

**FORESHORE EXPLORATION PARTNERS CORP.**  
**(A Capital Pool Company)**  
**Financial Statements**  
**For the three months ended January 31, 2018**  
**(Expressed in Canadian Dollars)**

**FORESHORE EXPLORATION PARTNERS CORP.**

(A Capital Pool Company)

Statements of Financial Position

As at

(Expressed in Canadian dollars)

	Notes	January 31, 2018	October 31, 2017
<b>Asset</b>			
<b>Current Assets</b>			
Cash	\$	65,724	\$ 99,598
Prepaid expenses		15,000	5,000
<b>Total Assets</b>	<b>\$</b>	<b>80,724</b>	<b>\$ 104,598</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$	10,048	\$ -
<b>Total Liabilities</b>		<b>10,048</b>	<b>-</b>
<b>Shareholders' Equity</b>			
Share capital	4	105,000	105,000
Deficit		(34,324)	(402)
<b>Total Shareholders' Equity</b>		<b>70,676</b>	<b>104,598</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$</b>	<b>80,724</b>	<b>\$ 104,598</b>

**Nature and continuance of operations (Note 1)****Events after the reporting period (Note 8)**

On behalf of the Board:

\_\_\_\_\_  
"Toby Pierce", Director

\_\_\_\_\_  
"Chris Beltgens", Director

**FORESHORE EXPLORATION PARTNERS CORP.**

(A Capital Pool Company)

Statements of Comprehensive Loss

For the three months ended January 31, 2018 and the period from June 12, 2017 (date of incorporation) to October 31, 2017

(Expressed in Canadian dollars)

	<b>Three months ended January 31, 2018</b>	<b>Period from June 12, 2017 (date of incorporation) to October 31, 2017</b>
<b>Expenses</b>		
Bank charges	\$ 153	\$ 19
Legal fees	9,800	383
Meals and entertainment	248	-
Transfer fees	23,721	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (33,922)</b>	<b>\$ (402)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding</b>	<b>2,100,000</b>	<b>118,310</b>

**FORESHORE EXPLORATION PARTNERS CORP.**

(A Capital Pool Company)

## Statements of Changes in Shareholders' Equity

For the three months ended January 31, 2018 and period from June 12, 2017 (date of incorporation) to October 31, 2017

(Expressed in Canadian dollars)

	Share Capital			
	Number of Shares	Amount	Deficit	Total
<b>Balance at June 12, 2017 (date of incorporation)</b>	-	\$ -	\$ -	\$ -
Proceeds from share issuance	<b>2,100,000</b>	105,000	-	105,000
Net loss for the period	-	-	(402)	(402)
<b>Balance at October 31, 2017</b>	<b>2,100,000</b>	<b>\$ 105,000</b>	<b>\$ (402)</b>	<b>\$ 104,598</b>
Net loss for the period	-	-	(33,922)	(33,922)
<b>Balance at January 31, 2018</b>	<b>2,100,000</b>	<b>\$ 105,000</b>	<b>\$ (34,324)</b>	<b>\$ 70,676</b>

See accompanying notes to the financial statements.

**FORESHORE EXPLORATION PARTNERS CORP.**

(A Capital Pool Company)

## Statement of Cash Flows

For the three months ended January 31, 2018 and the period from June 12, 2017 (date of incorporation) to October 31, 2017

(Expressed in Canadian dollars)

	Three months ended January 31, 2018		Period from June 12, 2017 (date of incorporation) to October 31, 2017
<b>Operating Activities</b>			
Net loss for period	\$ (33,922)	\$	(402)
Changes in non-cash working capital items:			
Prepaid expenses	(10,000)		(5,000)
Accounts payable and accrued liabilities	10,048		-
<b>Net cash flows used in operating activities</b>	<b>(33,874)</b>		<b>(5,402)</b>
<b>Financing Activity</b>			
Proceeds from share issuance	-		105,000
<b>Net cash flows provided by financing activity</b>	<b>-</b>		<b>105,000</b>
Change in cash	(33,874)		99,598
Cash, beginning	99,598		-
<b>Cash, ending</b>	<b>\$ 65,724</b>	<b>\$</b>	<b>99,598</b>

## **FORESHORE EXPLORATION PARTNERS CORP.**

(A Capital Pool Company)

Notes to the Financial Statements

For the three months ended January 31, 2018

(Expressed in Canadian dollars)

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

Foreshore Exploration Partners Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 12, 2017 and is a Capital Pool Company under the policies of the TSX Venture Exchange (the "Exchange").

The Company has appointed an agent to offer for sale to the public in the Provinces of Alberta, British Columbia and Ontario a minimum of 2,100,000 common shares and a maximum of 4,000,000 common shares at a price of \$0.10 per common share for gross proceeds of a minimum of \$210,000 and a maximum of \$400,000 (the "Offering"). The agent engaged in connection with the Offering of the common shares will be paid a commission of 8% of the gross proceeds. In addition, the Company will pay the agent a Corporate Finance Fee of \$8,000 and will reimburse the agent for its expenses, including legal fee up to a maximum of \$8,000, plus disbursements incurred pursuant to the Offering, of which \$10,000 has already been advanced. In connection with the proposed Offering, on December 4, 2017, the Company filed a preliminary prospectus.

Refer to notes 5 and 8.

Upon completion of the Offering, the principal business of the Company will be the identification and evaluation of assets or businesses with a view to completing a "Qualifying Transaction" as it is defined in the policies of the Exchange. The Company has commenced the process of identifying potential acquisitions. There is no assurance that the Company will identify and complete a Qualifying Transaction within the time period described by the policies of the Exchange. Moreover, even if a potential Qualifying Transaction is identified by the Company, it may not meet the requirements of the Exchange. The net proceeds from the seed funds described at Note 4 will only be sufficient to identify and evaluate a limited number of assets and businesses and additional funds may be required to finance the Company's Qualifying Transaction.

The Company has no source of operating revenue, has incurred a net loss since inception and as at January 31, 2018 has a deficit of \$34,324 (October 31, 2017 - \$402). Its continued existence will be dependent on the receipt of related party debt or equity financing on terms which are acceptable to the Company.

The head office, principal and registered address and records office of the Company are located at Suite 800, 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5.

### **2. Significant accounting policies and basis of preparation**

The financial statements were authorized for issue by the directors of the Company on April 9, 2018.

#### ***Statement of compliance***

The financial statements of the Company have been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting Standards" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

#### ***Basis of preparation***

The financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, which is also the Company's and its subsidiary's functional currency.

## **FORESHORE EXPLORATION PARTNERS CORP.**

(A Capital Pool Company)

Notes to the Financial Statements

For the three months ended January 31, 2018

(Expressed in Canadian dollars)

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### **2. Significant accounting policies and basis of preparation (cont'd)**

#### ***Significant accounting judgments, estimates and assumptions***

##### *Critical accounting estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appear throughout the financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

##### *Critical accounting judgments*

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made.

##### 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 exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### **Financial instruments**

##### *Financial assets*

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

##### Fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held-for-trading or is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future, it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. The Company has no assets included in this category.

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### **2. Significant accounting policies and basis of preparation (cont'd)**

#### ***Financial instruments (cont'd)***

##### *Financial assets (cont'd)*

##### Loans and receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value less transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has no assets included in this category.

##### Available-for-sale

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. The Company has no assets included in this category.

##### Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intention and ability to hold to maturity are classified as held-to-maturity. Financial assets classified as held-to-maturity are measured at amortized cost using the effective interest method.

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. The Company has no assets included in this category.



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### **2. Significant accounting policies and basis of preparation (cont'd)**

#### ***Financial instruments (cont'd)***

##### *Financial liabilities*

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Bank indebtedness, accounts payable and accrued liabilities, due to related party amounts and loan payable are included in this category.

##### ***Impairment of non-financial assets***

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

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

##### ***Income taxes***

###### Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

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**2. Significant accounting policies and basis of preparation (cont'd)**

***Income taxes (cont'd)***

Current income tax (cont'd)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

***Loss per share***

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding. The Company does not have shares held in escrow as at the end of the reporting period.

***Share capital***

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

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**2. Significant accounting policies and basis of preparation (cont'd)**

***Equity-settled transactions***

Share-based payment arrangements whereby the Company received goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. Equity instruments issued as consideration for the purchase of non-monetary assets are measured based on the fair value of the common shares on the date the shares are issued.

**3. Accounting standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the period ended January 31, 2018 and have not been applied in preparing these financial statements:

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after December 31, 2018 with early adoption permitted. The Company does not expect any effect on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

**4. Share capital**

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

During the period ended January 31, 2018, the Company issued, by private placement 2,100,000 shares at a price of \$0.05 per share for gross proceeds of \$105,000.

All of these issued shares are subject to escrow restrictions and will be released from escrow in tranches over 36 months from the date of issuance of the Final Exchange Bulletin.

Refer to notes 1 and 8.

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(A Capital Pool Company)

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(Expressed in Canadian dollars)

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### **5. Stock options and share purchase warrants**

#### (a) Stock options

The Company determined a total of 300,000 share purchase options will be granted to the directors and officers on the date upon which the Company becomes listed on the Exchange as a Capital Pool Company. These options will be exercisable at a price of \$0.10 for a period of five years from the date the Company becomes listed on the Exchange.

#### (b) Share purchase warrants

On completion of the Offering, the Company will grant to its agent warrants to acquire up to 2% of the common shares issued under the Offering at a price of \$0.10 per share for a period of 24 months from the closing date of the Offering, being 42,000 common shares (in the case of the minimum Offering) and 80,000 common shares (in the case of the maximum Offering). In accordance with the policies of the Exchange, not more than 50% of the common shares issuable upon the exercise of the Agent's Warrants may be sold by the Agent prior to the completion of the Qualifying Transaction.

Refer to notes 1 and 8.

### **6. Financial risk and capital management**

#### ***Capital management***

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There were no changes to the Company's capital management approach during the period ended January 31, 2018.

#### ***Management of financial risk***

The Company has classified its accounts payable and accrued liabilities as other financial liabilities. The carrying value of all financial liabilities approximates fair value due to the short-term nature of these financial instruments. The types of risk exposure and the Company's methods of managing the risk remain consistent and are as follows:

#### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

**FORESHORE EXPLORATION PARTNERS CORP.**

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(Expressed in Canadian dollars)

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**6. Financial risk and capital management** *(cont'd)*

***Management of financial risk*** *(cont'd)*

(a) Market risk *(cont'd)*

(i) Interest rate risk

The Company is not subject to significant interest rate risk with respect to its financial instruments.

(ii) Currency risk

The Company is not exposed to currency risk, as all financial instruments and expenditures incurred by the Company are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. The Company is not exposed to significant other price risk on its financial instruments.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian financial institutions. The Company is not exposed to significant credit risk on receivables, as these amounts are due from government agencies. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities, and through management of its capital structure. All of the Company's financial liabilities have contractual maturities of less than 90 days.

The fair values of the Company's financial assets and liabilities approximate the carrying amounts due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

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**8. Events after the reporting period**

- On March 2, 2018, the Company filed an amended and restated preliminary prospectus in the Provinces of Alberta, British Columbia and Ontario pursuant to which it intends to raise a minimum of \$210,000 and a maximum of \$400,000 through the issuance of common shares at \$0.10 per share, as discussed at note 1.
- On March 16, 2018, the Exchange conditionally accepted the listing of the Company's Common Shares on the Exchange under the symbol "FORE.P". Listing is subject to the Company fulfilling all of the listing requirements of the Exchange.
- In connection with its proposed Offering, the Company filed a final prospectus on March 21, 2018.