Technology Business

ETI owns the Technology Rights, consisting of information and inventions (whether patentable or not) that relate to chemical treatment systems for the hydrometallurgical extraction of gold from ores, ore concentrates and electronic waste components, as contemplated by the Consent to Assignment and Technology Transfer Agreement. Each of the ETI business divisions will conduct the Technology Business in its respective target industry.

The Technology comprises a proprietary formula and process by which precious metals can be extracted from the host material in a safe, environmentally friendly and sustainable fashion. ETI's primary target industry sectors are the mining sector for the treatment of ores, concentrates, and tailings and the E-Waste management sector for the treatment of electronic waste streams.

Overview of the Current Gold Extraction Process and the Use of Cyanide in the Leaching Process

Although new processes are being proposed on a regular basis, there have in fact been no dramatic changes in the metallurgical techniques for gold extraction since the introduction of the cyanide process (cyanide leaching or cyanidation) by McArthur and Forrester in 1887.

Processes in Commercial Mining and Recovery of Gold

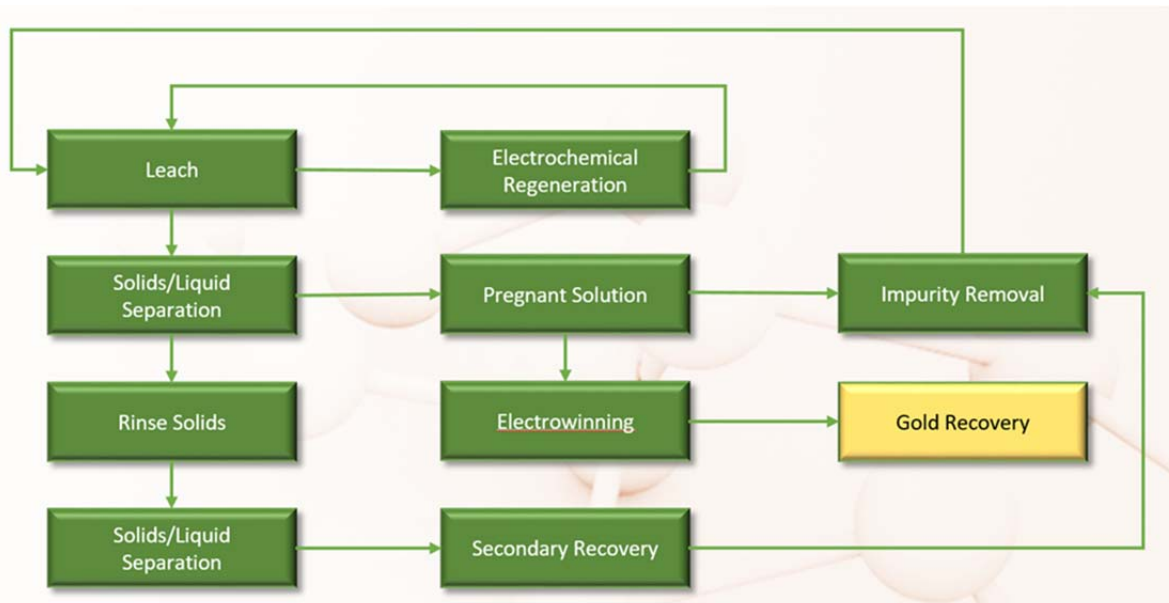
Set forth below is a summary of the processes currently employed for recovery of gold in the Mining and E-Waste sectors.

1. **Mining** - To define the ore from the waste rock, samples are taken at set intervals along surveyed lines within the pit. These samples are assayed. Assay results are used to mark out areas of ore and waste rock, which are mined separately. Some of the harder areas require blasting to loosen the rock prior to excavation by hydraulic diggers. Dump trucks haul the rock to the primary crushers.

1. Crushing - The primary crushers - located at the mine site, receive ore and waste at separate times. They break the larger rocks down to a size suitable for transport on the conveyor.
2. Transport - A rubber belted conveyor transports the ore and waste rock to the mill and waste disposal area. Large electromagnets remove any steel debris excavated from the old workings.
3. Grinding and Sizing - Ore is stockpiled at the mill before being fed into a semi autogenous grinding (SAG) mill with lime, water and steel balls. The larger particles from this mill are returned to the SAG mill for more grinding. The finer particles receive more grinding in a ball mill, and are size classified to give a final product of 80% > 70 microns.
4. Leaching and Adsorption - A slurry of ground ore, water and a weak cyanide solution is fed into large steel leach tanks where the gold and silver are dissolved. Following this leaching process the slurry passes through six adsorption tanks containing carbon granules which adsorb the gold and silver. This process removes 93% of the gold and 70% of the silver.
5. Elution and Electrowinning - The loaded carbon is fed into an elution column where the bullion is washed off. The barren carbon is recycled. The wash solution—pregnant electrolyte—is passed through electrowinning cells where gold and silver is won onto stainless steel cathodes.
6. Bullion Production - The loaded cathodes are rinsed to yield a gold and silver bearing sludge which is dried, mixed with fluxes and put into the furnace. After several hours, the molten material is poured into a cascade of moulds producing bars of doré bullion.
7. Water Treatment - Some water from dewatering the mine, from the embankment underdrains and decantation from the tailings pond is recycled for use in the grinding circuit. Excess water is pumped to a water treatment plant and treated to the required standards before being discharged.
8. Tailings Disposal - Waste rock from the mine is used to build the embankment structures. The embankment retains the tailings slurry in a pond where solids settle and compact. Water is decanted off and used in the process plant or treated before it is discharged.

Current Leaching Process

Precious metal in substrate such as mined ore can be recovered by contacting the substrate with a leaching solution. Generally, the leaching solution is contacted with substrate to solubilize the precious metal. Thereafter, valuable components of the solution, such as the solubilized precious metal, are recovered. The diagram below illustrates the leaching process.



Upon contact with substrate containing precious metal, the leaching solution solubilizes the precious metal. Contact time between the leaching solution and the substrate can be selected to achieve desired recovery targets and processing goals. Typically, techniques can achieve desirable precious metal solubility concentrations within two hours.

Typically, the leaching solution is an aqueous-based solution and preferably such solution is made without the use of strong acids, such as sulfuric acid, nitric acid, sulfonic acid and hydrogen chloride. Cyanide, a toxic agent, is still commonly used in the leaching solution, which is problematic in a number of ways, as discussed further below.

The Use of Cyanide in the Leaching Process

Gold cyanidation is a metallurgical technique for extracting gold from low-grade ore by converting the gold to a water-soluble coordination complex. It is the most commonly used process for gold extraction. Cyanide, in the form of a very dilute sodium cyanide solution, is used to dissolve and separate gold from ore. The process used to extract gold using cyanide was developed in Scotland in 1887, and was first used in large scale commercial mining by the New Zealand Crown Mines Company at Karangahake in 1889. Cyanide leaching is considered to be a much safer alternative to extraction with liquid mercury, which was previously the main method of removing gold from ore. Cyanide leaching has been the dominant gold extraction technology since the 1970s, although small-scale and artisanal miners continue to use mercury in some areas of the world.

The concentration of cyanide used in this process is normally in the range of 0.01% and 0.05% sodium cyanide (100 to 500 parts per million). (MINERALS COUNCIL OF AUSTRALIA FACT SHEET - CYANIDE AND ITS USE BY THE MINERALS INDUSTRY MARCH 2005) As part of their best practices, mines use as little cyanide as possible for environmental, safety, and economic reasons. Cyanide leaching is usually done along with a physical process like milling, crushing, or gravity separation. The pH of the resulting slurry is raised by adding lime or another alkali to ensure that cyanide ions do not change into toxic cyanide gas (HCN). The gold is then further concentrated and reduced, before being smelted into gold bullion.

Cyanide is toxic in large doses and is strictly regulated in most jurisdictions worldwide to protect people, animals, and the aquatic environment. Cyanide prevents the body from taking up oxygen, resulting in suffocation, which may be fatal to humans and animals without prompt first aid treatment. However, people and animals can rapidly detoxify non-lethal amounts of cyanide without negative effects, and repeated small doses can be tolerated by many species. Some long-term health effects have been

observed in people who have a diet high in cyanide-containing plants such as cassava, and include goiter and depressed thyroid function.

In high concentrations, cyanide is toxic to aquatic life, especially fish which are much more sensitive to cyanide than humans. Because the greatest environmental threat from cyanide to aquatic life is from intentional or unintentional discharges into surface waters, water monitoring and water management on mine sites is very important. Regulations frequently limit the amount of cyanide which may be discharged into the environment, and there are a number of water treatment technologies available to remove cyanide from mine water.

Birds and other wildlife are also potentially at risk from cyanide poisoning if they are using tailings ponds for drinking or swimming. To prevent wildlife fatalities, cyanide levels in tailings ponds can be reduced to safe levels by minimizing the amount of cyanide used, removing cyanide in waste streams and recycling it, and by using chemical or biological reactions to convert the cyanide into less toxic chemicals. A standard of 50 mg/L weak acid dissociable cyanide is widely accepted to be a safe level for water accessible to wildlife, and has essentially eliminated the number of migratory bird deaths from this cause.

In addition, any accidental cyanide spills cause major impacts on surface waters and environmental damages. Due to the highly poisonous nature of cyanide, the process of using cyanide in the leaching process is controversial and its usage is banned in a number of countries and territories.

In Canada, cyanide is considered a hazardous substance, and provincial and federal legislation requires it to be transported, handled, and disposed of by fully trained personnel in certified storage containers. (whmis.org) Its disposal and discharge into the environment at mine sites is regulated provincially using permits and licences. In addition, the cyanide concentration of effluent leaving a metal mining operation must be below the maximum allowable concentration of 1.0 mg/L prescribed by the Metal Mining Effluent Regulations under the federal *Fisheries Act*. Cyanide in effluent is measured through water sampling and in 2010 metal mines achieved 100% compliance for cyanide.

The U.S. federal government has laws that, at most, indirectly regulate cyanide when used in mining operations. There is no federal anti-cyanide statute for mining. Federal statutes that will affect the use of cyanide include the *Clean Water Act*, the *Endangered Species Act*, the *National Environmental Policy Act*, the *Federal Land Policy Management Act* and the *National Forest Management Act*. Of those five statutes, the one that is the most powerful—an almost certain veto of a mine considering the use of cyanide—is the *Endangered Species Act*. If a mine using cyanide might adversely affect an endangered species, that mine itself will become endangered if there is not a terrific mitigation plan in place for the species and its habitat. The *Clean Water Act* can also be a deterrent to the opening of a mine using cyanide.

In the U.S., state and local cyanide regulations are typically based on the U.S. Bureau of Land Management's ("BLM") national cyanide policy. The mine must have the ability to contain any process using cyanide so that it withstands the run-off from a 24-hour storm with a 100-year reoccurrence interval. The state BLM office prepares a cyanide management plan before permits are issued to mine applicants.

The state of Montana banned the use of cyanide gold mining in 1998, followed by Wisconsin in 2001.

Current Cyanide Alternatives:

1. Thiourea - this is the only alternative lixiviant that has found some large-scale applications as reported in Australia, China and France (Miner Eng.). Perhaps the biggest drawback that thiourea has experienced is that it has been categorised as a suspected carcinogenic compound and a water contaminant. On an economical basis compared to cyanide, thiourea will remain a less attractive alternative lixiviant to cyanide, because of the higher reagent costs (especially if it has to be detoxified), capital costs and its limitations with regard to being only suitable for certain ore types. With regards to toxicity, there is also no advantage to be seen.

2. Thiosulphate - The use of thiosulphate as an alternative lixiviant has passed laboratory scale to a pilot scale heap in an application in Nevada, USA. One apparent advantage of the use of sodium thiosulphate would seem to be its relatively low lethal toxicity and ecotoxicity. The availability of thiosulphate is, however, high and reasonable in price, but the high reagent consumptions would indicate extraction economics much higher than that of cyanidation. Thiosulphate is either economically more viable (but still less so than cyanide) or environmentally acceptable, but not both, depending on whether ammonium or sodium is used as the cation for thiosulphate.
3. Thiocyanate - has been known to act as a lixiviant for gold for a long time. A high temperature around 85 °C is necessary to achieve satisfactory leach performance, the higher temperatures would indicate that high capital costs would be required for a leach plant. The higher temperatures would also mean that higher operating costs would be required compared to cyanidation. No large-scale applications of this process are known.
4. Bisulphite - Compared to cyanide, bisulphite does not offer any major technical advantages nor does it have such favourable lethal toxicity and ecotoxicity data to warrant a more favourable classification regarding safe handling or environmental damage in the case of a spillage. The long retention times as well as the probably very high capital costs involved for the closed system necessary, would also lead to the economic viability being much less favourable than that of cyanide. This may be the main reason why no large-scale application has ever existed.
5. Ammonia - The use of ammonia is more commonly known as an additional reagent in cyanidation for copper-containing orebodies. The high temperatures and pressures required would indicate high capital investment and operating costs for a leach plant of this type. Regarding safe handling and environmental friendliness, the toxicity data does not warrant categorizing ammonia into a more favourable position than cyanide.
6. Halides - Halogens - Bromide, chloride and iodide, especially chloride, are well known lixivants for the leaching of gold. In the case of bromide and chloride, the extraction economics would seem to be reasonable. However, the use of an oxidant, usually the halogen of the halide itself, would lead to higher capital investment costs for the prevention of corrosion and the use of a closed system. The advantage of the use of halides/halogens would seem to be their universal applicability for most ore types as is the case with cyanidation. The biggest drawback in the use of the halides/halogens lies in the handling, workers' exposure to the corrosive materials (bromine and chlorine) would be possible. The use of chloride is a proven technology in gold refining. However, no current large scale applications of leach plants are known.

Recovery Processes

Once the leaching process is completed, the common processes for the recovery of the solubilized gold from solution include: (i) electrowinning / electrorefining; (ii) carbon adsorption; and (iii) precipitation.

(i) Electrowinning

Electrowinning, also called electroextraction, is the electrodeposition of metals from their ores that have been put in solution or liquefied. Electrorefining uses a similar process to remove impurities from a metal. Both processes use electroplating on a large scale and are important techniques for the economical and straightforward purification of non-ferrous metals.

The resulting metals are said to be electrowon. In electrowinning, a current is passed from an inert anode through a liquid leach solution containing the metal so that the metal is extracted as it is deposited in an electroplating process onto the cathode. In electrorefining, the anodes consist of unrefined impure metal, and as the current passes through the acidic electrolyte the anodes are corroded into the solution so that the electroplating process deposits refined pure metal onto the cathodes.

(ii) Carbon Adsorption

The process known as carbon in pulp, or charcoal in pulp or CIP controls the gold precipitation from the cyanide solution by use of activated charcoal (carbon). Activated carbon can be manufactured from wood, nuts shells, coal, petroleum coke and a variety of organic products. Coconut shell carbon is preferred because of its commendable durability and high adsorption capability for gold and silver cyanide.

The technique involves contacting the leached pulp with granular carbon (about -8 to +20 mesh) in a series of gently agitating tanks with a sufficient retention time. The carbon is recycled through the circuit to build up the loading to 8-10 per cent by weight.

The loaded charcoal is then separated from the pulp on a suitable vibrating screen, coarse enough to retain the carbon, but fine enough to allow the pulp to pass through. The carbon is next sent to the stripping column for desorption and regeneration. The technique is used on low grade gold and silver ores.

Leached pulp and carbon are transferred in a counter current flow arrangement between a series of tanks. In the final tank, fresh or barren carbon is put in contact with low grade or tailings solution. At this tank the fresh carbon has a high activity and can remove trace amounts of gold (to levels below 0.01 mg/L Au in solution).

As it moves up the train, the carbon loads to higher and higher concentrations of gold, as it meets higher grade solutions. Typically, concentrations as high as 4000 to 8000 grams of gold per tonne of carbon (g/t Au) can be achieved on the final loaded carbon, as it meets freshly leached ore and pregnant leach solution (PLS). This can be measured by comparing the amount of gold extracted from the carbon to the amount of carbon used. The final loaded carbon then is removed and washed before undergoing elution. The elution of loaded carbon may also be speeded by using pressure elution (120 to 130°C at 70 psig) in 6 to 8 hours.

(iii) Precipitation (Merrill-Crowe process)

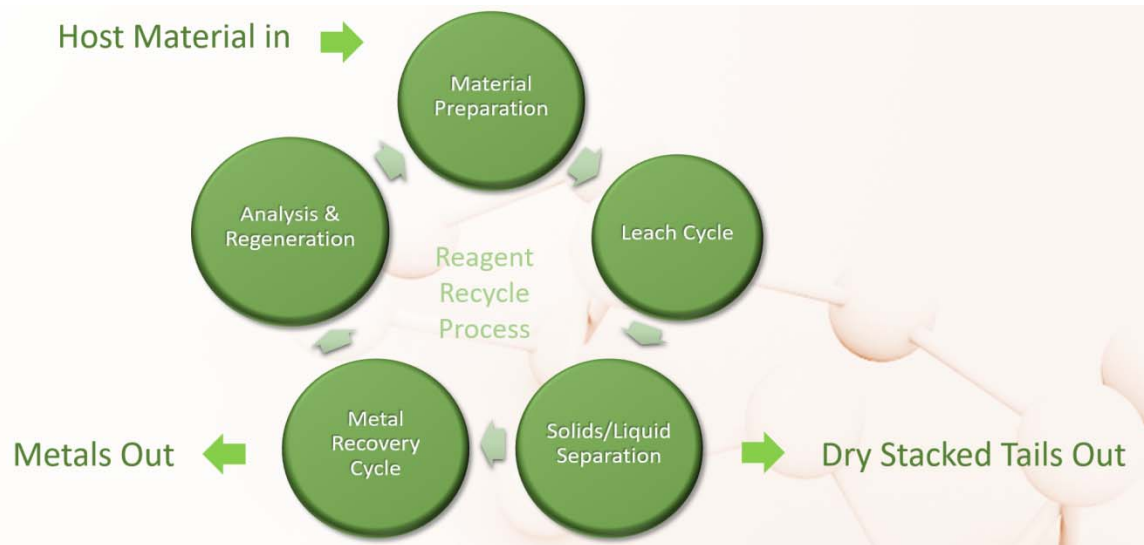
The recovery of the precious metals like gold and silver from solution can also be accomplished by precipitation (also call the Merrill-Crowe process after the inventors) with zinc, either in the form of fine threads or of dust (the condensed fume recovered in the process of retorting the metal). The phenomena of precipitation are essentially electrical and may be traced to the action set up by two metals of different potentials forming a galvanic couple, with the solution as the electrolyte.

The Enviroleach Technology Advantage

The Technology Rights to be acquired by Enviroleach offers new and improved processes for recovery of gold by among other things, employing the use of X-Leach, a non-cyanide based leach formula, as set forth below.

1. Material Preparation – the material processed into either a concentrate or crushed to produce a host that can be introduced into the system.
2. Leach Process - the host material is added to a premixed solution of the lixiviant on a solids to liquid ratio of 25/75 density by weight. The solution is agitated throughout the desired duration.
3. Solids/Liquid Separation - the mixed solution is pumped to a clarifier whereby necessary flocculants and/or coagulants are added to assist in the settling process. The clarifier overflow is then filtered and pumped to the pregnant solution pre-treatment tank. The clarifier underflow is pumped to a filtration unit to reduce the solids moisture content to under 15%. The liquid is sent to the pregnant solution pre-treatment tank. The filter cake is rinsed and the rinse fluid is sent to the rinse water storage/treatment tank. The post rinsed (dry) filter cake is disposed of.
4. Metals Recovery - the pregnant solution is pumped through a series of selective ION exchange resins and then to electrowinning cells to recover metals in solution.

5. Analysis and Regeneration - the depleted solution is transferred to a holding tank where it is analyzed for formula strength, oxygen reduction potential, pH and automatically adjusted by way of electro-chemical enhancement and additives as required.



Market Overview

By eliminating the use of cyanide in the leaching process, the Technology Rights offer an eco-friendly alternative to the current methods employed by the Mining and E-Waste markets.

Gold will be the primary target mineral that ETI will pursue in both the Mining and E-Waste segments. Other minerals such as silver and platinum do have potential for market growth.

1. Mining Market

The initial target market will be existing gold operations that either produce concentrates that are processed by others or have ore deposits that contain precious minerals that were not captured in initial processing. These are markets that have the most potential for increasing their profitability by using the Technology. Even though gold prices have fluctuated significantly over the past few years, gold production continues to increase - total world mine production of gold in 2014 was about 3,010 metric tons, 94.8 tons more than production in 2013. (USGS 2014 Minerals Yearbook – Gold)

2. E-Waste Market

Electronic waste (e-waste) is defined by the Interagency Task Force on Electronics Stewardship as used electronics that are nearing the end of their useful life, and are discarded, donated or given to a recycler. E-waste includes, but is not limited to, computers, computer monitors, printed wiring or circuit boards, telephones, copiers, fax machines, capacitors, transformers, cell phones, tablets and gaming systems or other devices that may contain heavy metals such as mercury, lead, cadmium, and chromium, precious metals (e.g., gold) or other hazardous substances.

E-waste is one of the fastest-growing waste streams in the world, both in developed countries as well as developing countries, and includes items such as mobile devices, computers, monitors, televisions and DVD players, among other electronic equipment. The lifespan of computers in developing countries, for example, has dropped significantly in recent years, and mobile devices frequently have a lifespan of less than two years. As consumers and businesses favour disposable technology and a shorter life cycle for electronics, the amount of e-waste generated is increasing. In 2013, for example, over 22 million Canadians had mobile device subscriptions, with many people replacing their devices on either an annual or biennial schedule. (CIRA Factbook 2014)

A large portion of e-waste can be recycled, components of which can be recovered as “urban ore.” E-waste recycling involves reprocessing obsolete or unwanted electronics that have exhausted their re-use potential and would otherwise be disposed of in landfills. From 50,000 mobile phones, Electronics Product Stewardship Canada estimates that approximately 1 kilogram of gold, 400 grams of palladium, 10 kilograms of silver, and 420 kilograms of copper can be recycled. By recycling these items, valuable materials are kept out of landfills and can produce new products using resources that do not need to be mined. It is estimated that the world’s supply of end-of-life electronics offers a material resource of 40 million tonnes annually, from which a variety of component materials can be recycled. (United Nations University report) Propelling these efforts internationally is the Basel Convention, which controls the export of hazardous waste and requires e-waste to be treated as close to its origins as possible. The Convention, which entered into force in 1992, now has 183 parties, 52 of which are signatories, including Canada and the European Union.

To reduce the E-Waste generated across the world, E-Waste management initiatives are being taken by the government agencies of various regions. Market players are taking measures to recycle the E-Waste to reduce the pollution and environmental hazards caused by it.

Rapid technology advancement and frequent innovations have been leading to increasing sales of electronics products. In particular, mobile devices, televisions and computer devices are experiencing fast growth across the world. With increasing purchasing power and rising trend of disposable income, the sale of these electronics devices is increasing continuously. In addition, the new product launches with updated features and additional services are attracting the customers to upgrade their old products with new products.

Competitive Landscape

The Technology enters the marketplace with the performance characteristics that outperform the current competitors but in a manner that will provide a solution to the industry’s increasingly stringent environmental regulations.

The Technology has little or no competition now other than cyanide and the existing cyanide alternatives as discussed above. Given the poor performance and limitations of other cyanide alternatives, and being an early mover in this market, management is confident it can position itself as the dominant player.

Market Position

Over the past couple of decades, several initiatives have been made to develop lixivants with the intention of replacing cyanide in gold leaching. In 1980's these initiatives were largely economically driven, due to cyanide shortages at that time. In more recent times, the driving force has shifted to occupational health and environmental considerations. It is often argued that the high acute toxicity of cyanide alone makes it worthwhile considering to replace it completely by less toxic alternative lixivants. This has led to having to consider more criteria in the choice of any alternative lixivants, which have often not been considered in the past. An ideal lixiviant is economical, universally applicable on most ore types and safe to transport, handle and detoxify or recycle.

It should be mentioned that any lixivants operating in the acidic (e.g. thiourea) or even neutral pH range will tend to mobilize any metals present like copper or iron to a greater extent compared to a lixiviant operating in the alkaline pH range (e.g. cyanide). This can have the disadvantages of less selectivity for gold leaching, higher reagent consumption, because these metals are also leached, and higher treatment costs for any resulting effluents.

To generate a profile, as a basis of comparison of these lixivants using these criteria, it is important to distinguish between the various kinds of toxicities. Taking the handling of a particular lixiviant as one of the criteria, the lethal dosage (e.g. LD50) as well as the occupational health standard e.g. TLV (or the German equivalent: MAK) can be considered to yield indications as to how difficult the lixiviant is to handle safely. It should always be kept in mind that these toxicity criteria do not mean much, without

simultaneously considering the question of exposure to the chemical and the products formed from its processing and treatment.

The criteria for ecotoxicity can be indicated by lethal concentrations for aquatic life (e.g. LC50) and the categorization of the lixiviant into classes of water contaminants. The latter exists in Germany and is called WGK (Wassergefährdungsklasse). It is useful as a broad categorization (0 = not a water contaminant, 1 = slight water contaminant, 2 = water contaminant, 3 = strong water contaminant). The ecotoxicity data is important in cases of the lixiviant accidentally entering any natural waterways (e.g. dam failure and transport incident) or for meeting water regulatory criteria.

	Enviro Leach	Cyanide	Thiorea	Thiosulphate	Thiocyanate	Bisulphide	Ammonia	Chlorine
Applicability Spectrum	Broad	Broad	Limited	Limited	Limited	Limited	Limited	Limited
pH Sensitivity	Low	High	High	High	Low	High	High	High
Temp Sensitivity	Low	Low	High	Medium	High	Medium	High	Medium
Reagent Concentrate Sensitivity	Low	Low	High	High	High	High	High	High
Leach Kinetics	Fast	Medium	Fast	Fast	Medium	Slow	Fast	Fast
Toxicity	Low	High	High	Low	High	High	High	High
Highly Acidic Or Highly Caustic	No	Yes	Yes	No	Yes	Yes	Yes	Yes
WGK Value (H2O Hazard Classes)	1	3	2	1	1	2	2	2
Consumption Rate	Low	Low	High	High	High	Medium	Low	Medium
Reusability/Recyclability	High	Medium	Low	Medium	Medium	Medium	High	Medium
Detox Costs	N/A	High	High	Medium	High	High	High	Medium
Requires Off Gas Control	No	Yes	Yes	Yes	No	yes	yes	Yes
Requires Elevated Temperature	No	No	No	No	Yes	Yes	Yes	No
Costs compared to Cyanide	Similar	N/A	Higher	Higher	Higher	Lower	Higher	Similar
Capital Costs	Low	Medium	High	High	High	Medium	High	High

Looking at aspects of emission, exposure as well as regulations and limitations, the above mentioned previous potential alternatives showed no significant advantages in their own right. Therefore, no one of these previous alternative substances could claim to be a real alternative to cyanide, even when only toxicity and exposure aspects are considered. The Technology does offer this clear advantage and with the ability to recycle the product the cost profile becomes similar.

Market Analysis

The mining sector is broadly separated into mines that produce ore, concentrates, or self refine.

Self refining operations would currently have a process that is producing ore onsite already. Most of these sites would be achieving this with an onsite cyanide facility that was previously permitted. These sites will not be the preliminary focus of ETI as the cost of conversion and operation utilizing ETI will be higher than the current set-up. As environmental concerns become a larger issue to these operations, the potential for conversion to ETI will increase.

The Technology would be most applicable for ore and concentrate operations. Ore operations are broadly characterized as containing a low amount of gold but processing a high amount of material, while the concentrate operations would contain a high amount of gold but process a much lower volume of material. These different markets would require a different pricing model due to these characteristics. The expected capital cost to implement the Technology will be higher for ore operations as they will require larger facilities to handle the larger daily throughput.

ETI has had inquiries from various mining companies. A survey of the mining industry yielded at least 240 precious mining operations in Canada and the United States. ETI currently expects that it will have a market share that is approximately between 5 - 10% at the end of the next four years.

The ETI Business

Commercialization Plan - The Mining Market

ETI's current business plan is to generate revenue based on a combination of: (a) fees charged for testing and analysis for setting up and utilization of the Technology; (b) a licensing arrangement where a

monthly fee is paid by the user based on the size of their operation; and (c) additional revenue generated from supplying the chemicals required to utilize the Technology.

The licencing fee arrangement is intended to provide a base monthly revenue stream that is not affected by changes in the chemical sales. The chemicals that a site is required to purchase could decrease if improvements are made to the system that decrease the chemical losses during the process. Additional revenue sources in the future could include the sale or leasing of the equipment required to commence an operation.

Testing, Analysis and Set-Up

In order for a mining operation to utilize the Technology, the base formula must be modified slightly to match the site characteristics of the specific materials being produced at the operation, therefore creating a revenue stream for ETI from providing testing and analysis services. There are three levels of testing that a potential client would undergo before starting commercial production.

- A preliminary test to ensure that material will work with the Technology and does not contain any other materials that render the Technology ineffective;
- A detailed test that is used to define the exact formula that is most efficient for that specific material;
- A lab pilot plant test to confirm that previous results are replicated on a continuous circuit basis and provide the final recovery economics.

ETI expects to charge testing costs that are in line with rates charged by other labs such as the Met-Solve Labs. After testing confirms the Technology is going to provide an economic benefit, ETI will work with the client and equipment suppliers to design and install a system to process their material.

Continuing Operating Licensing

After the design and installation is completed, an approximate 3-month process, the client will be charged an initial license setup fee as well as an ongoing monthly licensing fee. It is expected that the monthly licensing fee will include a fixed charge per ton processed.

Chemical Supply

It is expected that the client will continue to source the base chemicals required to utilize the Technology from ETI. It is expected that chemical sales will still provide continuing sales revenue as moisture losses and accidental spillage would require chemical resupply.

Commercialization Plan - The E-waste Market

ETI's approach to this sector is to partner with existing producers to substitute the Technology with their current process. The partnerships would involve an upfront fee to secure the rights to an area then usage fees or net sales royalties plus charges for chemical supply.

(3) Production and Sales

See (2) above.

(4) Competitive Conditions and Position

Please refer to section 17 "*Risk Factors*".

(5) Lending Operations

This section is inapplicable to the Issuer as the Issuer is not in the business of lending.

(6) Bankruptcy and Receivership

There have been no bankruptcy, receivership or similar proceedings against ETI, or any voluntary receivership, bankruptcy or similar proceedings by ETI since its incorporation.

(7) Material Restructuring

Other than the Arrangement, there have been no material restructuring transactions of ETI since its incorporation.

(8) Social and Environmental Policies

As ETI was incorporated for the purpose of participating in the Arrangement and effecting a spin-out of the Technology Rights and has not carried on any active business to date, ETI has not yet implemented any social or environmental policies.

ETI will be committed to meeting industry standards in each jurisdiction in which it operates with respect to human rights, environment, health and safety policies. Management, employees and contractors will be governed by and required to comply with ETI's pending environment, health and safety policy as well as all applicable federal, provincial and municipal legislations and regulations.

It will be the primary responsibility of the country managers, supervisors and other senior field staff of ETI to oversee safe work practices and ensure that rules, regulations, policies and procedures are being followed. ETI will establish roles and responsibilities to facilitate effective management of this policy throughout the organization.

4.2 Asset-Backed Securities

Not applicable as the Issuer has no asset-backed securities outstanding.

4.3 Companies with Mineral Projects

Not applicable as the Issuer does not have a mineral project.

4.4 Companies with Oil and Gas Operations

Not applicable as the Issuer does not have oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information of Issuer

The following table provides a brief summary of pro-forma financial information of the Issuer as at December 31, 2016 and does not take into consideration the effect of the Private Placement, which is reflected in the pro forma financial statements included elsewhere in this document. This summary financial information should only be read in conjunction with the Issuer financial statements, including the notes thereto, included elsewhere in this document, including in Section 25 "*Financial Statements*".

Operating Data	From inception October 21, 2016 to December 31, 2016
Total Revenues	0
Total G&A Expenses	(108,148)
Net Loss for the Period	(141,415)
Basic and Diluted Loss per Share	(0.06)
Dividends	0
Balance Sheet Data	
Total Assets ⁽¹⁾	1,964,537
Total Current Liabilities	495,921
Total Liabilities	1,555,952

Note:

(1) Includes value of Technology Rights.

5.2 Quarterly Information

The Issuer was incorporated on October 21, 2016. As such, the only available financial information is included in section 5.1 above.

5.3 Dividends

ETI has not declared or paid dividends on any of its shares and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for research and development. Any decision to pay dividends on its shares will be made by the ETI Board on the basis of ETI's financial condition, earnings, results of operations, financial requirements and other conditions existing at such time.

5.4 Foreign GAAP

Not applicable to the Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Please refer to Schedule "B" for the Issuer's Management Discussion and Analysis for the period from incorporation to December 31, 2016.

7. MARKET FOR SECURITIES

The ETI Shares are not currently traded or quoted on a stock exchange or marketplace.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of ETI.

Designation of Security	Amount Authorized	Outstanding
ETI Shares	Unlimited	51,000,000 \$4,950,000

9. OPTIONS TO PURCHASE SECURITIES

ETI has adopted the ETI Stock Option Plan. Please refer to Schedule "C" for a full copy of the ETI Stock Option Plan. As of the date hereof, no options have been granted under the ETI Stock Option Plan.

Terms of the ETI Stock Option Plan

Directors, officers, consultants and employees of ETI or its subsidiaries, and employees of a person or company which provides management services or investor relations services to ETI or its subsidiaries

may participate in the ETI Stock Option Plan. The purpose of the ETI Stock Option Plan is to provide the participants with an opportunity to purchase ETI Shares and to benefit from the appreciation thereof. This will provide an increased incentive for the participants to contribute to the future success and prosperity of ETI, thus enhancing the value of the ETI Shares for the benefit of all the shareholders and increasing the ability of ETI and its subsidiaries to attract and retain individuals of exceptional skill.

Under the ETI Stock Option Plan, options to purchase ETI Shares may be granted in such numbers and with such vesting provisions as the ETI Board may determine.

The price per share at which ETI Shares may be purchased under an ETI Option shall be fixed by the ETI Board when the ETI Option is granted, provided that such price shall not be less than the price permitted by the Stock Exchange. Once the exercise price has been determined by the ETI Board, accepted by the Stock Exchange and the option has been granted, the exercise price of an option may only be reduced, in the case of options held by insiders of ETI if disinterested shareholder approval is obtained at a meeting of the shareholders.

The ETI Stock Option Plan also provides that the ETI Options granted under the ETI Stock Option Plan together with all of ETI's other previously established stock option plans or grants, shall not result at any time in:

1. the number of outstanding ETI Options exceeding 10% of the issued and outstanding ETI Shares at any time; and
2. the grant to any one (1) optionee within a twelve month period, of a number of ETI Options exceeding 5% of the issued and outstanding ETI Shares (or 2% of the issued and outstanding ETI Shares in the case of an ETI Optionee who is a consultant or an employee conducting investor relations activities).

In the event of the death of a participant on or prior to the expiry time of an ETI Option, such ETI Option may be exercised as to such of the ETI Shares in respect of which such ETI Option has not previously been exercised (including in respect of the right to purchase Shares not otherwise vested at such time), by the legal personal representatives of the participant at any time up to and including (but not after) a date one (1) year following the date of death of the participant or the expiry time of such ETI Option, whichever occurs first.

Pursuant to the ETI Stock Option Plan, ETI can, at any time, have a number of ETI Options outstanding equal to up to 10% of the then issued and outstanding number of ETI Shares. In the event of the exercise or cancellation of any ETI Options, ETI could make a further grant of ETI Options, provided that the 10% maximum is not exceeded. In that regard, the ETI Stock Option Plan is a "rolling" stock option plan.

10. DESCRIPTION OF THE SECURITIES

10.1 General

ETI is authorized to issue an unlimited number of ETI Shares. As at the date of this Listing Statement, there are 51,000,000 issued and outstanding ETI Shares and no other securities issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions which will be attached to the ETI Shares.

(1) ETI Shares

Holders of ETI Shares (common shares) are entitled to notice of, and to one vote per share at, all meetings of ETI Shareholders, to receive dividends as and when declared by the ETI Board and to receive a pro rata share of the assets of ETI available for distribution to holders of common shares in the event of liquidation, dissolution or winding-up of ETI.

10.2 Debt securities, Other Securities, Modifications of Terms and Other Attributes

None of the matters set out in sections 10.2 to 10.6 of CSE - Form 2A are applicable to this Issuer.

10.3 Prior Sales

On December 14, 2016, ETI completed an initial seed share private placement of 9,000,000 ETI Shares at \$0.05 per share. Upon incorporation on October 21, 2016, ETI issued 1 ETI Share to the incorporator of ETI, which was surrendered for cancellation on December 14, 2016.

On March 13, 2017, ETI completed a non-brokered private placement financing of 12,000,000 non-transferable Subscription Receipts at a price of \$0.25 per Subscription Receipt for aggregate gross proceeds of \$3,000,000. Upon Each Subscription Receipt entitled the holder to receive, upon satisfaction of the Release Conditions, one ETI Share and one ETI Warrant. The Release Conditions were satisfied on March 15, 2017 and the ETI Shares and ETI Warrants were issued on the same date.

As part of the Arrangement, ETI also issued 28,000,000 ETI Shares to Iberian as partial payment for the Technology Rights. There are currently 51,000,000 ETI Shares issued and outstanding, of such 51,000,000 ETI Shares, 3,650,000 ETI Shares will be subject to an escrow arrangement - see "Escrowed Securities" below. Pursuant to the Consent to Assignment and Technology Purchase Agreement, 2,000,000 ETI Shares were also issued to Mohave and Scott on March 15, 2017. The 2,000,000 ETI Shares are held in escrow by ETI in a voluntary escrow arrangement and are released from escrow to Mohave and/or Scott on the basis of 500,000 ETI Shares per year for a period not exceeding 4 years.

10.4 Stock Exchange Price

The ETI Shares are not currently traded or quoted on a stock exchange or marketplace.

11. ESCROWED SECURITIES

As required under the policies of the CSE, principals of the Issuer entered into an escrow agreement (the "Escrow Agreement") as if it was subject to the requirements of National Policy 46-201 – Escrow for Initial Public Offerings ("NP 46-201"). The escrow agent is Computershare Trust Company of Canada. Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers.

The form of the Escrow Agreement must be as provided in NP 46-201, subject to the aforementioned modifications. The table below includes the details of escrowed securities that will be held by principals of ETI.

Name, Proposed Position(s) with ETI, Municipality of Residence	Number of Securities Held in Escrow	Percentage of Class of Shares
Duane Nelson President, CEO and Director North Vancouver, BC	1,000,000	1.96%
Don Weatherbee CFO and Corporate Secretary Edmonton, AB	200,000	0.39%
Greg Pendura Director Edmonton, AB	500,000	0.98%
Kenneth C. McNaughton, M.A. Sc. Director Vancouver, BC	250,000	0.49%

Name, Proposed Position(s) with ETI, Municipality of Residence	Number of Securities Held in Escrow	Percentage of Class of Shares
Jack Kiland Chairman of the Board Henderson, Nevada	1,000,000	1.96%
Court J. Anderson Director Plymouth, Minnesota	Nil	N/A

12. PRINCIPAL SHAREHOLDERS

To the knowledge of ETI, as of the date hereof, there are no persons who, directly or indirectly, own or exercise control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of ETI.

13. DIRECTORS AND OFFICERS

13.1 The names, municipalities of residence, positions with ETI and the principal occupations for the five preceding years of the persons who will serve as directors and executive officers of ETI are set out below, together with their holdings of ETI Shares.

Name and Municipality of Residence	Position and Date Appointed Director/ Officer	Principal Occupation (for last 5 years)	ETI Shares Beneficially Held or Controlled
Duane Nelson ⁽¹⁾ North Vancouver, BC	President, CEO and Director October 21, 2016	President and CEO of Mineworx Technologies Inc. from June 2012 to present. CEO and co-founder of Silvermex Resources Inc. from 2006 until 2012. Founder of Quotemedia Inc.	1,000,000 (1.96%)
Don Weatherbee Edmonton, AB	CFO and Corporate Secretary October 21, 2016	CFO of Iberian Minerals from September 2015 to Present. CFO of KMC Mining from 2001 to 2015.	200,000 (0.39%)
Greg Pendura ⁽¹⁾ Edmonton, AB	Director, October 21, 2016	CEO, President and director of Iberian Minerals Ltd. since 2010.	500,000 (0.98%)
Kenneth C. McNaughton, M.A. Sc. Vancouver, BC	Director	Vice President and Chief Explorations Officer of Pretium Resources. Senior Vice President, Exploration for Silver Standard Resources Inc.	250,000 (0.49%)
Jack Kiland Henderson, Nevada	Director, Chairman of the Board	Co-founder and Managing Director of Casino Data Systems (CDS).	1,000,000 (1.96%)
Court J. Anderson ⁽¹⁾ Plymouth, Minnesota	Director	Principal at Henson & Efron, P.A., a company specializing in litigating business disputes	Nil

Notes:

(1) Member of the Audit Committee.

(2) Held by Sibling Rivalries Investments Inc., a company wholly-owned and controlled by Duane Nelson.

(3) Held by Kiland Family 1994 Family Trust, a trust controlled by Jack Kiland.

Each director holds office until the close of the next annual general meeting of the Issuer, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

The ETI Board currently consists of five directors, four of whom can be defined as being independent of management and free from any interests and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interests of the Issuer, other than interests and relationships arising from shareholders, and do not have interests in or relationships with the Issuer.

The directors and executive officers of the Issuer will beneficially own, directly or indirectly, as a group, 3,150,000 ETI Shares representing approximately 6.18% of all outstanding voting securities of the Issuer.

13.3 Board Committees

The ETI Board has an audit committee consisting of Duane Nelson, Greg Pendura and Court J. Anderson. The ETI Board may from time to time establish additional committees. The mandates of each of the committees will be in compliance with applicable legal and regulatory requirements.

13.4 Other Reporting Issuer Experience

The following table sets out the directors and executive officers of ETI, that are, or have been within the last five years, directors, officers or promoters of other reporting issuers.

Name of Director or Officer	Reporting Issuer and Name of Trading Market(s)	Position	Timeline of Involvement
Duane Nelson	Iberian Minerals Ltd. (TSX-V, OTCQB)	Director	December 2015 to Present
	Silvermex Resources Inc.	CEO	June 2012 to June 2016
Don Weatherbee	Iberian Minerals Ltd. (TSX-V)	CFO	September 2015 to Present
Greg Pendura	Iberian Minerals Ltd. (TSX-V, OTCQB)	CEO, President & Director	September 2010 to Present
	Intercept Energy Services Inc. (formerly Global Green Matrix Corp.) (Frankfurt, TSX-V, OTCBB)	Director	March 2011 to March 2014
Kenneth C. McNaughton	Pretium Resources Inc. (TSX, NYSE)	Chief Exploration Officer	February 2011 to Present
	Camino Minerals Corporation (TSX-V)	CEO, President & Director	March 2015 to Present
	Silvermex Resources Inc. (TSX-V)	Director	September 2009 to April 2012

13.5 Cease Trade Orders or Bankruptcies

Except as disclosed herein, no director nor executive officer of the Issuer, or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other Issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under securities law, for a period of more than 30 consecutive days;

- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

13.6 Penalties and Sanctions

To the knowledge of the Issuer, no director nor officer of the Issuer, or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of this Listing Statement, has been, a director or officer of any other issuer that, while that person was acting in that capacity, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.7 Personal Bankruptcies

No director nor officer of the issuer, nor a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons, has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.8 Conflicts of Interest

There are potential conflicts of interest to which the directors and executive officers of ETI may be subject in connection with the operations of ETI. In particular, certain of the directors and executive officers are involved in managerial or director positions with mineral resource issuers whose operations may, from time to time, be in direct competition with those of ETI or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of ETI. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

13.9 Management

Profiles of the officers and other key personnel of ETI are set forth below.

Duane Nelson – President, Chief Executive Officer, Chairman of the Board, Age 57

Mr. Nelson is the founder, President and CEO of Mineworx, which was acquired by Iberian Minerals. Mr. Nelson has extensive experience in the mining sector and was the CEO and co-founder of Silvermex Resources Inc., a silver and gold producer focused on projects in Mexico and was acquired by First Majestic Silver Corp. in 2012. He is the founder of Quotemedia Inc., a financial market data company established in 1998, a leading provider of global financial stock market data for the Toronto Stock TSXV, NASDAQ OTC, and others.

Don Weatherbee – Chief Financial Officer and Corporate Secretary, Age 44

Mr. Weatherbee has more than 20 years of finance and accounting experience in the mining industry. His experience includes over 10 years as a senior executive with KMC Mining Corporation, including 7 years as the CFO. Don has previously worked in both publicly traded and private organizations.

Ishwinder Grewal, B.A.Sc., M.A.Sc., P.Eng. - Executive Vice President, Age 51

Mr. Grewal is the President and founder of Met-Solve Laboratories Inc. He has over 20 years' experience in the metallurgical and mineral processing industry, focused on research and development, mineral processing and hydrometallurgical separation and metal recovery systems.

14. CAPITALIZATION

14.1 Issued Capital

Fully Diluted Share Capital

The following table sets forth the fully diluted share capital. See the unaudited pro forma consolidated financial statements of ETI attached as Schedule "B" to this Appendix.

	Number of ETI Shares	Percentage of ETI Shares
	(Diluted)	(Diluted)
Issued and outstanding as at the date hereof	51,000,000	74.44%
ETI Shares reserved for issuance pursuant to the conversion of ETI Warrants	12,206,000	17.82%
ETI Shares reserved for issuance pursuant to the exercise of the finder's compensation options	206,000	0.30%
ETI Shares reserved for issuance pursuant to outstanding options	4,050,000	5.91%
ETI Shares reserved for issuance pursuant to the ETI Stock Option Plan ⁽¹⁾	1,050,000	1.53%
Fully Diluted Total	<u>68,100,000</u>	<u>100%</u>

Note:

(1) The number of ETI Shares reserved pursuant to the ETI Stock Option Plan is to be a maximum of 10% of the number of ETI Shares issued and outstanding, assuming 51,000,000 ETI Shares then issued and outstanding.

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	51,000,000	68,100,000	100.00	100.00

Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	3,650,000	3,650,000	7.16%	5.36%
Total Public Float (A-B)	47,350,000	64,450,000	92.84%	94.64%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	5,150,000	5,150,000	89.9%	92.44%
Total Tradeable Float (A-C)	45,850,000	62,950,000	89.9%	92.44%

Public Securityholders (Registered)

<i>Class of Security</i>		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	73	3,927
100 – 499 securities	69	16,407
500 – 999 securities	18	13,118
1,000 – 1,999 securities	8	11,428
2,000 – 2,999 securities	9	23,274
3,000 – 3,999 securities	8	29,823
4,000 – 4,999 securities	11	60,508
5,000 or more securities	171	47,691,515
Total	367	47,850,000

Public Securityholders (Beneficial)

<i>Class of Security</i>		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	217	3,927
100 – 499 securities	360	16,407
500 – 999 securities	207	13,118
1,000 – 1,999 securities	906	11,428
2,000 – 2,999 securities	245	23,274
3,000 – 3,999 securities	135	29,823
4,000 – 4,999 securities	290	60,508
5,000 or more securities	333	47,691,515
Total	2,693	47,850,000

Non-Public Securityholders (Registered)

Class of Security		
Size of Holding	Number of holders	Total number of securities
1 – 99 securities	Nil	N/A
100 – 499 securities	Nil	N/A
500 – 999 securities	Nil	N/A
1,000 – 1,999 securities	Nil	N/A
2,000 – 2,999 securities	Nil	N/A
3,000 – 3,999 securities	Nil	N/A
4,000 – 4,999 securities	Nil	N/A
5,000 or more securities	6	3,150,000
Total	6	3,150,000

14.2 Convertible or Exchangeable Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
ETI Finder's Compensation Options	206,000	206,000 ETI Shares
ETI Warrants	12,206,000	12,206,000 ETI Shares
ETI Options	4,050,000	4,050,000 ETI Shares

On March 29, 2017, ETI granted an aggregate of 4,050,000 ETI Options to directors, officers, employees and consultants of ETI. Each ETI Option is convertible into one ETI Share at an exercise price of \$0.25 for a period of ten (10) years from the date of grant.

14.3 Other Listed Securities

There are no other listed securities reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

ETI has not completed a fiscal year of operations. As at the date hereof, ETI has not paid any compensation to its executive officers and directors. It is expected that the ETI Board of Directors and management will determine the appropriate compensation required for its employees and other service providers in the near future.

As at the date hereof, there are no employment contracts in place between ETI and any of the executive officers of ETI and there are no agreements or other arrangements in respect of compensation for the executive officers of ETI in the event of termination of employment or a change in responsibilities following a change of control of ETI. It is expected that ETI will enter into employment contracts with each of the executive officers of ETI shortly.

ETI has not yet established an annual retainer fee or attendance fee for directors. However, ETI may establish directors' fees in the future and will reimburse directors for all reasonable expenses incurred in order to attend meetings. In addition, directors will be granted options to acquire ETI Shares pursuant to the ETI Stock Option Plan. See "*Options to Purchase Securities*".

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

There exists no indebtedness of the directors or executive officers of ETI, or any of their associates, to ETI, nor is any indebtedness of any of such persons to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by ETI.

16.2 Indebtedness under Securities Purchase and Other Programs

Not applicable.

17. RISK FACTORS

17.1 Risk Factors Relating to the Issuer

The business of ETI is subject to a number of risks and uncertainties. Due to the nature and present stage of development of the Technology Business, ETI will be subject to various risks.

In addition to considering the other information contained in this Listing Statement and the information disclosed in the financial statements and the Circular, the reader should carefully consider the following information. Any of these risk factors could have material adverse effects on the business to be conducted by ETI.

Financing Risks

ETI currently has no source of operating cash flow, and there is no assurance that additional funding will be available to ETI as and when needed for further development of the Technology Business. In order to continue to operate as a going concern and to meet its corporate objectives, ETI will require additional financing through debt or equity issuances or other available means. Should ETI be unable to either raise this financing or generate revenue sufficient to discharge its liabilities in the normal course of business, the value of an investment in ETI Shares will be adversely affected.

Technology Risks

The Technology is still at the testing and development stage and there is no guarantee that further testing and development will be successful. The long-term success of ETI will be in part directly related to the success of the testing of the Technology by its partners, clients and customers. Even if testing is successful, partners, clients and customers may be unwilling to change their processes to incorporate the Technology into those processes due to uncertainty, budget limitations or other factors beyond the control of ETI.

ETI expects to rely on a combination of patent, copyright and trade-secret laws, confidentiality procedures, and contractual provisions to establish, maintain, and protect the Technology Rights. The steps ETI takes may not prevent misappropriation of its intellectual property, and the agreements ETI enter into may not be enforceable. Despite ETI's efforts to protect its Technology Rights, unauthorized parties may copy or otherwise obtain and use ETI's proprietary technology or obtain information ETI regards as proprietary. Policing unauthorized use of its technology, if required, may be difficult, time consuming, and costly. ETI's means of protecting its technology may be inadequate.

Third parties may apply for and obtain patent protection for technology which is similar to ETI's Technology. Despite ETI's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Technology or to obtain and to use information that ETI regards as proprietary. Third parties may also independently develop similar or superior technology without violating ETI's proprietary rights. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of Canada.

Although ETI believes that its technology does not infringe proprietary rights of others, litigation may be necessary to protect ETI's proprietary technology and third parties may assert infringement claims against ETI with respect to their proprietary rights.

Any claims or litigation can be time consuming and expensive regardless of their merit. Infringement claims against ETI could cause ETI to redesign the Technology or to enter into royalty or license agreements that may not be available on terms acceptable to ETI, or at all.

Environmental Risk

Although all testing to date has shown that the Technology is benign in the environment, the Technology has not yet been approved for use by regulatory agencies (in jurisdictions where such approval may be required) and it has not been tested in all conditions for which there might be unanticipated reactions. If there are regulatory issues or unknown environmental impacts, the business plan of the Company could be negatively affected.

No Revenues

To date, the Technology Business has not achieved a sustainable stream of revenue. There can be no assurance that significant losses will not occur in the near future, or that ETI will be profitable in the future. The amounts and timing of expenditures will depend on the progress of the Technology Business and other factors, many of which are beyond the control of ETI. In particular, ETI's operating expenses and capital expenditures may be greater in subsequent years as consultants, personnel, and equipment associated with advancing the Technology Business are added.

ETI does not expect to receive commercial revenue amounts from the Technology Business in the foreseeable future and expects to continue to incur losses until such time as it generates sufficient revenues to fund its continuing operations. There can be no assurance that ETI will generate any revenues or achieve profitability.

ETI's operations are subject to human error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage ETI's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to ETI. These could include loss or forfeiture of other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort ETI might undertake and legal claims for errors or mistakes by ETI personnel.

Resource Development and Processing

Resource development and processing is a speculative business and involves a high degree of risk and is highly dependent upon the sale price of the minerals sought to be produced. The decision of potential partners, clients and customers to proceed with the development and processing of those minerals using the Technology will be affected by such sales prices and numerous other factors beyond the control of ETI. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in ETI not receiving an adequate return on invested capital.

Partnership and Joint Venture Strategies

As part of its business strategy, ETI may seek out partnerships and/or joint ventures in the natural resource and electronic waste industries, ETI may fail to select appropriate partnership or joint venture candidates or negotiate acceptable arrangements. ETI cannot assure that it can complete any business arrangement that it pursues, or is pursuing, on favourable terms, or that business arrangements completed will ultimately benefit ETI.

Foreign Country Risks

ETI's projects may be located in countries with social, political and economic policies that differ from Canada's. Governmental policies may be adopted to discourage foreign investment; nationalization of certain industries may occur; and other unforeseen limitations, restrictions or requirements may be implemented. There can be no assurance that ETI's assets will not be subject to nationalization, expropriation, requisition or confiscation, whether legitimate or not, by any authority or body. There can

also be no assurance that adverse developments such as terrorism, military repression, civil unrest, crime, extreme fluctuations in currency exchange rates or high inflation will not occur.

Dependence on Management

The business and operations of ETI are dependent on recruiting and retaining the services of a small number of key members of management and qualified personnel. The success of the operations and activities of ETI are dependent to a significant extent on the efforts and abilities of its management. Investors must be willing to rely to a significant extent on the discretion and judgment of the management of ETI. Furthermore, while ETI believes that it will be successful in attracting qualified personnel and retaining its current management team, there can be no assurance of such success. ETI does not maintain key employee insurance on any of its directors, officers, employees or other service providers.

Competition

ETI will compete with companies and firms that have substantially greater financial and technical resources than ETI in respect of the Technology Business as well as for the recruitment and retention of qualified employees and other service providers.

Risks Relating to Government Regulation

ETI's operations are subject to laws and regulations governing occupational health and safety, labour standards, employment, waste disposal, handling of toxic substances, land and water use, environmental protection and other matters. It is possible that ETI may not be able to comply with existing and future laws and regulations. In addition, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes to the terms of agreements or arrangements that ETI has with partners, clients and customers, which could have a material adverse impact on ETI's current operations and future projects. ETI may experience increased costs and delays as a result of the need to comply with applicable laws and regulations.

Any failure to comply with applicable laws and regulations, even if inadvertent, could result in enforcement actions thereunder including orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, fines, penalties or other liabilities. ETI may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of such laws or regulations.

Exchange Rate Fluctuations

Exchange rate fluctuations may adversely affect ETI's financial position and results. Currency exchange fluctuations may materially adversely affect ETI's future cash flows, results of operations and financial condition. ETI does not currently engage in hedging or have a policy in place for managing or controlling foreign currency risks.

Insurance

ETI's business activities involve numerous risks, including unexpected or unusual operating conditions and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and ETI may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect ETI's profitability and financial position and the value of the ETI Shares. ETI does not maintain insurance against environmental risks.

17.2 Risk of Liability for Additional Contribution

There is no risk that securityholders of the Issuer may become liable to make an additional contribution beyond the price of the security.

18. PROMOTERS

18.1 Promotors

There have been no promoters of the Issuer since its inception.

18.2 Orders, Bankruptcies and Sanctions

Not applicable.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

There are no material legal proceedings to which ETI is a party or in respect of which any of the assets of ETI are subject, which is or will be material to ETI, and ETI is not aware of any such proceedings that are contemplated.

19.2 Regulatory Actions

There have been: (i) no penalties or sanctions imposed against ETI by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against ETI; and (iii) no settlement agreements ETI entered into with a court relating to securities legislation or with a securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere herein, management of ETI is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of ETI, any person or company who owns of record, or is known by ETI to own beneficially, directly or indirectly, more than 10% of the ETI Shares or any associate or affiliate of the foregoing persons or companies, in any transaction within the three years before the date of this Appendix (other than through their interests as securityholders of Iberian) that has materially affected or is reasonably expected to materially affect ETI since incorporation.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

K.R. Margetson Ltd., Professional Chartered Accountants, 210 – 905 West Pender Street, Vancouver, British, Columbia, V6C 1L6 has been appointed the auditors of ETI.

Transfer Agent and Registrar

ETI will appoint Computershare Trust Company of Canada at its office at 530, 8th Avenue S.W., Calgary, Alberta T2P 3S8, as the registrar and transfer agent of the ETI Shares.

22. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the material contracts entered into by the Issuer within two years prior to the date hereof, that can reasonably be regarded as material to ETI, which are currently in effect:

Contract	Particulars	Date
Testing and Transfer Agreement	The Agreement to Conduct Testing and Transfer Intellectual Property between Mohave, Scott and Mineworx which provides for the rights of Iberian to acquire the Technology in consideration for cash payments and equity participation in Iberian.	Effective January 1, 2016
Assignment Agreement	The Assignment Agreement between Mineworx and Iberian pursuant to which Mineworx assigned to Iberian all of Mineworx's rights, title and interest in and to and obligations under the Testing and Transfer Agreement.	Effective December 13, 2016
Consent to Assignment and Technology Purchase Agreement	The agreement between Mohave, Scott, Iberian and ETI pursuant to which Mohave and Scott agreed that Iberian had satisfied all of its obligations under the Testing and Transfer Agreement, and accordingly Mohave and Scott transfer, and Iberian directs Mohave and Scott to transfer, to ETI the Technology, for consideration as set forth in the Consent to Assignment and Technology Transfer Agreement. Pursuant to the terms of the Consent to Assignment and Technology Transfer Agreement, the effective date of the transfer of the Technology from Mohave and Scott to ETI is to be determined by ETI.	Effective December 13, 2016
Purchase Agreement	The agreement between Iberian and ETI whereby Iberian transferred the Technology Rights to ETI for the ETI Promissory Note and 28,000,000 ETI Shares	Effective March 15, 2017

A copy of the foregoing agreements may be inspected during normal business hours at the principal offices of ETI.

23. INTEREST OF EXPERTS

The auditor of ETI, K.R. Margetson Ltd., Chartered Accountant, has confirmed that it is independent to ETI in accordance with the Rules of Professional Conduct of the Institute of Chartered Accounts of Alberta.

In addition, none of the aforementioned persons or companies, nor any director, officer, employee or partner, as applicable, of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of ETI or of any associate or affiliate of ETI.

24. OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. FINANCIAL STATEMENTS

25.1 Audited Financial Statements of Issuer

The following financial information of ETI is attached as Schedule "A" to this Appendix:

1. ETI Statement of Financial Position, Statement of Income/Loss and Statement of Changes in Equity from the date of incorporation to December 31, 2016;

2. ETI Pro Forma Statement of Financial Position as at December 31, 2016 taking into effect the Arrangement (including the Private Placement); and
3. ETI Pro Forma Changes in Equity for the period ended December 31, 2016 taking into effect the Arrangement (including the Private Placement).

25.2 Selected Consolidated Financial Information of Target

See the unaudited pro forma consolidated financial statements of ETI attached as Schedule "D".

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **ENVIROLEACH TECHNOLOGIES INC.**, hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to **ENVIROLEACH TECHNOLOGIES INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Edmonton, Alberta this 30th day of March, 2017.

(signed) "Duane Nelson"

Duane Nelson
Chief Executive Officer, Director

(signed) "Don Weatherbee"

Don Weatherbee
Chief Financial Officer

(signed) "Greg Pendura"

Greg Pendura
Director

(signed) "Jack Kiland"

Jack Kiland
Director

SCHEDULE "A"

ETI Statement of Financial Position, Statement of Income/Loss and Statement of Changes in Equity from the date of incorporation to December 31, 2016. See attached.

Financial Statements



Enviroleach

Since Inception to December 31, 2016

Amended and Restated

(Expressed in Canadian dollars)

K. R. MARGETSON LTD.

#210 - 905 West Pender Street
Vancouver BC V6C 1L6
Canada

Chartered Professional Accountant

Tel: 604.641.4450
Fax: 1.855.603.3228

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Enviroleach Technologies Inc.:

I have audited the accompanying amended and restated financial statements of Enviroleach Technologies Inc., which comprise the statement of financial position as at December 31, 2016 and the statement of loss and comprehensive loss, changes in shareholders' equity and statement of cash flows for the period from inception, October 21, 2016 to 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit 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 audit is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these amended and restated financial statements present fairly, in all material respects, the financial position of Enviroleach Technologies Inc. as at December 31, 2016 and its financial performance and its flows for the period from inception, October 21, 2016 to 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 describes matters and conditions that indicated the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

Other matters

As described in Note 17, the financial statements of Enviroleach Technologies Inc. for the period ended December 31, 2016 have been amended to correct the allocation of a payment to a creditor and to properly record advance royalty payable on an amortized cost basis, previously recorded at fair value.

R. S. Macgibbon Ltd.

Chartered Professional Accountant

Vancouver, Canada
February 23, 2017

ENVIROLEACH TECHNOLOGIES INC.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	December 31, 2016
ASSETS		
Cash		\$ 405,968
Receivables	4	5,769
Prepaid expenses and deposits		22,891
Total current assets		434,628
Non-current assets		
Technology rights	5	1,529,909
Total non-current assets		1,529,909
TOTAL ASSETS		\$ 1,964,537
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		\$ 5,000
Due to related party	6	121,152
Promissory note payable	7	302,107
Current portion of advance royalty payable	8	67,662
Total current liabilities		495,921
Non-Current liabilities		
Advance royalty payable (revised)	8	1,060,031
Total non-current liabilities		1,060,031
TOTAL LIABILITIES		1,555,952
SHAREHOLDERS' EQUITY		
Share capital	9	450,000
Obligation to issue shares	5	100,000
Deficit		(141,415)
TOTAL SHAREHOLDERS' EQUITY		408,585
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,964,537

Nature and continuance of operations (Note 1)

Commitments (Note 11)

On behalf of the Board:

"Duane Nelson"

"Greg Pendura"

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

ENVIROLEACH TECHNOLOGIES INC.
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	From Inception to December 31, 2016
Expenses		
Consulting fees		\$ 10,575
Banking fees		186
Investor relations		330
Management and employee costs	10	13,936
Office and general		8746
Professional fees		50,415
Testing and supplies		22,444
Travel		1,516
		<u>108,148</u>
Loss before other items		(108,148)
Other items		
Foreign exchange loss		(33,267)
		<u>(33,267)</u>
Loss and comprehensive loss for the period		\$ (141,415)
		<u><u>\$ (141,415)</u></u>
Basic and diluted loss per common share		\$ (0.06)
		<u><u>\$ (0.06)</u></u>
Weighted average number of common shares outstanding		2,281,690
		<u><u>2,281,690</u></u>

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

ENVIROLEACH TECHNOLOGIES INC.
STATEMENT OF CHANGES IN EQUITY
(Revised)
(Expressed in Canadian dollars)

Share Capital						
	Number of Shares	Amount	Obligation to Issue shares	Deficit	Total	
Shares issued at incorporation, October 21, 2016	1	\$ 1	\$ -	\$ -		1
Shares issued at \$0.05	9,000,000	450,000	-	-		450,000
Initial share cancelled	(1)	(1)	-	-		(1)
Technology rights acquisition	-	-	100,000	-		100,000
Comprehensive loss for the period (revised)	-	-	-	(141,415)		(141,415)
Balance at December 31, 2016	9,000,000	\$ 450,000	\$ 100,000	\$ (141,415)		\$ 408,585

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

ENVIROLEACH TECHNOLOGIES INC.
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

	From Inception to December 31, 2016
CASH FLOWS FROM (TO) OPERATING ACTIVITIES	
Loss for the period	\$ (141,415)
Items not affecting cash:	
Foreign exchange	33,139
Changes in non-cash working capital items:	
Accounts receivables	(5,769)
Prepaid expenses and deposits	(22,891)
Accounts payable and accrued liabilities	5,000
	<u>(131,936)</u>
CASH FLOWS TO INVESTING ACTIVITIES	
Payments on technology rights	(33,248)
	<u>(33,248)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Advances from related party	121,152
Issuance of common shares	450,000
	<u>571,152</u>
Change in cash for the period	405,968
Cash, beginning of the period	-
Cash, end of the period	<u>\$ 405,968</u>

Supplemental disclosure with respect to cash flows (Note 14)

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

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

1. Nature and continuance of operations

Enviroleach (the “Company”) was incorporated under the Province of Alberta Business Company Act on October 21, 2016 for the purpose of effecting a spin-out of the Leaching Technology Rights of a company with common directors, Iberian Minerals Ltd. (“Iberian”). The Company will develop and market hydrometallurgy solutions to the mining and E-waste sectors.

The Company’s registered office is located at 1000, 250 2nd Street SW, Calgary, Alberta T2P 0C1 and its corporate head office is located at 102, 1603 - 91, Edmonton, Alberta T6X 0W8.

The Company has yet to produce revenues and has not yet proven that its product will be commercially viable.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. For the period from inception to December 31, 2016, the Company incurred a loss of \$141,415 and has a working capital deficiency of \$61,293. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board effective as of December 31, 2016.

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

Significant accounting judgments, estimates and assumptions

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Management must make significant judgments or assessments as to how financial assets and liabilities are categorized.

Significant judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

2. Significant accounting policies (cont'd)

Basis of presentation (cont'd)

a) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 1).

b) The recoverability and measurement of deferred tax assets and liabilities

Tax interpretations, regulations, and legislation in the various jurisdictions operates are subject to change. The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

Foreign currency translation

The Company's reporting currency and the functional currency is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in loss for the period.

Technology

Technology assets are the costs of acquiring rights to proprietary environmentally-friendly technologies for the concentration and extraction of valuable metals and minerals from mining and environmental waste/reclamation industries. The expected future economic benefits support the carrying value, which will be amortized over its estimated useful life, expected to be 20 years. In addition, the assets will be reviewed at least annually for impairment, which occurs if the discounted expected cash flows are less than the carrying value. See impairment of assets note below.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

2. Significant accounting policies (cont'd)***Impairment of assets***

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. The Company's cash and equivalents and deposits are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At December 31, 2016 the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At December 31, 2016 the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, due to related party, and notes payable are classified as other financial liabilities.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

2. Significant accounting policies (cont'd)***Related party transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share capital

The Company's common shares and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are charged directly to share capital.

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the balance sheet liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, comprehensive loss was the same as net loss.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

3. New standards, amendments and interpretations

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after January 1, 2017, will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changes on the financial statements to be material, although additional disclosure may be required.

4. Accounts receivables

	December 31, 2016
Sales and other taxes receivables	\$ 5,769

5. Technology rights acquisition

In December, 2016, the Company entered into two separate agreements to acquire the rights to technologies for the concentration and extraction of valuable metals and minerals. The first agreement was signed on December 13, 2016 in a transaction with Iberian, Mohave County Mining LLP (“Mohave”), and Steve Scott (“Scott”). Under this agreement, the Company is required to make payments to Mohave and Scott in order to effect the transfer of rights as required by an earlier agreement between them and Iberian. The total payments required to be made to Mohave and Scott are as follows:

2,000,000 Enviroleach shares	\$ 100,000
Promissory note payable (a)	\$ 328,000 (a)
Advance royalty payable	\$1,101,909 (b)
Total acquisition price	\$1,529,909

(a) The balance represents \$250,000 US.

(b) The balance represents the amortized cost of a non-interest bearing note of \$1,000,000 US. The discount for interest is based on an annual interest rate of 5.0%, compounded monthly and a term of 39 months, based on projected cash flows.

The Company is required to issue the 2,000,000 shares by March 1, 2017. As at December 31, 2016 the shares had not been issued and the requirement to issue these shares has been classified as equity and labelled “Obligation to issue shares”. Although the agreement stipulates the per share value to be \$0.25 US, the cost has been recorded at \$.05, as it represents the fair value of the shares issued, as the fair value of the contract cannot be estimated reliably.

The promissory note is to be paid as follows:

- a) \$25,000 US at signing – December 13, 2016
- b) \$25,000 US by January 30, 2017
- c) \$200,000 US by June 30, 2017

The \$25,000 due at signing was paid and the second \$25,000 US payment was made in January, 2017.

The advance royalty payable is based on a payment of 10% of the “Net Profit Available for Distribution” paid quarterly to a maximum of 1,000,000 USD, with a minimum monthly payment of 5,000 USD. The amount is payable irrespective of whether profits are realized.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

Technology rights acquisition (Cont'd)

The full rights to the technology are to be acquired for another \$3,000,000 in a separate agreement with Iberian, signed December 19, 2016. The price is to be paid as follows:

- a) The issue of 28,000,000 common shares valued at \$1,400,000 or \$0.05 per share, and
- b) Cash of \$1,600,000. The cash is subject to a note, under which \$600,000 is to be repaid within six months and the balance of \$1,000,000 within two years. The note bears interest of 5.0% per annum, compounded monthly.

This transaction is subject to the approval of the Company's shareholders and the TSX-V and, accordingly, has not yet been recorded in the accounts.

Amortization will commence once the technology has been legally acquired.

6. Due to related party

Amounts due to related party represent advances owing to Iberian that are unsecured, non-interest bearing and without specified repayment terms.

7. Promissory note payable

The promissory note payable was incurred in the acquisition of technology from Mohave and Scott and is described in Note 5. The note is non-interest bearing, unsecured and due prior to June 1, 2017. The balance outstanding as at December 31, 2016 is \$302,107 (\$225,000 US.)

8. Advance royalty payable

The advance royalty payable was incurred in the acquisition of technology from Mohave and Scott and is described in Note 5. The debt is non-interest bearing, unsecured and due on a minimum basis as follows:

Note payable of \$1,000,000 US at an amortized value of \$839,870 US, stated in CDN\$	\$ 1,127,693
Current portion – 12 payments at an amortized value of \$4,200 US	<u>67,662</u>
Long term portion	<u>\$ 1,060,031</u>

Payment could be accelerated should the Company generate net profits available for distribution, a calculation that takes into account management fees, depreciation, amortization, taxes and reserves.

9. Share Capital***Authorized share capital***

Unlimited number of common shares without par value.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

9. Share Capital – cont'd

Issued share capital

There are 9,000,000 shares issued and outstanding as at December 31, 2016. The transactions giving rise to these shares during the period from incorporation, October 21, 2016 to December 31, 2016 are as follows:

- On incorporation, October 21, 2016 – 1 share was issued at \$1.00.
- On December 13, 2016 – 9,000,000 shares were issued at a price of \$0.05 per share.
- On December 13, 2016 – the initial 1 share was returned for cancellation.

There are no options or warrants issued or outstanding as at December 31, 2016.

10. Related party transactions

The Company considers officers and members of the Board of Directors as related parties. The Company's directors receive no compensation for their services but receive reimbursement for out-of-pocket expenses to perform their Board of Directors duties. Key Management costs for the period ended December 31, 2016 was \$10,231 and represents salary to the CEO, who is also a director.

11. Commitments

As part of the acquisition of technology right described in Note 5, once shareholder and regulatory approval has been received, the Company will have the following commitments to Iberian:

- a) The issue of 28,000,000 common shares valued at \$1,400,000 or \$0.05 per share, and
- b) Cash payment of \$1,600,000. The cash is subject to a note, under which \$600,000 is to be repaid within six months and the balance of \$1,000,000 within two years. The note bears interest of 5.0% per annum, compounded monthly.

12. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to pursue the Company's objectives. 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.

In the management of capital, the Company includes its cash balances and components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

13. Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

As at December 31, 2016, the carrying values of cash, receivables, accounts payable and accrued liabilities and promissory note payable approximate their fair values due to their short terms to maturity. Advance royalty payable is carried at amortized cost.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. At December 31, 2016, management considers the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2016, the Company had a cash balance of \$405,969 to settle current liabilities of \$508,822. So far, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

13. Financial risk management – cont'd

Market risk

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

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2016, the Company was not exposed to significant interest rate risk.

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

14. Supplemental disclosure with respect to cash flows

During the period ended December 31, 2016, the significant non-cash transactions were as follows:

- a) The Company issued a note payable of \$328,000 (\$250,000US) of which \$33,248 (\$25,000US) was paid during the period. As the note was for the purchase of technology, the payment is included in amounts invested in technology
- b) The Company issued a second note payable of \$1,312,000 (\$1,000,000 US) whose amortized value stated in Canadian dollars was \$1,101,904. No amounts were paid during the period, so the agreement had no cash flow impact.
- c) During the period, the amount owing on the above two notes stated in Canadian dollars increased by \$33,139 as a result of a decrease in the value of the Canadian dollar compared to the US dollar.

15. Segment information

The Company has one reportable segment, being the development and marketing of hydrometallurgy solutions to the mining and E-waste sectors. The Company operates in the Canadian provinces of British Columbia and Alberta.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

From Inception, October 21, 2016 to December 31, 2016

16. Income taxes

Income tax reconciliation

The Company's income tax provision differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 27% to the net loss before income taxes as follows:

	December 31, 2016
Net loss for the period	\$ (141,415)
Expected income tax recovery	(38,000)
Benefits from tax loss incurred during the period not recognized	38,000
Income tax recovery	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2016
Non-capital losses	\$ 38,000
Unrecognized deferred tax asset	\$ 38,000

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	December 31, 2016	Expiry Range
Temporary Differences		
Cumulative eligible capital	\$ 30,000	No expiry date
Non-capital losses available for future periods	\$ 141,000	to 2036

17. Restatement and amended financial statements

These financial statements have been amended to correct errors in the original year-end financial statements. The corrections are as follows:

(a) Consulting fees

Payments to a creditor of \$6,700 (5,000 US) that were charged to advance royalty payments have been re-allocated as a consulting expense.

ENVIROLEACH TECHNOLOGIES INC.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian dollars)
From Inception, October 21, 2016 to December 31, 2016

17. Restatement and amended financial and amended financial statements – cont'd

(b) Advance royalty payment

As per the Company's accounting policies, financial liabilities are to be classified as other financial liabilities and initially recognized at fair value less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest rate method. Current liabilities continue to be carried at fair value due to their short term nature. However, in previously released financial statements, the advance royalty payable, a non-current financial liability was not subsequently measured at amortized cost, as required. These financial statements correct that oversight.

	As previously reported \$	As Restated \$	Difference \$
Statement of Financial Position			
Assets			
Technology	1,740,000	1,529,909	(210,091)
Total Assets	2,174,628	1,964,537	(210,091)
Liabilities			
Advance royalty payable	1,335,987	1,127,693	(208,294)
Less portion shown as current	80,562	67,662	(12,900)
Long term portion	1,255,425	1,060,031	(195,394)
Total Liabilities	1,764,246	1,555,952	(208,294)
Shareholders' equity			
Deficit	(139,618)	(141,415)	(1,797)
Total shareholders' equity	410,382	408,585	(1,797)
Total liabilities and shareholders' Equity	2,174,628	1,964,537	(210,091)
Statement of Loss and Comprehensive Loss			
Consulting	3,875	10,575	6,700
Foreign exchange loss	38,170	33,267	(4,903)
Loss and comprehensive loss for the period	139,618	141,415	1,797
Statement of Cash Flows			
Cash flows from (to) operating activities			
Loss for the period	(139,618)	(141,415)	(1,797)
Foreign exchange	38,042	33,139	(4,903)
Total	(125,236)	(131,936)	(6,700)
Cash flows from investing activities			
Payments on technology rights	(39,948)	(33,248)	6,700

SCHEDULE "B"

Management Discussion and Analysis for the period from incorporation to December 31, 2016. See attached.



Enviroleach

MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2016
Amended and Restated

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

Introduction and Background

The Management's Discussion & Analysis is a discussion and assessment of the results to date and future prospects of Enviroleach Technologies Inc. ("Enviroleach" or the "Company"). The information provided herein should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016 and related notes attached thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars. This report includes amendments from the previous report to correct errors in the original Management Discussion & Analysis, any changes are denoted by an *. The effective date of this report is February 23, 2017*

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Information and Statements" herein.

Enviroleach was incorporated under the ABCA on October 21, 2016 for the purpose of effecting a spin-out of the Leaching Technology Rights. The company will develop and market hydrometallurgy solutions to the mining and E-waste sectors.

The partial rights to the technology was acquired in a transaction with Iberian Minerals Ltd., Mohave County Mining LLP, and Steve Scott. The total purchase price included:

2,000,000 Enviroleach shares	\$100,000
Notes payable	\$328,000 (250,000 in USD)
Net Profit Payments	\$1,101,909 (839,870 USD) - *
Total acquisition price	\$1,529,909 - *

The Net Profit payable is based on a payment of 10% of the Net Profit Available for Distribution paid quarterly to a maximum of 1,000,000 USD, with a minimum monthly payment of 5,000 USD.

A second transaction for the remaining rights to the technology must still be approved by the shareholders of Iberian Minerals Ltd. and would include paying \$1,600,000 as a note payable and issuing 28,000,000 Enviroleach shares to Iberian.

A patent application has been accepted for the product by the US Patent and Trademark Office.

Using the proprietary formula and process, Enviroleach extracts precious metals from the host material in a safe, environmentally friendly and sustainable fashion. The company's primary target industry sectors are the Mining Sector for the treatment of ores, concentrates, and tailings and the E-waste management sector for the treatment of electronic waste streams.

The product is aimed at industry participants seeking an effective and safe alternative to cyanide and acid based solutions. The characteristics of the Enviroleach product creates very strong differentiation in the marketplace and provides unique positioning. The pending patents combined with the customization required for site optimization create significant barriers for competitors to overcome.

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

Results of Operations

This review of the results of operations should be read in conjunction with the condensed interim financial statements for the year ended December 31, 2016:

Financial results

The Company had no operating revenue for the years ended December 31, 2016. For the period ended December 31, 2016, the Company incurred a net loss of \$141,415* (\$0.06 loss per share). The company expenses primarily related to the start-up of the corporation, the continuing development of the leaching product, and general and administration costs. Start-up costs included \$50,415 for professional fees and \$330 for investor relations. Development costs included \$22,444 for testing and supplies. G&A included \$35,289* for management, consulting, and office costs.

Foreign exchange loss was \$33,267* for the year ended December 31, 2016, the exchange rate loss is due to fluctuations in the foreign exchange rate between the Canadian dollar and the US dollar.

There were no comparable costs in 2015 due to having no operations prior to October 21, 2016.

Fourth Quarter – Results of Operations

The results of the fourth quarter are the same as the annual results as the company commenced operations in the fourth quarter.

Liquidity and Capital Resources

At December 31, 2016, the Company's cash position was \$405,968 and the working capital deficiency was \$61,293*.

The company purchased the rights to the technology for \$1,529,909 that was financed through issuing company shares (\$100,000), and a note payable (\$328,000) and a future liability valued at 1,101,909*. During the period the note payable was partially paid (\$33,248)*.

\$450,000 was raised in a seed capital round to provide the required funds to start-up the company.

The company's operating activities were primarily funded by Iberian Minerals Ltd. to whom is owed \$121,152 represented as due to related parties.

The Company is in the development phase and is not generating revenue as yet, it is expected that the working capital balance will follow a cycle of reduction and replenishment. Management currently follows a policy of raising only sufficient capital to carry out its near-term plans. This policy is meant to minimize dilution of shareholders' positions by raising capital when the stock price is at higher levels.

The company is in the process of raising additional equity funds to offset the short fall and provide additional working capital to fund the growth of the company.

Transactions with Related Parties

The Company entered into the following transactions with related parties:

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

Key management personnel compensation

	Year ended	
	December 31,2016	December 31,2015
Employee benefits- management	\$ 10,231	\$ -
Employee benefits - directors	-	-
Share-based payments - officers	-	-
Share-based payments - directors	-	-
Total	\$ 10,231	\$ -

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Related party balances

The company owes \$121,152 to Iberian Minerals Ltd. who share a common management team and directors.

Changes in Accounting Policies Including Initial Adoption

Future Accounting Pronouncements

A number of new standards, amendments to standards and interpretations, described in the notes to the condensed interim consolidated financial statements, are not yet effective as of the date of this report, and were not applied in preparing the condensed interim consolidated financial statements. The Company is currently assessing the impact that these standards will have on the condensed interim consolidated financial statements.

Financial Risk Management

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

At December 31, 2016, the carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At December 31, 2016, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

As at December 31, 2016, the Company had a cash balance of \$405,968 to settle current liabilities of \$508,821. The Company has is in the process of raising additional capital to provide the funding for operation and growth of the company.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

Market risk

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

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2016, the Company was not exposed to significant interest rate risk.

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

Financial assets

The company had no assets dominated in foreign currency.

Financial liabilities

The exposure of the Company's financial liabilities to currency risk are in CDN as follows:

December 31, 2016	USD
Current liabilities	\$ 369,770 - *
Long term liabilities	1,060,032 - *
Total	\$1,429,802 - *

Sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to notes payable that are denominated in US dollars. As at December 31, 2016, net financial liabilities totalling \$1,429,802* were held in US dollars.

Based on the above net exposure as at December 31, 2016 and assuming all other variables remain constant, a 2% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase or decrease of approximately \$28,596* in the Company's income and comprehensive income.

b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Capital Commitments

The Company had no commitments for property and equipment expenditures for fiscal 2016. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

Proposed Transactions

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

At the date of this MD&A, there are no disclosable transactions that the board of directors or senior management are aware of.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Outstanding Share Data

Authorized share capital

Unlimited number of common shares without par value.

Common shares

At December 31, 2016 there were 9,000,000 issued and fully paid common shares. . The company is obligated to issue 2,000,000 shares to satisfy the conditions of the technology transfer agreement and will issue an additional 28,000,000 shares when the asset purchase agreement is ratified by the shareholders of Iberian Minerals Ltd. All shares have a deemed value of \$0.05.

Stock options

At December 31, 2016, there were no stock options outstanding.

Warrants

At December 31, 2016, there were no warrants outstanding.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Forward-Looking Information and Statements

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating to: the future opportunities for the Company; the business strategy of the Company; and the competitive advantage of the Company.

In addition, forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of

Enviroleach Technologies Inc.
Management's Discussion & Analysis
Year ended December 31, 2016 Amended & Restated

exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

SCHEDULE "C"

ETI Stock Option Plan. See attached.

ENVIROLEACH TECHNOLOGIES INC.

STOCK OPTION PLAN

1. Purpose

The purpose of the Plan is to provide an incentive to the directors, officers, employees and consultants of Enviroleach Technologies Inc. or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions And Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **"Board of Directors"** means the Board of Directors of the Corporation;
- (b) **"Common Shares"** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (c) **"Corporation"** means Enviroleach Technologies Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **"Exchange"** means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (e) **"Exchange Policies"** means, collectively, Policy 4.4 of the Exchange entitled "Incentive Stock Options", Policy 1.1 of the Exchange entitled "Interpretation" and any other policies set forth in the Corporate Finance Manual of the Exchange applicable to incentive stock options;
- (f) **"Option"** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (g) **"Option Period"** means the period determined by the Board of Directors during which an Optionee may exercise an Option not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (h) **"Optionee"** means a person who is a director, officer, employee or consultant of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (i) **"Plan"** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Discounted Market Price", "Employee", "Insider", "Investor Relations Activities", "Management Company Employee", "Tier I Issuer" and "Tier 2 Issuer".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to the approval of the Exchange (including shareholder approval if required by the Exchange). Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon the approval of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Pursuant to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee in respect of Options granted to such Optionee.

5. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect of Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Common Shares Subject to Options

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance

under outstanding incentive stock options otherwise granted by the Corporation shall not exceed ten percent (10%) of the issued and outstanding Common Shares on a non-diluted basis, and such number shall increase or decrease as the number of issued and outstanding Common Shares changes.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12 month period shall not exceed five percent (5%) of the issued and outstanding Common Shares determined at the date of grant, or two percent (2%) of the issued and outstanding Common Shares determined at the date of grant in the case of an Optionee who is a Consultant. In addition, no more than an aggregate of two percent (2%) of the issued and outstanding Common Shares determined at the date of grant may be granted to Employees conducting Investor Relations Activities.

Appropriate adjustments shall be made as set forth in Section 14 hereof in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unexercised Common Shares subject thereto shall again be available for the purpose of the Plan.

7. Option Agreement

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the "**Stock Option Agreement**"). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of the Exchange or any other regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which date shall be no later than the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 10, 11 and 16 hereof.

Subject to Exchange Policies and any limitations imposed by any other regulatory authority having jurisdiction over the Corporation, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares. In the event that the Corporation proposes to reduce the exercise price of Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, such amendment shall not be effective until disinterested shareholder approval has been obtained in respect of the reduction of the exercise price, if required by the rules and policies of the Exchange then in effect.

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the Expiry Date, subject to Sections 10, 11 and 16 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted as set out in the Stock Option Agreement. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

10. Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, any Options granted to such Optionee must expire within a reasonable period following the Optionee's ceasing to be a director, officer, employee or consultant, as the case may be, and in all cases must expire no later than the Expiry Date; however, such Options may be exercised by an Optionee who has ceased to be a director, officer, employee or consultant only if the Optionee was entitled to exercise the Options at the date of such cessation pursuant to the terms of the Optionee's Stock Option Agreement.

11. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the Expiry Date, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death pursuant to the terms of the Optionee's Stock Option Agreement.

12. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except pursuant to Section 11 hereof, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

13. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

14. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change:
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereon he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

15. Costs

The Corporation shall pay all costs of administering the Plan.

16. Termination and Amendment

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any other regulatory authority having jurisdiction over the Corporation, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such other regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 16(a) hereof, subject to the approval of the Exchange or any other regulatory authority having jurisdiction over the Corporation, and the approval of the shareholders of the Corporation if required by the Exchange or such other regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of

the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

17. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of Canada applicable therein.

18. Effective Date

This Plan shall become effective as of and from, and the effective date of the Plan shall be, the date of shareholder approval for the Plan, if such approval is required by the Exchange, subject to final Exchange approval for the Plan, or the date of final Exchange approval for the Plan if the Exchange does not require shareholder approval for the Plan.

19. Withholding Taxes

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Optionee to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Optioned Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to an Optionee;
- (b) require, as a condition of the issuance of Optioned Shares to an Optionee that the Optionee make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the Optionee to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Optioned Shares until the Optionee makes such payment; or
- (c) sell, on behalf of the Optionee, all or any portion of Optioned Shares otherwise deliverable to the Optionee until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Optionee."

SCHEDULE "D"

Unaudited pro forma consolidated financial statements of ETI. See attached.

Pro Forma Financial Statements



Since Inception to December 31, 2016

(Expressed in Canadian dollars)

(Unaudited – Proforma)

ENVIROLEACH TECHNOLOGIES INC.
PROFORMA STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Notes	December 31, 2016	December 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents		\$ 2,580,968	\$ -
Receivables	4	5,769	-
Prepaid expenses and deposits		22,891	-
Total current assets		2,609,628	-
Non-current assets			
Equipment		-	-
Intangible assets	5, 6, 7	4,740,000	-
Total non-current assets		4,740,000	-
TOTAL ASSETS		\$ 7,349,628	\$ -
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 201,714	\$ -
Notes payable	9	902,107	-
Total current liabilities		1,103,821	-
Non-Current liabilities			
Accrued liabilities	8	\$ 1,255,425	\$ -
Notes payable	9	1,000,000	-
Total non-current liabilities		2,255,425	-
TOTAL LIABILITIES		3,359,246	-
EQUITY			
Share capital	10	4,325,000	-
Reserves	11	-	-
Deficit		(334,618)	-
TOTAL EQUITY		3,990,382	-
TOTAL LIABILITIES AND EQUITY		\$ 7,349,628	\$ -

Nature and continuance of operations (Note 1)

Subsequent event (Note 18)

On behalf of the Board:

"Duane Nelson"

Director

"Greg Pendura"

Director

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

ENVIROLEACH TECHNOLOGIES INC.
PROFORMA STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Notes	Since Inception to December 31, 2016	Year ended December 31, 2015
Expenses			
Consulting fees		\$ 3,875	-
Banking fees		186	-
Investor relations		330	-
Management and employee costs	13	13,936	-
Office and general		8746	-
Professional fees		195,415	-
Testing and supplies		22,444	-
Share-based payments	11	-	-
Transfer agent and filing fees		50,000	-
Travel		1,516	-
		96,448	-
Loss before other items			
		-	-
Other items			
Interest and other income		-	-
Foreign exchange gain (loss)		(38,170)	-
Income (loss) and comprehensive income (loss) for the period			
		(334,618)	-
Basic and diluted income (loss) per common share			
	12	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding			
		49,000,000	-

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

ENVIROLEACH TECHNOLOGIES INC.
PROFORMA STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars - Unaudited)

	Share Capital		Reserves	Subscription Advances	Deficit	Total
	Number of Shares	Amount				
Balance at December 31, 2014	-	-	-	-	-	-
Seed capital	9,000,000	450,000	-	-	-	450,000
IP transfer agreement	2,000,000	100,000	-	-	-	100,000
IML asset purchase	28,000,000	1,400,000	-	-	-	1,400,000
Private placement	10,000,000	2,500,000	-	-	-	2,500,000
Share issuance costs	-	(125,000)	-	-	-	(125,000)
Share-based payments	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	-	(334,598)	(334,598)
Balance at December 31, 2015	49,000,000	\$ 4,325,000	\$ -	\$ -	\$ (334,598)	\$ 3,990,402

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

ENVIROLEACH TECHNOLOGIES INC.**PROFORMA STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

	Since Inception to December 31, 2016	Year ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain (loss) for the period	\$ (334,618)	\$ -
Items not affecting cash:		
Share-based payments	-	-
Foreign exchange	38,042	-
Changes in non-cash working capital items:		
Receivables	(5,769)	-
Prepays	(22,891)	-
Accounts payable and accrued liabilities	1,426,452	-
	<u>1,101,216</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	-
Expenditure on assets	(4,740,000)	-
	<u>(4,740,000)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital	4,450,000	-
Share issuance costs	(125,000)	-
Note payable issuance	1,928,000	-
Loan Repayments	(33,248)	-
Exercise of warrants	-	-
	<u>6,219,752</u>	<u>-</u>
Change in cash for the period	2,580,968	-
Cash, beginning of the period	-	-
Cash, end of the period	\$ 2,580,968	\$ -

Supplemental disclosure with respect to cash flows (Note 17)

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

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

1. Nature and continuance of operations

Enviroleach (the “Company”) was incorporated under the ABCA on October 21, 2016 for the purpose of effecting a spin-out of the Leaching Technology Rights. The company will develop and market hydrometallurgy solutions to the mining and E-waste sectors.

ETI’s registered office is located at 1000, 250 2nd Street, Calgary, Alberta T2P 0C1 and its corporate head office is located at 102, 1603 - 91, Edmonton, Alberta T6X 0W8.

The Company has yet to produce revenues and has not yet proven that its product will be commercially viable.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board effective as of December 31, 2016.

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

Basis of consolidation

The financial statements include, the assets, liabilities, revenues and expenses and expenses of the Company.

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power to, directly or indirectly govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are considered in the assessment of whether control exists. Subsidiary is fully consolidated from the date on which control is transferred to the Company. It is deconsolidated from the date on which control ceases.

All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

2. Significant accounting policies (cont'd)*Significant accounting judgments, estimates and assumptions*

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant estimates used in applying accounting policies that have the most significant effect on the amount recognized in the financial statements:

The inputs used in the Black Scholes valuation model (volatility; interest rate; expected life and dividend yield) and forfeiture rates in accounting for share based payment transactions.

Estimating the fair value of granted stock options, warrants issued for finders' fees and the warrant liability required determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. The estimate of share based compensation also requires determining the most appropriate inputs to the valuation model including the dividend yield, and estimating the forfeiture rate for options with vesting conditions.

Management must also make significant judgments or assessments as to how financial assets and liabilities are categorized.

Significant judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

a) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 1).

b) The estimated useful lives and residual value of property, plant and equipment

Equipment is depreciated over its useful life. Estimated useful lives are determined based on current facts and past management experience, and take into consideration the anticipated physical life of the asset, the potential for technology obsolescence and regulations.

c) The recoverability and measurement of deferred tax assets and liabilities

Tax interpretations, regulations, and legislation in the various jurisdictions operates are subject to change. The determination of income tax expense and deferred tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred taxes or the timing of tax payments.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

2. Significant accounting policies (cont'd)

- d) The categorization of joint arrangements as to joint operations or joint venture

The classification of joint arrangements depends upon an analysis of the terms of the joint arrangement and whether joint control exists and the rights and obligations of the parties as to asset ownership and revenue allocation.

Foreign currency translation

The Company's reporting currency and the functional currency is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in loss for the period.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Impairment of assets

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

2. Significant accounting policies (cont'd)***Financial assets***

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. The Company's cash and equivalents and deposits are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At December 31, 2016 and 2015, the Company has not classified any financial assets as available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At December 31, 2016 and 2015, the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities, deposit on share purchase, and notes payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings. The Company's cash is classified as FVTPL.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Share capital

The Company's common shares and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are charged directly to share capital.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

2. Significant accounting policies (cont'd)***Share-based payments***

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the statement of loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the balance sheet liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the years presented, comprehensive loss was the same as net loss.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

2. Significant accounting policies (cont'd)*Loss per share*

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. New standards, amendments and interpretations

The following new standards were adopted during the year:

IAS 16 & IAS 38 – Classification of Acceptable Methods of Depreciation and Amortization clarifies that the use of a revenue-based depreciation and amortization method is not appropriated, and provides a rebuttable presumption for intangible assets. The effective date of IAS 16 & IAS 38 is January 1, 2016.

The Company has not yet begun the process of assessing the impact of other new and amended standards that are effective for annual periods beginning on or after January 1, 2017, will have on its financial statements or whether to early adopt any of the new requirements. The Company does not expect the impact of such changes on the financial statements to be material, although additional disclosure may be required.

4. Receivables

	December 31, 2016	December 31, 2015
Sales and other taxes receivables	\$ 5,769	\$ -

5. Technology rights acquisition

The rights to the technology was acquired in two separate transactions with Iberian Minerals Ltd., Mohave County Mining LLP, and Steve Scott. The total purchase price included:

30,000,000 Enviroleach shares	\$1,500,000
Notes payable	\$1,928,000 (includes 250,000 in USD)
Net Profit Payments	\$1,312,000 (1,000,000 USD)
 Total acquisition price	 \$4,740,000

The Net Profit payable is based on a payment of 10% of the Net Profit Available for Distribution paid quarterly to a maximum of 1,000,000 USD, with a minimum monthly payment of 5,000 USD.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

6. Intangible assets

	Technology
Costs	
Opening Balance	-
Additions	4,740,000
Transfers	
Disposals	
Closing Balance	4,740,000
Depreciation	
Opening Balance	-
Current	-
Disposals	
Closing Balance	-
Net Book Value	4,740,000

7. Intangible assets

The technology costs represent the cost of the intangible assets acquired in the asset purchase agreement with Iberian Minerals Ltd. and the Consent to Assignment and Technology Transfer Agreement with Mohave County Mining LLC, Steve Scott, and Iberian Minerals Ltd. The asset will be amortized over its expected useful life of 20 years, which has expected cash flow accruing to the Company from the business of operating the mineral extraction equipment.

8. Accounts payables and accrued liabilities

	December 31, 2016	December 31, 2015
Accounts payables	\$ 121,152	\$ -
Accrued liabilities	1,335,987	-
	\$ 1,457,139	\$ -

9. Notes payable

The Notes payable of \$1,902,108 are Notes of \$1,600,000 to Iberian Minerals Ltd. and are non-interest bearing, unsecured and have no fixed term of repayment but all must be repaid prior to 2 years after issuing. Certain levels of excess cash will accelerate the repayment terms. Notes of \$302,108 to Mohave County Mining LLC and Steve Scott and are non-interest bearing, unsecured and have no fixed term of repayment but all must be repaid prior to June 1 2017.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

10. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2016, there were 49,000,000 issued and fully paid common shares (December 31, 2015- nil).

Please refer to the Consolidated Statements of Changes in Equity for a summary of changes in share capital and reserves for the period ended December 31, 2016. Reserves relate to stock options, agent's unit options, and compensatory warrants that have been issued by the Company.

Private placements

For the nine months ended December 31, 2016

There was an initial private placement of 9,000,000 shares at a price of \$0.05

Iberian Minerals Ltd. was issued 28,000,000 shares at a deemed price of \$0.05 as partial payment for the leaching technology rights

Mohave County Mining LLC and Steve Scott were issued 2,000,000 shares at a deemed price of \$0.05 as partial payment for the leaching technology rights

There was a private placement of 10,000,000 shares at a price of \$0.25

Warrants

In conjunction with the 10,000,000 shares issued there were 10,000,000 warrants issued with a price of \$0.50 and an expiry of two years from issue date.

Options

There are no options issued or outstanding

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

11. Share Based Payments*Stock options*

The Company follows the policies of the TSX Venture Exchange, under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option equals the market price of the Company's common shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. The vesting period for all options is at the discretion of the board of directors.

There have been no options issued by the company.

Reserves

The reserves record items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

10. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the period ended December 31, 2016 was based on the loss attributable to common shareholders of \$(334,598) (2015 – income of \$nil) and the weighted average number of common shares outstanding of 49,000,000 (2015 – nil).

Diluted loss per share did not include the effect of 10,000,000 share purchase warrants as the effect would be anti-dilutive.

11. Related Parties

The Company has identified the named executive officers as key management personnel to the Company in addition to the members of the Board of Directors. The Company's directors receive no compensation for their services but do receive reimbursement of out-of-pocket expenses to perform their Board of Directors duties. Key Management costs for the period ended December 31, 2016 was \$10,231 (2015 - \$nil).

13. Management of capital

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, 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 Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

There were no changes in the Company's approach to capital management during the nine months December 31, 2016. The Company is not subject to externally imposed capital requirements.

14. Management of capital

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, 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 Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months December 31, 2016. The Company is not subject to externally imposed capital requirements.

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

15. Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is classified as Level 1.

As at December 31, 2016, the carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At December 31, 2016, the Company's exposure to credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2016, the Company had a cash balance of \$2,580,968 (2015 - \$nil) to settle current liabilities of \$1,103,821 (2015 - \$nil).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

ENVIROLEACH TECHNOLOGIES INC.

NOTES TO THE PROFORMA CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

Since Inception to December 31, 2016

16. Financial risk management (cont'd)

Market risk

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

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At December 31, 2015, the Company was not exposed to significant interest rate risk.

b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

17. Supplemental disclosure with respect to cash flows

During the twelve months ended December 31, 2016, there were no significant non-cash transactions

During the twelve months ended December 31, 2015, there were no significant non-cash transactions

13. Segmented information

The company has no segments for its business to report on.

14. Subsequent event

No subsequent events occurred after the end of the quarter.