

VATIC VENTURES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED

NOVEMBER 30, 2017

EXPRESSED IN CANADIAN DOLLARS

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Davidson & Company LLP has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements.

January 18, 2018

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars - unaudited)

	November 30, 2017	February 28, 2017
ASSETS		
Current		
Cash	\$ 4,837	\$ 3,874
Amounts receivable	7,494	19,143
Prepaid expenses	44,353	31,342
	56,684	54,359
Non-current		
Equipment (Note 4)	4,468	2,238
Deposits (Note 6)	47,424	45,060
Exploration and evaluation assets (Note 6)	1,095,829	869,963
Total assets	\$ 1,204,405	\$ 971,620
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 108,728	\$ 256,494
Loans payable (Note 8)	70,075	64,206
Due to related parties (Note 12)	430,253	166,075
Total liabilities	609,056	486,775
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 9)	4,907,164	4,538,763
Subscriptions received (Note 9)	135,128	114,200
Share-based payment reserve (Note 9)	74,907	65,630
Warrant reserve (Note 9)	81,450	67,162
Deficit	(4,761,898)	(4,477,679)
Equity attributable to shareholders	436,751	308,076
Non-controlling interest	158,598	176,769
Total shareholders' equity	595,349	484,845
Total liabilities and shareholders' equity	\$ 1,204,405	\$ 971,620

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved by the Board of Directors

"Nasim Tyab"

Director

"Matt Mikulic"

Director

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

VATIC VENTURES CORP.Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	Three months ended		Nine months ended	
	November 30,	November 30,	November 30,	November 30,
	2017	2016	2017	2016
Expenses				
Amortization (Note 4)	\$ 182	\$ 160	\$ 572	\$ 480
Business development	25	4,920	4,989	70,020
Consulting fees	62,718	75,616	148,552	171,578
Directors' fees (Note 12)	-	10,000	-	10,000
Management fees (Note 12)	3,000	16,000	8,000	54,000
Office and miscellaneous	7,283	3,123	37,614	8,180
Professional fees	6,240	2,269	68,098	29,667
Rent	801	-	3,536	3,744
Share-based payments (Notes 9)	9,277	-	9,277	-
Transfer agent and filing fees	12,425	3,988	23,314	15,171
Travel, meals and entertainment	28,990	-	129,704	63,692
Total expenses	(130,941)	(116,076)	(433,656)	(426,532)
Accounts payable recovery	-	-	140,079	-
Foreign exchange loss	(4,608)	-	(3,031)	-
Interest expense (Note 8)	(2,000)	(2,555)	(5,782)	(8,096)
	(6,608)	(2,555)	131,266	(8,096)
Net and comprehensive loss for the period	\$ (137,549)	\$ (118,631)	\$ (302,390)	\$ (434,628)
Net loss attributable to				
Shareholders of the Company	(134,186)	(118,631)	(284,219)	(434,628)
Non-controlling interest	(3,385)	-	(18,171)	-
	(137,571)	(118,631)	(302,390)	(434,628)
Weighted average number of common shares outstanding (basic and diluted)	35,071,307	22,634,523	34,444,756	17,154,749
Basic and diluted net loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.03)

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

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars - unaudited)

	Number of shares issued	Share Capital	Warrant reserve	Share-based payment reserve	Subscriptions received (receivable)	Deficit	Non- controlling interest	Total
Balance, March 1, 2015	2,991,825	\$ 2,979,788	\$ 31,056	\$ 65,630	\$ -	\$ (3,710,610)	\$ -	\$ (634,136)
Net loss for the year	-	-	-	-	-	(89,426)	-	(89,426)
Subscription Received	-	-	-	-	128,250	-	-	128,250
Balance, February 29, 2016	2,991,825	2,979,788	31,056	65,630	128,250	(3,800,036)	-	(595,312)
	Number of shares issued	Share Capital	Warrant reserve	Share-based payment reserve	Subscriptions received (receivable)	Deficit	Non- controlling interest	Total
Balance, March 1, 2016	2,991,825	2,979,788	31,056	65,630	128,250	(3,800,036)	-	(595,312)
Net loss for the year	-	-	-	-	-	(677,643)	(4,251)	(681,894)
Private placement	21,331,149	1,243,837	-	-	(128,250)	-	-	1,115,587
Property acquisition	5,200,000	416,000	-	-	-	-	-	416,000
Finder's fee	-	(64,756)	-	-	-	-	-	(64,756)
Fair value of agent's warrants granted	-	(36,106)	36,106	-	-	-	181,020	181,020
Subscription received	-	-	-	-	114,200	-	-	114,200
Balance, February 28, 2017	29,522,974	\$ 4,538,763	\$ 67,162	\$ 65,630	\$ 114,200	\$ (4,477,679)	\$ 176,769	\$ 484,845
Net loss for the period	-	-	-	-	-	(284,219)	(18,171)	(302,390)
Private placement	5,148,333	386,125	-	-	20,928	-	-	407,053
Warrants exercised	400,000	20,000	-	-	-	-	-	20,000
Finder's fee	-	(23,436)	-	-	-	-	-	(23,436)
Fair value of agent's options granted	-	-	-	9,277	-	-	-	9,277
Fair value of agent's warrants granted	-	(14,288)	14,288	-	-	-	-	-
Balance, November 30, 2017	35,071,307	4,907,164	81,450	74,907	135,128	(4,761,898)	158,598	595,349

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

VATIC VENTURES CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars - unaudited)

	Nine months ended	
	November 30, 2017	November 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (302,390)	\$ (434,629)
Adjustments for:		
Amortization	572	480
Interest expense	5,782	8,096
Share-based payments	9,277	-
Changes in non-cash working capital items:		
Increase in amounts receivable	11,649	(6,161)
Increase in prepaid expenses	(15,288)	-
Decrease (increase) in due to related parties	264,178	(76,280)
Increase (decrease) in accounts payable and accrued liabilities	(147,766)	(133,693)
Net cash used in operating activities	(173,986)	(642,187)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Equipment	(2,802)	-
Exploration and evaluation assets	(225,866)	(308,081)
Net cash used in investing activities	(228,668)	(308,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	406,125	1,243,837
Subscriptions received	20,928	(128,250)
Share issuance costs	(23,436)	(41,477)
Loans payable	-	(92,999)
Net cash provided by financing activities	403,617	981,111
Increase in cash	963	30,843
Cash, beginning of the period	3,874	28,848
Cash, end of the period	\$ 4,837	\$ 59,691

Supplemental disclosure with respect to cash flows (Note 13)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Vatic Ventures Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on October 30, 2007 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange Policy 2.4 until January 26, 2011. On January 26, 2011, the Company completed its Qualifying Transaction (the “Transaction”) and received the final exchange bulletin for the Transaction from the Exchange. As a result, the Company’s shares are listed for trading on the Exchange under the trading symbol “VCV” on the NEX.

Following the completion of the Transaction, the Company is listed as a Tier 2 mining exploration issuer. The Company operates in a single business segment focusing on mineral exploration in Thailand. To date, the Company has not generated any revenue from its mineral exploration activities and has met its cash requirements primarily through share issuances and interest income. Until the Company attains profitability, it will be necessary to raise additional financing for general working capital and for exploration costs on its properties. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The head office, principal address, registered address and records office of the Company are located at 1500 – 1040 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4H1.

As at November 30, 2017, the Company had a cumulative equity of \$595,349 (February 28, 2017 - \$484,845) and a working capital deficiency of \$552,372 (February 28, 2017 - \$432,416). The Company expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. However, the Company’s future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

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

2. BASIS OF PRESENTATION

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Approval of the financial statements

The condensed consolidated interim financial statements of the Company for the period ended November 30, 2017, were reviewed by the Audit Committee and approved and authorized for issue on January 18, 2018 by the Board of Directors of the Company.

Basis of preparation

The consolidated financial statements 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 unless otherwise noted.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. All inter-company transactions and balances between the Company and its subsidiaries have been eliminated upon consolidation.

The subsidiaries are consolidated from the date on which control is transferred to the Company and will cease to be consolidated from the date on which control is transferred out of the Company. The Company also assesses existence of control where it does not have more than 50% of voting power but are able to control the investee by virtue of de facto control. De facto control may arise in circumstances where the size of the group’s voting rights relative to the size and dispersion of holdings of other shareholders gives the group the power to govern the financial and operating policies.

Details of the Company’s subsidiaries are as follows:

	Date of Incorporation	Country of incorporation	Percentage owned November 30, 2017
VV Mining Exploration Services Mexico S. DE. R. I.	June 20, 2012	Mexico	100%
VV Mining Mexico S. DE R. I. C. V.	June 20, 2012	Mexico	100%
Saksrithai Development Co. Ltd.	March 11, 2014	Thailand	80%

All inter-company transactions and balances have been eliminated upon consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed consolidated interim financial statements as were followed in the preparation and described in Note 3 of the annual audited consolidated financial statements as at and for the year ended February 28, 2017. Accordingly, these condensed interim financial statements for the nine month period ended November 30, 2017 should be read together with the annual consolidated financial statements as at and for the year ended February 28, 2017.

4. EQUIPMENT

	Computer equipment	Furniture & fixtures	Total
Cost:			
At February 29, 2016	\$ 1,770	\$ 8,068	\$ 9,838
Amortization:			
At February 29, 2016	1,518	5,442	6,960
Charges for the year	112	528	640
At February 28, 2017	\$ 1,630	\$ 5,970	\$ 7,600
Net book value:			
At February 28, 2017	\$ 140	\$ 2,098	\$ 2,238
Cost:			
At February 28, 2017	\$ 1,770	\$ 8,068	\$ 9,838
Additions	-	2,802	2,802
At November 30, 2017	\$ 1,770	\$ 10,870	\$ 12,640
Amortization:			
At February 28, 2017	1,630	5,970	7,600
Charges for the period	48	524	572
At November 30, 2017	\$ 1,678	\$ 6,494	\$ 8,172
Net book value:			
At November 30, 2017	\$ 92	\$ 4,376	\$ 4,468

VATIC VENTURES CORP.
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the nine months ended November 30, 2017

5. ASSET ACQUISITION

On June 2, 2016, the Company entered into an Assignment and Share Purchase Agreement, pursuant to which, the Company issued 5,200,000 of its common shares and paid US \$220,000 to acquire 80% of the shares of Saksrithai Development Co. Ltd. (“Saksrithai”). This transaction is accounted for as an asset acquisition. The Company accounts for Saksrithai in accordance with IFRS 10, Consolidated Financial Statements.

The following table summarizes the consideration paid, the relative fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Cash	\$	308,081
Common shares (5,200,000 shares)		416,000
	\$	<u>724,081</u>
Cash		70
Deposit		45,168
Amounts receivable		366
Prepaid expenses		1,640
Exploration and evaluation assets		859,366
Accrued liabilities		(1,509)
Net Assets	\$	905,101
Non-controlling interest		(181,020)
Total	\$	<u>724,081</u>

The amount of net loss attributable to Saksrithai included in the condensed consolidated interim statements of operations and comprehensive loss from the acquisition date through the period ended November 30, 2017 was \$14,808 (November 30, 2016 - \$Nil).

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition and exploration costs on its mineral properties:

	Thailand		
	Khorat Basin Property		Total
Balance of costs			
Balance, February 29, 2016		\$	-
Acquisition costs	859,229		859,229
Deferred exploration costs	10,734		10,734
Balance, February 28, 2017	\$ 869,963	\$	869,963
Deferred exploration costs	225,866		225,866
Balance, November 30, 2017	\$ 1,095,829	\$	1,095,829

6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

KHORAT BASIN PROPERTY

On June 2, 2016 the Company entered into an assignment and share purchase agreement (the “Agreement”) to acquire 80% of the issued and outstanding shares (the “Shares”) of Saksrithai Development Co. Ltd. (“Saksrithai”), a Thailand company which holds two special prospecting licenses (“SPLs”) for the exploration of potash. The two licenses, which are contiguous, are located in the northern Thailand province of Nakhon Ratchasima and comprise an area of approximately 32 km². The property is located in the western part of the Khorat Basin in the Khorat Plateau.

Pursuant to the Agreement the Company has acquired the rights of Red Branch Investments Ltd. a Hong Kong incorporated company (“Red Branch”) to acquire the Shares pursuant to a memorandum of understanding entered into among the holders of the Shares of Saksrithai (the “Saksrithai Shareholders”), Saksrithai and Red Branch dated February 26, 2016 which is superseded by a share purchase agreement (the “Underlying Acquisition Agreement”). In accordance with the terms of the Underlying Acquisition Agreement, as assigned to the Company, the Company has purchased the Shares by paying the Saksrithai Shareholders THB 8,000,000 (8,000,000 Thai Baht, the currency of Thailand, which equates to approximately US\$220,000). The Underlying Acquisition Agreement also provides that subsequent to Red Branch or its assigns purchasing the Shares, Red Branch or its assigns will fund a THB 50,000,000 (approximately US\$1,400,000) first stage exploration and development program which will include sufficient funding to satisfy work and expenditure commitments under the SPLs, to pay the Thailand project expenses and funding for general and administrative expenses in Thailand and Canada. In the event that the full amount of THB 50,000,000 is not expended, the Saksrithai Shareholders will be entitled to a cash payment of 20% of the unspent balance.

The SPLs require Saksrithai to fund exploration activities totalling THB 53,800,000 over a five year period. As at November 31, 2017, the licenses remain in good standing. On issuance of the SPLs, Saksrithai paid a deposit of THB 1,200,000 which will be returned at the end of the five year license term provided Saksrithai meets the expenditure requirements stipulated in the SPLs. As at February 28, 2017, the deposits are recorded as a long term asset at \$45,060 (February 29, 2016 - \$nil).

As consideration for the Agreement, the Company also issued 5,200,000 common shares with a value of \$416,000 to Red Branch plus a 1% net smelter return (“NSR”) royalty on the property. The NSR Royalty can be purchased by the Company at any time for US \$1,000,000.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2017	February 28, 2017
Accounts payable	77,988	\$217,071
Accrued liabilities	30,740	39,423
	\$108,728	\$256,494

VATIC VENTURES CORP.
Notes to the Consolidated Financial Statements
(Expressed in Canadian dollars)
For the nine months ended November 30, 2017

8. LOANS PAYABLE

As at February 28, 2015, loans payable consisted of a \$61,455 loan, and a \$37,300 loan. Both loans were with arm's length parties. The Company also accrued \$32,979 of interest on the loans for an aggregate balance of \$131,734. All the loans are unsecured, due on demand and bear an annual interest rate of 12%.

During the year ended February 29, 2016, the Company received \$25,000 and issued a 10% convertible debt note expiring December 31, 2015. The convertible note is exercisable at the same price of any common share issued by the Company from the date the note was issued until the date the note is fully paid. As a result of the potential to issue a variable number of shares, a derivative liability was assessed. On issuance the derivative liability component was assessed at a value of \$7,200 using the black-scholes model with a risk-free interest rate of 0.51%, term of 0.73 years, volatility of 169.34%, an exercise price of \$0.24, a stock price of \$0.16 and a dividend rate of 0%. The residual value of \$17,800 was assigned to the debt component. As at February 29, 2016, the derivative component was valued at \$Nil and a gain of \$7,200 was recognized.

During the year ended February 28, 2017, repayment of \$121,000 was made against the outstanding loans.

Principal	Accrued interest expenses	Loan repayment prior years	Loan repayment current year	Loan balance at November 30, 2017
\$ 25,000	\$ 4,439	\$ (28,000)	\$ -	\$ 1,439
61,455	42,062	(58,000)	-	45,516
37,300	20,819	(35,000)	-	23,120
<u>\$ 123,755</u>	<u>\$ 67,320</u>	<u>\$ (121,000)</u>	<u>\$ -</u>	<u>\$ 70,075</u>

Principal	Accrued interest expenses	Loan repayment	Loan balance at February 28, 2017
\$ 25,000	\$ 4,340	\$ (28,000)	\$ 1,340
61,455	38,235	(58,000)	41,690
37,300	18,876	(35,000)	21,176
<u>\$ 123,755</u>	<u>\$ 61,451</u>	<u>\$ (121,000)</u>	<u>\$ 64,206</u>

9. SHARE CAPITAL

Authorized: unlimited common shares without par value

On January 27, 2016, the Company completed a share consolidation in which one (1) post-consolidated common share replaced four (4) pre-consolidated common shares. All information relating to basic and diluted loss per share, the weighted average number of common shares outstanding, the issued and outstanding common shares, common shares issued, share options, and warrants have been adjusted retroactively to reflect the impact of the share consolidation in these consolidated financial statements.

9. SHARE CAPITAL (cont'd...)

During the nine months ended November 30, 2017:

On March 27, 2017, the Company received approval from the NEX to close the first and second tranches of its financing. In the first tranche, the Company issued 4,156,667 units at a price of \$0.075 per unit for gross proceeds of \$311,750. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.15 per share for 24 months from closing. A finder's fee of \$19,500 cash, plus 254,000 finder's warrants exercisable at \$0.075 per share for 24 months is payable to Haywood Securities Inc. and a finder's fee of \$1,500 cash plus 20,000 finder's warrants exercisable at \$0.075 per share for 24 months is payable to Foster & Associates.

On completion of the second tranche, the Company issued 991,666 units at a price of \$0.075 per unit for gross proceeds of \$74,375. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.15 per share for 24 months from closing. A finder's fee of \$2,438 cash, plus 32,500 finder's warrants exercisable at \$0.075 per share for 24 months is payable to Leede Jones Gable Inc.

The Company issued 400,000 common shares on exercise of 400,000 finder's warrants with an exercise price of \$0.05 per share for gross proceeds of \$20,000.

During the year ended February 28, 2017:

Private Placement on March 22, 2016

On March 22, 2016, the Company issued 9,240,000 units at a price of \$0.05 per unit for gross proceeds of \$462,000. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per share for 12 months from closing.

A finder's fee of \$10,000 cash, plus 200,000 finder's warrants exercisable at \$0.05 per share for 12 months is payable to Haywood Securities Inc. and a finder's fee of \$750 cash plus 15,000 finder's warrants exercisable at \$0.10 per share for 12 months is payable to Canaccord Genuity Corp. The finder's warrants had a fair value of \$12,211 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 0.54%, expected life of 1 year, and expected volatility of 246%.

Private Placement on May 12, 2016

On May 12, 2016, the Company issued 5,000,000 units at a price of \$0.05 per unit for gross proceeds of \$250,000. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.10 per share for 12 months from closing.

A finder's fee of \$10,000 cash, plus 200,000 finder's warrants exercisable at \$0.05 per share for 12 months is payable to Haywood Securities Inc. and a finder's fee of \$500 cash plus 10,000 finder's warrants exercisable at \$0.10 per share for 12 months is payable to Canaccord Genuity Corp. The finder's warrants had a fair value of \$19,146 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 0.56%, expected life of 1 year, and expected volatility of 261%.

Shares issued for property acquisition on October 21, 2016

On October 21, 2016, the Company issued 5,200,000 common shares with a fair value of \$416,000 to acquire the right to purchase 80% of the shares of Saksrithai which holds the licenses for the Khorat Basin property (Note 6).

9. SHARE CAPITAL (cont'd...)

Private Placement on October 21, 2016

On October 21, 2016, the Company issued 7,091,157 units at a price of \$0.075 per unit for gross proceeds of \$531,837. Each unit consists of one common share and one common share purchase warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.15 per share for 24 months from closing.

A finder's fee of \$503 cash, plus 60,000 finder's warrants exercisable at \$0.15 per share for 24 months was paid to Leede Jones Gable and 6,700 finder's warrants having the same terms was paid to Canaccord Genuity Corp. The finder's warrants had a fair value of \$4,749 using the Black Scholes option pricing model with the following assumptions: Risk-free interest rate of 0.53%, expected life of 2 years, and expected volatility of 246%.

During the year ended February 28, 2017, the Company received \$114,200 of share subscriptions for shares issued subsequent to year end.

Share options

The Company adopted a share option plan (the "Share Option Plan") under which it may grant options to directors, officers, and technical consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

For share options granted to employees, officers, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

A summary of share option transactions are as follows:

	Number of options	Weighted average exercise price	Weighted average number of years to expiry
Balance, February 29, 2016	22,812	\$3.20	1.36
Balance, February 28, 2017	22,812	\$3.20	0.36
Granted	450,000	\$0.05	1.82
Expired	(22,812)		
Balance, November 30, 2017	450,000	\$0.05	1.82

9. **SHARE CAPITAL** (cont'd...)

Warrants

Changes to the balance of warrants outstanding are as follows:

	Warrants outstanding	Weighted average exercise price	Weighted average number of years to expiry
Balance, February 29, 2016	2,212,458	\$ 0.40	0.95
Expired	(1,542,083)	\$ 0.39	
Granted - private placement	21,331,157	0.12	
Granted - finder's warrants	491,700	0.07	
Balance, February 28, 2017	22,493,232	\$ 0.12	0.61
Expired	(14,935,375)	\$ 0.39	
Exercised	(400,000)		
Granted - private placement	5,148,333	0.075	
Granted - finder's warrants	306,500	0.075	
Balance, November 30, 2017	12,612,690	\$ 0.09	0.89

As at November 30, 2017, the following warrants are outstanding and exercisable:

Weighted average exercise price	Weighted Average Life (Years)	Number of warrants outstanding and exercisable	Expiry date
\$ 0.15	0.89	7,091,157	October 20, 2018
0.15	0.89	66,700	October 20, 2018
0.075	1.32	5,148,333	March 26, 2019
0.075	1.32	306,500	March 26, 2019
\$ 0.09	0.89	12,612,690	

Share-based payments

During the nine month period ended November 30, 2017, the Company granted 450,000 options, which resulted in share-based payments of \$9,277. There were no share-based payment transactions during the period ended November 30, 2016.

10. CAPITAL DISCLOSURE

The Company considers its capital structure to include the net residual equity of all assets, less liabilities. Capital is comprised of the Company's equity and any debt that it may issue. The Company's objectives when managing capital are to (i) maintain sufficient working capital to meet current financial obligations and continue as a going concern; (ii) maintain a capital structure to allow the Company to raise equity funding to finance its capital expenditures and acquisition activities; (iii) maintain creditworthiness and maximize returns for shareholders over the long term; (iv) maintain capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic circumstances. The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will be used to fund the Company's working capital and exploration activities. There were no changes to the way the Company manages its capital in the period ended November 30, 2017.

11. FINANCIAL INSTRUMENTS AND RISKS

Fair values

Under IFRS, a three-level hierarchy that reflects the significance of inputs used in making fair value adjustments is required. The three levels of the fair value hierarchy are as follows:

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

The following table outlines the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy described above. Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair value measurement.

Assets	As at November 30, 2017			
	Level 1	Level 2	Level 3	Total
Cash	\$ 4,837	\$ -	\$ -	\$ 4,837
Total	\$ 4,837	\$ -	\$ -	\$ 4,837

Assets	As at February 28, 2017			
	Level 1	Level 2	Level 3	Total
Cash	\$ 3,874	\$ -	\$ -	\$ 3,874
Total	\$ 3,874	\$ -	\$ -	\$ 3,874

All other financial assets and liabilities approximate their fair value due to the short term nature of these instruments.

11. FINANCIAL INSTRUMENTS AND RISKS (cont'd...)

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables.

The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of GST receivable due from federal government agencies.

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 ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At November 30, 2017, the Company had cash of \$4,837 (February 28, 2017 - \$3,874), which is insufficient to settle current liabilities of \$609,056 (February 28, 2017 - \$486,775). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade.

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.

Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

There are some expenses for the Company denominated in US dollars, Euro and Thai Baht. The Company may become exposed to currency fluctuations on mineral exploration and evaluation expenditures which are denominated in Thai Baht and operating expenses denominated in US dollars, Euros, and Thai Baht. These potential currency risks could have a significant impact on the Company.

As at November 30, 2017, the Company was exposed to currency risk through the following monetary assets and liabilities in Thai Baht:

Deposits in Thai Baht – 1,230,000
Accounts payable and accrued liabilities in Thai Baht – 745,782
Foreign exchange rate at November 30, 2017 – 0.03952

Based on the net exposures at November 30, 2017, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the Euro or Thai Baht would not have a significant impact on the Company's net earnings (loss).

12. RELATED PARTY TRANSACTIONS

The amounts due to related parties are amounts due to officers and directors of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

The amounts owed to the CEO and the President are for loans provided to the Company and expenses incurred on Company business and will not be repaid until there is sufficient working capital to first fund exploration and operating costs before repayment. Costs paid to the company controlled by the CEO for project management of the Company's Thai project will be paid in shares of the Company.

Due to related parties	November 30, 2017	February 28, 2017
President	\$ 106,936	\$ 14,132
CEO	228,394	57,020
CFO	55,270	55,270
Corporate secretary	2,500	2,500
Director	37,153	37,153
Total	\$ 430,253	\$ 166,075

During the periods ended November 30, 2017 and 2016, the Company paid or accrued management and directors' fees to its officers and directors as follows:

	Nine months ended	
	November 30, 2017	November 30, 2016
Director	\$ -	\$ 20,000
President	-	41,000
CFO	8,000	3,000
	\$ 8,000	\$ 64,000

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the nine months ended November 30, 2017, the Company incurred share issuance costs of \$14,288 (2016 - \$45,780) due to warrants awarded to private placement agents.

14. SEGMENTED INFORMATION

The Company's business is considered to be in one segment, being mineral property acquisition, exploration and development in Thailand.

15. SUBSEQUENT EVENTS

On August 31, 2017, the Company announced that it will conduct a non-brokered private placement of up to 10 million units at a price of five cents per unit (\$0.05) to raise proceeds of up to \$500,000. Each unit will consist of one common share and one common share purchase warrant (the “Unit Warrants”) with each Unit Warrant entitling the holder to acquire one additional common share at a price of \$0.10 per share for 12 months from closing. The funds from the financing will be used to conduct further development on its potash licenses in Thailand held by its subsidiary Saksrithai Development Co. Ltd. and for working capital purposes. Finder’s fees on the financing may be payable in accordance with regulatory policies.

On December 7, 2017, the Company announced that it will conduct a non-brokered private placement of up to 5 million units at a price of five cents per unit (\$0.05) to raise proceeds of up to \$250,000. Each unit will consist of one common share and one common share purchase warrant (the “Unit Warrants”) with each Unit Warrant entitling the holder to acquire one additional common share at a price of \$0.10 per share for 12 months from closing. The funds from the financing will be used to conduct further development on its potash licenses in Thailand held by its subsidiary Saksrithai Development Co. Ltd. and for working capital purposes. Finder’s fees on the financing may be payable in accordance with regulatory policies.