CROP INFRASTRUCTURE CORP.
(formerly Fortify Resources Inc.)

Financial Statements

February 28, 2018 and 2017

(Expressed in Canadian Dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Crop Infrastructure Corp. (formerly Fortify Resources Inc.)

We have audited the accompanying financial statements of Crop Infrastructure Corp. which comprise the statements of financial position as at February 28, 2018 and 2017, and the statements of comprehensive loss, changes in deficiency and cash flows for the years then ended and the related notes comprising 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 as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 our 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, we consider 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 based on our audits 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 Crop Infrastructure Corp. at February 28, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Crop Infrastructure Corp. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 28, 2018

CROP INFRASTRUCTURE CORP.
(formerly Fortify Resources Inc.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	February 28, 2018 $	February 28, 2017 $
ASSETS		
Current assets		
Cash	5,683	4,121
Amounts receivable	7,599	4,289
Total current assets	13,282	8,410
Non-current assets		
Exploration and evaluation asset (Note 3)	-	36,986
Total assets	13,282	45,396
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	55,859	63,209
Due to related parties (Note 6)	13,225	24,370
Total liabilities	69,084	87,579
Shareholders' deficiency		
Share capital	492,630	284,521
Deficit	(548,432)	(326,704)
Total shareholders' deficiency	(55,802)	(42,183)
Total liabilities and shareholders' deficiency	13,282	45,396

Nature of business and going concern (Note 1)

Subsequent events (Note 10)

Approved and authorized for issuance by the Board of Directors on May 28, 2018:

/s/ "Nick Horsley"
Director

/s/ "Christine Mah"
Director

(The accompanying notes are an integral part of these financial statements)

CROP INFRASTRUCTURE CORP.
(formerly Fortify Resources Inc.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended February 28, 2018 $	Year Ended February 28, 2017 $
EXPENSES		
Advertising and promotion (Note 6)	51,242	-
Consulting fees (Note 6)	28,800	21,000
Filing fees	19,997	10,683
Office and general (Note 6)	17,653	5,972
Professional fees	68,800	13,050
Rent (Note 6)	8,250	3,200
Loss before other item	(194,742)	(53,905)
Other item:		
Loss on disposable of exploration and evaluation asset (Note 3)	(26,986)	-
Net loss and comprehensive loss for the year	(221,728)	53,905
Net loss per share, basic and diluted	(0.08)	(0.04)
Weighted average shares outstanding, basic and diluted	2,746,858	1,292,949

(The accompanying notes are an integral part of these financial statements)

CROP INFRASTRUCTURE CORP.
(formerly Fortify Resources Inc.)
Statements of Changes in Deficiency
(Expressed in Canadian Dollars)

	Share Capital			
	Number of Shares	Amount $	Deficit $	Total $
Balance, February 29, 2016	1,292,949	284,521	(272,799)	11,722
Net loss for the year	-	-	(53,905)	(53,905)
Balance, February 28, 2017	1,292,949	284,521	(326,704)	(42,183)
Share issued for cash	1,734,242	208,109	-	208,109
Net loss for the year	-	-	(221,728)	(221,728)
Balance, February 28, 2018	3,027,191	492,630	(548,432)	(55,802)

(The accompanying notes are an integral part of these financial statements)

CROP INFRASTRUCTURE CORP.
(formerly Fortify Resources Inc.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 28, 2018 $	Year Ended February 28, 2017 $
Operating Activities		
Net loss	(221,728)	(53,905)
Item not involving cash:		
Loss on disposal of exploration and evaluation asset	26,986	-
	(194,742)	(53,905)
Changes in non-cash working capital items:		
Amounts receivable	(3,310)	(1,190)
Accounts payable and accrued liabilities	(7,350)	3,434
Net cash used in operating activities	(205,402)	(51,661)
Investing Activities		
Exploration and evaluation expenditures, net of tax credits	-	(5,000)
Proceeds from disposal of exploration and evaluation asset	10,000	-
Net cash provided by (used in) investing activities	10,000	(5,000)
Financing Activities		
Issuance of common shares	208,109	-
Due to related parties	(11,145)	24,370
Net cash provided by financing activities	196,964	24,370
Increase (decrease) in cash	1,562	(32,291)
Cash, beginning of year	4,121	36,412
Cash, end of year	5,683	4,121
Supplemental information:		
Interest paid	-	-
Income taxes paid	-	-

(The accompanying notes are an integral part of these financial statements)

1. Nature of Business and Going Concern

Crop Infrastructure Corp. (the "Company") was incorporated on May 31, 2011, under the British Columbia Business Corporations Act. The Company changed its name from Fortify Resources Inc. to Crop Infrastructure Corp. on March 5, 2018. The Company's head office is located at Suite 600, 535 Howe Street, Vancouver, V6C 2Z4.

The Company is engaged in the acquisition and exploration of mineral properties in Canada. To maintain exploration programs, mineral property interests, and develop future projects beyond the exploration stage, the Company will need additional funding.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at February 28, 2018, the Company incurred a net loss of $221,728, had an accumulated deficit of $548,432 and a working capital deficiency of $55,802. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, these factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business. Such adjustments could be material.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee.

These financial statements were authorized for issue by the Board of Directors on May 28, 2018.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets and unrecognized deferred income tax assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

2. Summary of Significant Accounting Policies (continued)

(c) Use of Estimates and Judgments (continued)

The assessment of whether the going concern assumption is appropriate requires management to make judgments regarding all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period. The Company is aware that material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of change in value to be cash equivalents.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant, and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(f) Impairment of Non-financial Assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of operations. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

2. Summary of Significant Accounting Policies (continued)

(f) Impairment of Non-financial Assets (continued)

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of operations. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(g) Restoration and Environmental Rehabilitation Provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

The Company has no restoration, rehabilitation and environmental costs to date.

(h) Loss Per Share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Potentially dilutive securities were excluded from the calculation of dilutive loss per share as they are anti-dilutive.

2. Summary of Significant Accounting Policies (continued)

(i) Income Tax

Income tax is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in the statement of operations except to the extent that it relates to a business combination, or items recognized directly in equity or in the other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred income tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable income.

Recognition of deferred income tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred income tax assets. The Company recognizes a previously unrecognized deferred income tax asset to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

(j) Financial Instruments

The Company does not have any derivative financial instruments.

Non-derivative financial assets

The Company classifies financial assets as either financial assets at fair value through profit or loss, available-for-sale, or loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Assets are classified as financial assets at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition, and are measured at fair value with changes in fair value and transaction costs recognized in the statement of operations when incurred.

Available-for-sale financial assets are non-derivatives that are either designated in this category or are not classified in any other financial asset category. They are measured at fair value and changes in fair value other than impairment losses and foreign currency differences are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to the statement of operations.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

The Company classifies its cash as financial assets at fair value through profit or loss. The Company did not have any financial assets classified as loans and receivable, available-for-sale or held-to-maturity.

2. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Non-derivative financial liabilities

The Company classified financial liabilities as other liabilities. Such financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable, and due to related parties are classified as other liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial asset are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the assets have been impacted. Factors that could indicate impairment of financial assets include significant financial difficulty, default or delinquency in payment, bankruptcy, or financial reorganization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(k) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserves. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserves. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

2. Summary of Significant Accounting Policies (continued)

(l) Accounting Standards Issued But Not Yet Effective

Accounting standards adopted during the year

There were no new or revised accounting standards scheduled for mandatory adoption on March 1, 2017 that affected the Company's financial statements.

Standards, amendments and interpretations not yet effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning January 1, 2018 or later years.

The following accounting policies will be adopted by the Company effective March 1, 2018:

IFRS 2 *'Share-based payments'* In June 2016, the IASB issued the final amendments to IFRS 2 Share-based payments that clarify the classification and measurement of share-based payment transactions. This includes the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are to be applied prospectively and are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

IFRS 9, *Financial Instruments*, addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

The following standard will be adopted by the Company effective March 1, 2019:

IFRS 16 'Leases': IFRS 16 will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently assessing the impact of the adoption of this standard on the Company's financial statements.

(Expressed in Canadian Dollars)

3. Exploration and Evaluation Asset

	Sericite East Property $
Acquisition costs:	
Balance, February 29, 2016 and February 28, 2017	7,322
Exploration costs:	
Balance, February 29, 2016	24,664
Additions	5,000
Balance, February 28, 2017 and 2018	29,664
Carrying amounts:	
Acquisition and exploration costs	36,986
Proceeds of from disposal of exploration and evaluation asset	(10,000)
Loss on disposal of exploration and evaluation asset	(26,986)
Balance, February 28, 2018	-

The Company owns a 100% interest in the Sericite East Property located in British Columbia, Canada, consisting of two mineral claims.

On November 28, 2017, the Company disposed the Sericite East Property for $10,000 and as a result recognized a loss of $26,986.

4. Accounts Payable and Accrued Liabilities

	2018 $	2017 $
Accounts payable	55,859	59,974
Accrued liabilities	-	3,235
	55,859	63,209

(Expressed in Canadian Dollars)

5. Share Capital

(a) Authorized

The Company is authorized to issue unlimited common shares without par value

(b) Issued and outstanding

As at February 28, 2018, there were 3,027,191 common shares issued and outstanding

On April 28, 2017, the Company closed a non-brokered private placement and issued 1,734,242 units at $0.12 per unit for cash proceeds of $208,109. Each unit is composed of one common share and one share purchase warrant. Each warrant entitles the holder to acquire a common share of the Company at $0.12 per share for a period of three years. There was no value allocated to the warrants.

There were no share capital transactions during the year ended February 28, 2017.

(c) Stock Option Plan

On March 22, 2012, the Company approved a Stock Option Plan (the "Plan") authorizing the issuance of a maximum of 10% of the Company's outstanding common shares on each grant date, inclusive of all shares reserved for issuance pursuant to previously granted stock options. Stock options to purchase common shares of the Company under the Plan may be granted by the Board of Directors to a director, officer, employee or consultant of the Company. The stock options are subject to vesting limitations, exercise price, and exercise periods, to a maximum term of 5 years, as determined by the Board of Directors. As of February 28, 2018 and 2017, the Company has no outstanding stock options.

(d) Share Purchase Warrants

A summary of the Company's outstanding and exercisable warrants as at February 28, 2018 and the changes during the years are as follows:

	Number of warrants outstanding	Exercise price	Weighted average remaining life (in years)
Balance, February 29, 2016 and February 28, 2017	-	$ -	-
Issued	1,734,242	$ 0.12	2.16
Balance, February 28, 2018	1,734,242	$0.12	2.16

The 1,734,242 warrants have expiry date of April 28, 2020.

(Expressed in Canadian Dollars)

6. Related Party Transactions and Balances

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.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	February 28, 2018	February 28, 2017
	$	$
Accounts payable and accrued liabilities	-	40,500

The amounts were due to a company with a common officer and director of the Company. The amounts were non-interest bearing, unsecured and are due upon demand.

As at February 28, 2018, the amount of $13,225 (2017 - $7,000) included in due to related parties was payable to the Chief Financial Officer ("CFO") of the Company. As at February 27, 2017, the Company had an amount of $17,370 included in due to related parties payable to the Chief Executives Officer ("CEO") and a company with a common officer and director of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions:

	Year ended February 28, 2018	Year ended February 28, 2017
	$	$
Advertising and promotion	40,000	-
Office expenses	7,758	2,250
Consulting fees	28,800	21,000
Rent	8,250	-
Total	84,808	23,250

The Company incurred consulting fees of $28,800 (2017 - $7,000) to the CFO and $Nil (2017 - $14,000) to the CEO of the Company.

Advertising and promotion, office expenses and rent were paid to a company with a common officer and director of the Company.

These expenditures have occurred in the normal course of the business and are measured at the amount of consideration, approximate to fair value, as established and agreed to by the related parties.

7. Capital Management

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration of mineral property interests. Management has not established a quantitative capital structure, but reviews on a regular basis the capital requirements of the Company relative to the stage of development of the business entity and mineral property interest and market conditions.

The Company currently is dependent on externally provided equity financing to fund its exploration activities. In order to carry out planned exploration and fund administrative costs, the Company will concentrate its capital plans to raise additional amounts as needed through equity financing. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets and the exploration industry. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended February 28, 2018.

8. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Total $
Cash	5,683	–	–	5,683

The fair values of other financial instruments, which include accounts payable and due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash. Cash is held either within a legal trust or with a major financial institution in Canada that has a high credit quality as determined by rating agencies. The carrying amount of the financial assets represents the maximum credit exposure.

(c) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company has minimal exposure to foreign exchange risk as the Company operates within Canada.

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash is not significantly affected by changes in short- term interest rates.

(Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions.

(f) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

9. Income Taxes

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2018 $	2017 $
Statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(57,649)	(14,015)
Tax effect of:		
Change in tax rate and others	(5,366)	-
Change in unrecognized deferred income tax assets	63,015	14,015
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	2018 $	2017 $
Non-capital losses carried forward	148,077	84,942
Exploration and evaluation assets	-	120
Unrecognized deferred income tax assets	(148,077)	(85,062)
Net deferred income tax asset	-	-

(Expressed in Canadian Dollars)

9. Income Taxes (continued)

As at February 28, 2018, the Company has non-capital losses carried forward of $548,432 which are available to offset future years' taxable income. These losses expire as follows:

	$
2032	63,760
2033	83,186
2034	69,022
2035	34,266
2036	22,565
2037	53,905
2038	221,728
	548,432

10. Subsequent events

(a) On March 13, 2018, the Company granted 5,500,000 stock options to its officers, directors and consultants of the Company. Options vested on grant date, are exercisable at $0.50 per share with expiry date of March 13, 2019.

(b) On March 2, 2018, the Company completed a transaction pursuant to a business combination agreement dated November 3, 2017 with DV Infrastructure Corp. ("DVI") and its wholly-owned subsidiary, 1137129 B.C. Ltd. ("1137129"). The Company acquired all of the issued and outstanding common shares in the capital of DVI. In exchange for the interest in DVI, the Company issued 64,752,700 common shares and issued 26,076,100 common share purchase warrants. As part of the business combination agreement the Company completed a three-cornered amalgamation, in which 1137129 amalgamated with DVI. The transaction will result in a reverse takeover of the Company by the shareholders of DVI.

(c) On May 2, 2018 the Company closed a non-brokered private placement for gross proceeds of $4,349,270 by issuance of 10,873,175 units. Each unit consists of one common share and one half share purchase warrant. Each full warrant entitles the holder to purchase one additional common share at $0.55 per share for a period of 18 months following the issuance date. The Company paid $11,450 in commissions in conjunction with the financing and has issued 26,250 broker warrants exercisable on the same terms as the warrant issued in the financing.

(d) The Company has also settled $340,700 of debt in shares at $0.40.

(e) The Company entered into an agreement with Humboldt Holdings LLC ("Humboldt"), a limited liability company incorporated under the laws of the State of California, whereby the Company has agreed to advance up to US$2,000,000 (US$1,278,950 advanced) for the 30% interest in Humboldt.