Stowe One Investments Corp.

Financial Statements

For the period from incorporation
on June 16, 2017 to December 31, 2017
(Expressed in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of Stowe One Investments Corp.

We have audited the accompanying financial statements of Stowe One Investments Corp., which comprise the statement of financial position as at December 31, 2017 and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the period from incorporation on June 16, 2017 to December 31, 2017, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Stowe One Investments Corp. as at December 31, 2017, and its financial performance and its cash flows for the period from incorporation on June 16, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Stowe One Investments Corp.'s ability to continue as a going concern.

"D&H Group LLP"

Vancouver, B.C.
April 30, 2018

Chartered Professional Accountants

Stowe One Investments Corp.

Statement of Financial Position

As at December 31, 2017

(Expressed in Canadian Dollars)

	$
Assets	
Current assets	
Accounts receivable	3,201
	3,201
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	4,910
Due to related party (Note 8)	64,819
	69,729
Shareholders' equity	
Share capital (Note 6)	51
Deficit	(66,579)
	(66,528)
	3,201

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

Nature of operations and going concern (Note 1)
Subsequent event (Note 10)

These financial statements were approved for issue by the Board of Directors on April 30, 2018 and are signed on its behalf by:

"Walter Coles", **Director** ***"Barbara Broughton"***, **Director**

Stowe One Investments Corp.

Statement of Loss and Comprehensive Loss

Period from incorporation on June 16, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

	$
Expenses	
Accounting	12,000
Audit	4,964
Legal	45,000
Filing and transfer agent fees	3,780
Shareholder communications	835
Net loss and comprehensive loss	(66,579)
Basic and diluted loss per share	(0.01)
Weighted average number of shares outstanding	5,049,107

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

Stowe One Investments Corp.

Statement of Changes in Equity

Period from incorporation on June 16, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

	Deficit	Share capital Number of shares	Share capital Amount $	Shareholders' equity $
Balance at June 16, 2017		-	-	-
Issuance of common shares	-	5,080,725	51	51
Adjustment on spinout transaction	-	(31,618)	-	-
Net loss and comprehensive loss for the period	(66,579)	-	-	(66,579)
Balance at December 31, 2017	(66,579)	5,049,107	51	(66,528)

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

Stowe One Investments Corp.

Statement of Cash Flows

Period from incorporation on June 16, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

Cash provided by (used for):		
Operating activities		
Net loss	$	(66,579)
Change in non-cash working capital accounts:		
Amounts receivable		(3,201)
Due to related party		64,819
Accounts payable and accrued liabilities		4,910
		(51)
Financing activities		
Issuance of common shares		51
Change in cash during the period		-
Cash, beginning of the period		-
Cash, end of the period	$	-

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

1. **Nature of operations and going concern**

Stowe One Investments Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on June 16, 2017, and its principal business activity is searching for a project to acquire, while complying with the requirements of being a public company. The Company's registered place of business is located at 650 - 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, Canada. The Company is in the startup stage of operations, and does not yet have any revenue-generating activity.

The Company was a wholly-owned subsidiary of Anacott Resources Corp. ("Anacott") until a plan of arrangement was completed on July 28, 2017 under which the Company's common shares were distributed to shareholders of Anacott on a pro-rata basis.

The financial statements were prepared on a going concern basis with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has no cash resources, has incurred significant operating losses and debts to finance operations, and will require additional financing in order to continue operations. There is no assurance that such funding will be available. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of accounts receivable and, ultimately, the Company's ability to continue as a going concern, is dependent upon the Company's ability to raise financing to complete the acquisition of a project, the realization of which is uncertain. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. **Basis of presentation**

Basis of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and they are consistent with interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies adopted in these financial statements are based on IFRS's in effect at December 31, 2017.

Basis of measurement
The financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. Significant accounting estimates and judgements

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. The impact of estimates and judgments is pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates, or changes to judgments, are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions that management has made about current unknowns, the future, and other sources of estimated uncertainty, could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made. Such significant assumptions include, but are not limited to, the following areas:

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

- Recovery of receivables

  The Company estimates the collectability and timing of collection of its receivables, classifying them as current assets or long-term assets, and applies provisions for collectability when necessary.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned project-acquisitions, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. Summary of significant accounting policies

Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

4. **Summary of significant accounting policies** - continued

Financial instruments

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 and at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss). Cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Accounts receivable 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 (loss) except for losses in value that are considered other than temporary.

Transaction costs associated with financial assets at FVTPL 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.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and due to related party are recorded as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss).

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

New standards and interpretations not yet adopted

The following is an overview of accounting standard changes that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company does not expect these standards to have a material impact on its financial statements.

(a) IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories.

4. **Summary of significant accounting policies** - continued
New standards and interpretations not yet adopted - continued

(b) IFRS 15 - *Revenue from Contracts with Customers*. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - *Revenue*, IAS 11 - *Construction Contracts*, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

(c) IFRS 16 - *Leases.* This standard specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

5. **Risk management and financial Instruments**

Financial instruments are agreements between two parties that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies its financial instruments as follows: cash is classified as FVTPL; accounts receivable are classified as loans and receivables; and accounts payable and accrued liabilities and due to related party, as other financial liabilities. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's accounts receivable are exposed to credit risk. The Company manages credit risk, in respect of accounts receivable, by monitoring the age of receivables and pursuing those that are not due from government. Management believes that credit risk with respect to receivables is minimal, as the majority consists of amounts due from Canadian governmental agencies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at December 31, 2017, the Company is not exposed to significant market risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient cash or credit available to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities, and by maintaining its lending arrangement with a related party. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2017, and are anticipated to be paid for by a related party.

(Expressed in Canadian dollars)

6. **Share capital**

(a) **Authorized**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) **Reconciliation of changes in share capital**

During the period ended December 31, 2017, the Company issued 5,080,725 common shares for cash of $51. The Company was a wholly-owned subsidiary of Anacott Resources Corp. ("Anacott") until a plan of arrangement was completed on July 28, 2017 under which the Company's common shares were distributed to shareholders of Anacott on a pro-rata basis. As part of the plan of arrangement, the Company's share capital was decreased by 31,618 shares.

7. **Financial instruments**

Categories of financial assets and financial liabilities
Financial instruments are classified into one of the following five categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	**Category**	**December 31, 2017** $
Cash	FVTPL	Nil
Accounts receivable	loans and receivables	3,201
Accounts payable and accrued liabilities	other financial liabilities	4,910
Due to related party	other financial liabilities	64,819

8. **Related party disclosures**

Included in accounting is $12,000 owed to Anacott, a corporation with common directors or officers, for the provision of key management services.

Due to related party at December 31, 2017 is comprised of $64,819 due to Anacott. These amounts relate primarily to the costs of incorporation and the plan of arrangement, as well as the provision of key management services as described above.

(Expressed in Canadian dollars)

9. **Income Taxes**

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26.00% to income before income taxes. The reasons for the differences are as follows:

Loss for the year	$	(66,579)
Statutory income tax rate		26.00%
Expected income tax recovery		(17,311)
Unrecognized benefit of deferred tax assets		17,311
Income tax expense	$	-

The Company recognizes a deferred tax asset on unused tax losses or other deductible amounts only when the Company expects to have future taxable profit against which the amounts could be utilized. The Company's deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following unrecognized asset amounts:

Eligible capital property		11,541
Non-capital losses carried forward		5,770
Unrecognized deductible temporary differences	$	17,311

The Company has non-capital losses of approximately $22,192. The non-capital losses carried forward will expire in 2037 if unused.

10. **Subsequent event**

On February 19, 2018, the Company completed a private placement with a related party, raising gross proceeds of $216.55 through the issuance of 2,165,500 common shares.